Volume 4

STATUTES OF CALIFORNIA

AND DIGESTS OF MEASURES

2004

Constitution of 1879 as Amended

Measures Submitted to Vote of Electors,
Primary Election, March 2, 2004
and General Election, November 2, 2004

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

2003–04 Regular Session
2003–04 Third Extraordinary Session
2003–04 Fourth Extraordinary Session
2003–04 Fifth Extraordinary Session

Compiled by
DIANE F. BOYER-VINE
Legislative Counsel

CHAPTER 511

An act to amend Sections 656 and 793 of, and to add Sections 656.5, 656.6, and 793.5 to, the Penal Code, relating to former jeopardy.

[Approved by Governor September 14, 2004. Filed with Secretary of State September 14, 2004.]

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

SECTION 1. Section 656 of the Penal Code is amended to read:

656. Whenever on the trial of an accused person it appears that upon a criminal prosecution under the laws of the United States, or of another state or territory of the United States based upon the act or omission in respect to which he or she is on trial, he or she has been acquitted or convicted, it is a sufficient defense.

SEC. 2. Section 656.5 is added to the Penal Code, to read:

656.5. Any person convicted of a crime based upon an act or omission for which he or she has been acquitted or convicted in another country shall be entitled to credit for any actual time served in custody in a penal institution in that country for the crime, and for any additional time credits that would have actually been awarded had the person been incarcerated in California.

SEC. 3. Section 656.6 is added to the Penal Code, to read:

656.6. No international treaties or laws shall be violated to secure the return of a person who has been convicted in another country of a crime committed in California in order to prosecute the person in California.

SEC. 4. Section 793 of the Penal Code is amended to read:

793. When an act charged as a public offense is within the jurisdiction of the United States, or of another state or territory of the United States, as well as of this state, a conviction or acquittal thereof in that other jurisdiction is a bar to the prosecution or indictment in this state.

SEC. 5. Section 793.5 is added to the Penal Code, to read:

793.5. Any person convicted of a crime based upon an act or omission for which he or she has been acquitted or convicted in another country shall be entitled to credit for any actual time served in custody in a penal institution in that country for the crime.

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 that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or

changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 512

An act to amend Section 76 of the Penal Code, relating to criminal threats.

[Approved by Governor September 14, 2004. Filed with Secretary of State September 14, 2004.]

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 public official, county public defender, county clerk, exempt appointee of the Governor, judge, or Deputy Commissioner of the Board of Prison Terms, or the staff, immediate family, or immediate family of the staff of any elected public official, county public defender, county clerk, exempt appointee of the Governor, judge, or Deputy Commissioner of the Board of Prison Terms, 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 that has knowledge of a violation of this section involving a constitutional officer of the state, a Member of the Legislature, or a member of the judiciary shall immediately report that information to the Department of the California Highway Patrol.

(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.

(4) ''Staff of a judge'' means court officers and employees, including commissioners, referees, and retired judges sitting on assignment.

(5) ''Threat'' means a verbal or written threat or a threat implied by a pattern of conduct or a combination of verbal or written statements and conduct made with the intent and the apparent ability to carry out the threat so as to cause the person who is the target of the threat to reasonably fear for his or her safety or the safety of his or her immediate family.

(d) As for threats against staff or immediate family of staff, the threat must relate directly to the official duties of the staff of the elected public official, county public defender, county clerk, exempt appointee of the Governor, judge, or Deputy Commissioner of the Board of Prison Terms in order to constitute a public offense under this section.

(e) A threat must relate directly to the official duties of a Deputy Commissioner of the Board of Prison Terms in order to constitute a public offense under 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 that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 513

An act to add Sections 1798.210, 1798.211, and 1799.112 to the Health and Safety Code, relating to emergency medical services.

[Approved by Governor September 14, 2004. Filed with Secretary of State September 14, 2004.]

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

SECTION 1. Section 1798.210 is added to the Health and Safety Code, to read:

1798.210. (a) The authority may impose an administrative fine of up to two thousand five hundred dollars ($2,500) per violation on any licensed paramedic found to have committed any of the actions described by subdivision (c) of Section 1798.200 that did not result in

actual harm to a patient. Fines may not be imposed if a paramedic has previously been disciplined by the authority for any other act committed within the immediately preceding five-year period.

(b) The authority shall adopt regulations establishing an administrative fine structure, taking into account the nature and gravity of the violation. The administrative fine shall not be imposed in conjunction with a suspension for the same violation, but may be imposed in conjunction with probation for the same violation except when the conditions of the probation require a paramedic's personal time or expense for training, clinical observation, or related corrective instruction.

(c) In assessing the fine, the authority shall give due consideration to the appropriateness of the amount of the fine with respect to factors that include the gravity of the violation, the good faith of the paramedic, the history of previous violations, any discipline imposed by the paramedic's employer for the same occurrence of that conduct, as reported pursuant to Section 1799.112, and the totality of the discipline to be imposed. The imposition of the fine shall be subject to the administrative adjudication provisions set forth in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(d) If a paramedic does not pay the administrative fine imposed by the authority and chooses not to renew his or her license, the authority may enforce the order for repayment in any appropriate court. This right of enforcement shall be in addition to any other rights the authority may have to require a paramedic to pay costs.

(e) In any action for collection of an administrative fine, proof of the authority's decision shall be conclusive proof of the validity of the order of payment and the terms for payment.

(f) (1) Except as provided in paragraph (2), the authority shall not license or renew the license of any paramedic who has failed to pay an administrative fine ordered under this section.

(2) The authority may, in its discretion, conditionally license or renew for a maximum of one year the license of any paramedic who demonstrates financial hardship and who enters into a formal agreement with the authority to reimburse the authority within that one-year period for the unpaid fine.

(g) All funds recovered under this section shall be deposited into the state General Fund.

(h) Nothing in this section shall preclude the authority from imposing an administrative fine in any stipulated settlement.

(i) For purposes of this section, ''licensed paramedic'' includes a paramedic whose license has lapsed or has been surrendered.

SEC. 2. Section 1798.211 is added to the Health and Safety Code, to read:

1798.211. When making a decision regarding a disciplinary action pursuant to Section 1798.200 or Section 1798.210, the authority, and when applicable the administrative law judge, shall give credit for discipline imposed by the employer and for any immediate suspension imposed by the local EMS agency for the same conduct.

SEC. 3. Section 1799.112 is added to the Health and Safety Code, to read:

1799.112. (a) EMT-P employers shall report in writing to the local EMS agency medical director and the authority and provide all supporting documentation within 30 days of whenever any of the following actions are taken:

(1) An EMT-P is terminated or suspended for disciplinary cause or reason.

(2) An EMT-P resigns following notice of an impending investigation based upon evidence indicating disciplinary cause or reason.

(3) An EMT-P is removed from paramedic duties for disciplinary cause or reason following the completion of an internal investigation.

(b) The reporting requirements of subdivision (a) do not require or authorize the release of information or records of an EMT-P who is also a peace officer protected by Section 832.7 of the Penal Code.

(c) For purposes of this section, ''disciplinary cause or reason'' means only an action that is substantially related to the qualifications, functions, and duties of a paramedic and is considered evidence of a threat to the public health and safety as identified in subdivision (c) of Section 1798.200.

(d) Pursuant to subdivision (i) of Section 1798.24 of the Civil Code, upon notification to the paramedic, the authority may share the results of its investigation into a paramedic's misconduct with the paramedic's employer, prospective employer when requested in writing as part of a preemployment background check, and the local EMS agency.

(e) The information reported or disclosed in this section shall be deemed in the nature of an investigative communication and is exempt from disclosure as a public record by subdivision (f) of Section 6254 of the Government Code.

(f) A paramedic applicant or licensee to whom the information pertains may view the contents, as set forth in subdivision (a) of Section 1798.24 of the Civil Code, of a closed investigation file upon request during the regular business hours of the authority.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will

be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 514

An act to amend Section 9250.14 of the Vehicle Code, relating to vehicles, and making an appropriation therefor.

[Approved by Governor September 14, 2004. Filed with Secretary of State September 14, 2004.]

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

SECTION 1. Section 9250.14 of the Vehicle Code is amended to read:

9250.14. (a) (1) In addition to any other fees specified in this code and the Revenue and Taxation Code, upon the adoption of a resolution by any county board of supervisors, a fee of one dollar ($1) shall be paid at the time of registration or renewal of registration of every vehicle, except vehicles described in subdivision (a) of Section 5014.1, registered to an address within that county except those expressly exempted from payment of registration fees. The fees, after deduction of the administrative costs incurred by the department in carrying out this section, shall be paid quarterly to the Controller.

(2) In addition to the one dollar ($1) service fee, and upon the implementation of the permanent trailer identification plate program, and as part of the Commercial Vehicle Registration Act of 2001, all commercial motor vehicles subject to Section 9400.1 registered to an owner with an address in the county that established a service authority under this section, shall pay an additional service fee of two dollars ($2).

(b) Notwithstanding Section 13340 of the Government Code, the money paid to the Controller is continuously appropriated, without regard to fiscal years, for the administrative costs of the Controller, and for disbursement by the Controller to each county that has adopted a resolution pursuant to subdivision (a), based upon the number of vehicles registered, or whose registration is renewed, to an address within that county.

(c) Except as otherwise provided in this subdivision, money allocated to a county pursuant to subdivision (b) shall be expended exclusively to fund programs that enhance the capacity of local police and prosecutors

to deter, investigate, and prosecute vehicle theft crimes. In any county with a population of 250,000 or less, the money shall be expended exclusively for those vehicle theft crime programs and for the prosecution of crimes involving driving while under the influence of alcohol or drugs, or both, in violation of Section 23152 or 23153, or vehicular manslaughter in violation of Section 191.5 or subdivision (c) of Section 192 of the Penal Code, or any combination of those crimes.

(d) No money collected pursuant to this section shall be expended to offset a reduction in any other source of funds, nor for any purpose not authorized under this section.

(e) Any funds received by a county prior to January 1, 2000, pursuant to this section that are not expended to deter, investigate, or prosecute crimes pursuant to subdivision (c) shall be returned to the Controller, for deposit in the Motor Vehicle Account in the State Transportation Fund. Those funds received by a county shall be expended in accordance with this section.

(f) Each county that adopts a resolution under subdivision (a) shall submit, on or before the 13th day following the end of each quarter, a quarterly expenditure and activity report to the designated statewide Vehicle Theft Investigation and Apprehension Coordinator in the Department of the California Highway Patrol.

(g) A county that imposes a fee under subdivision (a) shall issue a fiscal yearend report to the Controller on or before August 31 of each year summarizing all of the following:

(1) The total revenues received by the county under subdivision (b) for the immediately preceding fiscal year.

(2) The total expenditures by the county under subdivision (c) for the immediately preceding fiscal year.

(3) A summary of vehicle theft abatement activities and other vehicle theft programs funded by the fees collected under this section.

(4) The total number of stolen vehicles recovered and the value of those vehicles during the immediately preceding fiscal year.

(5) The total number of vehicles stolen during the immediately preceding fiscal year as compared to the fiscal year prior to the immediately preceding fiscal year.

(6) Any additional, unexpended fee revenues received under subdivision (b) for the county for the immediately preceding fiscal year.

(h) Each county that fails to submit the report required pursuant to subdivision (g) by November 30 of each year shall have the fee suspended by the Controller for one year, commencing on July 1 following the Controller's determination that a county has failed to submit the report.

(i) (1) On or before January 1, 2006, and on or before January 1 annually thereafter, the Controller shall provide to the Department of the

California Highway Patrol copies of the yearend reports submitted by the counties under subdivision (g), and, in consultation with the Department of the California Highway Patrol, shall review the fiscal yearend reports submitted by each county pursuant to subdivision (g) to determine if fee revenues are being utilized in a manner consistent with this section. If the Controller determines that the use of the fee revenues is not consistent with this section, the Controller shall consult with the participating counties' designated regional coordinators. If the Controller determines that the fee revenues are still not consistent with this section, the authority to collect the fee by that county shall be suspended for one year.

(2) If the Controller determines that a county has not submitted a fiscal yearend report as required in subdivision (g), the authorization to collect the service fee shall be suspended for one year pursuant to subdivision (h).

(3) When the Controller determines that a fee shall be suspended for a county, the Controller shall inform the Department of Motor Vehicles on or before January 1, 2006, and on or before January 1 annually thereafter, that the authority to collect a fee for that county is suspended.

(j) On or before January 1, 2006, and on or before January 1 annually thereafter, the Controller shall prepare and submit to the Legislature a revenue and expenditure summary for each participating county that includes all of the following:

(1) The total revenues received by each county.

(2) The total expenditures by each county.

(3) The unexpended revenues for each county.

(k) The Department of the California Highway Patrol, in consultation with all participating county designated regional coordinators, shall review the effectiveness of reducing vehicle theft crimes that were funded by the fees imposed by this section. The Department of the California Highway Patrol shall provide a report based on that review and, on or before January 1, 2009, shall submit that report to the Legislature.

(*l*) For the purposes of this section, a county designated regional coordinator is that agency designated by the participating county's board of supervisors as the agency in control of its countywide vehicle theft apprehension program.

(m) This section shall remain in effect only until January 1, 2010, and as of that date is repealed, unless a later enacted statute that is enacted on or before January 1, 2010, deletes or extends that date.

CHAPTER 515

An act to add and repeal Section 487h of the Penal Code, relating to theft.

[Approved by Governor September 14, 2004. Filed with Secretary of State September 14, 2004.]

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

SECTION 1. Section 487h is added to the Penal Code, to read:

487h. (a) Every person who steals, takes, or carries away cargo of another, when the cargo taken is of a value exceeding four hundred dollars ($400), except as provided in Sections 487, 487a, and 487d, is guilty of grand theft.

(b) For the purposes of this section, ''cargo'' means any goods, wares, products, or manufactured merchandise that has been loaded into a trailer, railcar, or cargo container, awaiting or in transit.

(c) This section shall remain in effect only until January 1, 2010, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2010, deletes or extends that date.

SEC. 2. Section 487h is added to the Penal Code, to read:

487h. (a) Every person who steals, takes, or carries away cargo of another, when the cargo taken is of a value exceeding eight hundred dollars ($800), except as provided in Sections 487, 487a, and 487d, is guilty of grand theft.

(b) For the purposes of this section, ''cargo'' means any goods, wares, products, or manufactured merchandise that has been loaded into a trailer, railcar, or cargo container, awaiting or in transit.

(c) This section shall remain in effect only until January 1, 2010, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2010, deletes or extends that date.

SEC. 3. Section 2 of this bill shall become operative only if AB 2705 is enacted, in which case Section 1 of this bill shall not become operative.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

———

CHAPTER 516

An act to amend Section 830.1 of the Penal Code, relating to peace officers.

[Approved by Governor September 14, 2004. Filed with Secretary of State September 14, 2004.]

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

SECTION 1. Section 830.1 of the Penal Code is amended to read:

830.1. (a) Any sheriff, undersheriff, or deputy sheriff, employed in that capacity, of a county, any chief of police of a city or chief, director, or chief executive officer of a consolidated municipal public safety agency that performs police functions, any police officer, employed in that capacity and appointed by the chief of police or chief, director, or chief executive of a public safety agency, of a city, any chief of police, or police officer of a district, including police officers of the San Diego Unified Port District Harbor Police, authorized by statute to maintain a police department, any marshal or deputy marshal of a superior court or county, any port warden or port police officer of the Harbor Department of the City of Los Angeles, or any inspector or investigator employed in that capacity in the office of a district attorney, is a peace officer. The authority of these peace officers extends to any place in the state, as follows:

(1) As to any public offense committed or which there is probable cause to believe has been committed within the political subdivision that employs the peace officer or in which the peace officer serves.

(2) Where the peace officer has the prior consent of the chief of police or chief, director, or chief executive officer of a consolidated municipal public safety agency, or person authorized by him or her to give consent, if the place is within a city or of the sheriff, or person authorized by him or her to give consent, if the place is within a county.

(3) As to any public offense committed or which there is probable cause to believe has been committed in the peace officer's presence, and with respect to which there is immediate danger to person or property, or of the escape of the perpetrator of the offense.

(b) The Attorney General and special agents and investigators of the Department of Justice are peace officers, and those assistant chiefs, deputy chiefs, chiefs, deputy directors, and division directors designated as peace officers by the Attorney General are peace officers. The authority of these peace officers extends to any place in the state where a public offense has been committed or where there is probable cause to believe one has been committed.

(c) Any deputy sheriff of the County of Los Angeles, and any deputy sheriff of the Counties of Butte, Kern, Humboldt, Imperial, Mendocino, Plumas, Riverside, San Diego, Santa Barbara, Shasta, Siskiyou, Solano, Sonoma, Sutter, Tehama, and Tuolumne who is employed to perform duties exclusively or initially relating to custodial assignments with responsibilities for maintaining the operations of county custodial facilities, including the custody, care, supervision, security, movement, and transportation of inmates, is a peace officer whose authority extends to any place in the state only while engaged in the performance of the duties of his or her respective employment and for the purpose of carrying out the primary function of employment relating to his or her custodial assignments, or when performing other law enforcement duties directed by his or her employing agency during a local state of emergency.

CHAPTER 517

An act to add Section 11055 to the Penal Code, relating to foreign prosecution.

[Approved by Governor September 14, 2004. Filed with Secretary of State September 14, 2004.]

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

SECTION 1. Section 11055 is added to the Penal Code, to read:

11055. (a) There is within the Department of Justice the Foreign Prosecution and Law Enforcement Unit designated with the responsibility for assisting local law enforcement agencies with foreign prosecutions, child abduction recoveries and returns under the Hague Convention on the Civil Aspects of International Child Abduction, and law enforcement investigative matters. The unit is also responsible for assisting local law enforcement in obtaining information from foreign officials on foreign prosecution matters.

(b) The Foreign Prosecution and Law Enforcement Unit shall do all of the following:

(1) For those countries having extraterritorial jurisdiction allowing for the prosecution of their citizens for crimes committed in California, the unit shall, upon request, provide informational assistance to local law enforcement on foreign prosecution protocols and provide technical assistance in preparing investigative materials for forwarding and filing in international jurisdiction. The unit shall provide information and assistance on the scope and uses of foreign prosecution to California

prosecutors and law enforcement agencies. The unit shall be responsible for tracking foreign prosecution cases presented by California law enforcement agencies. The unit shall collect information on a statewide basis regarding foreign prosecution cases for the primary purpose of analyzing the information it collects and disseminating its conclusions to local law enforcement agencies. Local law enforcement agencies shall retain the authority to prepare and present foreign prosecution cases without the assistance of the unit.

(2) The unit shall assist district attorneys in recovering children from Mexico, and, where appropriate, other countries either in court-ordered returns pursuant to the Hague Convention or voluntary returns.

(3) The unit shall, upon request, assist local law enforcement agencies and foreign law enforcement in formal requests under the Mutual Legal Assistance Treaty. The unit shall, upon request, also assist California law enforcement agencies and foreign officials in informal requests for mutual legal assistance.

(4) The unit, under the direction of the Attorney General, shall provide information to local law enforcement on sensitive diplomatic issues.

CHAPTER 518

An act to add Section 3322 to the Civil Code, to amend Section 7236 of the Revenue and Taxation Code, and to amend Sections 22507.5, 23114, and 34501.12 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 14, 2004. Filed with Secretary of State September 14, 2004.]

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

SECTION 1. Section 3322 is added to the Civil Code, to read:

3322. (a) (1) A broker of construction trucking services shall pay all transportation charges submitted by a motor carrier of property in dump truck equipment by the 25th day following the last day of the calendar month in which the transportation was performed, if the charges, including all necessary documentation, are submitted by the fifth day following the last day of the calendar month in which the transportation was performed. If there is a good faith dispute over a portion of the charges claimed, the broker may withhold payment of an amount not to exceed 150 percent of the estimated cost of the disputed amount.

(2) A broker who violates paragraph (1) shall pay to the motor carrier of property in dump truck equipment a penalty of 2 percent per month on the improperly withheld amount.

(3) In an action for the collection of moneys not paid in accordance with paragraph (1), the prevailing party shall be entitled to his or her attorney's fees and costs.

(b) For purposes of subdivision (a), the following definitions apply:

(1) A ''broker of construction trucking services'' means any person, excluding a licensed contractor, that, as a principal or agent, arranges for transportation services to be provided by an independent contractor motor carrier of property in dump truck equipment and who is responsible for paying the transportation charges of the motor carrier.

(2) A ''motor carrier of property in dump truck equipment'' means a motor carrier of property permitted by the Department of Motor Vehicles that hauls any type of construction commodity or material in dump truck equipment.

(c) Subdivision (a) only applies if a motor carrier of property is in compliance with Division 14.85 (commencing with Section 36000) of the Vehicle Code at the time the dump truck transportation work is performed.

SEC. 2. Section 7236 of the Revenue and Taxation Code is amended to read:

7236. (a) Uniform business license tax fee payments collected by the Department of Motor Vehicles pursuant to Section 7232 shall be deposited in the State Treasury to the credit of the General Fund. All other funds collected by the Department of Motor Vehicles pursuant to Section 7232 shall be deposited in the State Treasury to the credit of the Motor Vehicle Account in the State Transportation Fund. The following fees shall be paid to the department:

(1) For-hire motor carriers of property shall pay, according to the following schedule, fees indicated as the safety fee and uniform business license tax fee, based on the size of their motor vehicle fleet.

(2) Private carriers of property with a fleet size of 10 or less motor vehicles shall pay a fee of thirty-five dollars ($35). Private carriers of property with a fleet size of 11 or more motor vehicles shall pay, according to the following schedule, fees indicated as the safety fee, based on the size of their motor vehicle fleet. Any carrier that does not pay a uniform business license tax fee shall not operate as a for-hire motor carrier.

(3) A seasonal permit may be issued to a motor carrier of property upon payment of fees indicated as the safety fee and one-twelfth of the fee indicated as the uniform business license tax fee, rounded to the next dollar, for each month the permit is valid. The original seasonal permit shall be valid for a period of not less than six months, and may be

renewed upon payment of a five-dollar ($5) fee, and one-twelfth of the fee indicated as a uniform business license tax fee for each additional month of operation.

Fleet Size—Commercial Motor Vehicles Fee	Safety Fee	Uniform Business License Tax
1	$60	$60
2–4	$75	$125
5–10	$200	$275
11–20	$240	$470
21–35	$325	$650
36–50	$430	$880
51–100	$535	$1,075
101–200	$635	$1,300
201–500	$730	$1,510
501–1,000	$830	$1,715
1,001–2,000	$930	$1,900
2,001–over	$1,030	$2,000

Notwithstanding the above fee schedule, motor carriers of property with 10 or fewer trucks shall not pay fees higher than they would have paid under the fee structure in place as of January 1, 1996. Notwithstanding Section 34606 of the Vehicle Code, fees for these carriers shall not be subject to an increase by the Department of Motor Vehicles.

(b) Funds derived from safety fees shall remain in the Motor Vehicle Account in the State Transportation Fund and shall be available for appropriation by the Legislature to cover costs incurred by the Department of Motor Vehicles and the Department of the California Highway Patrol in regulating motor carriers of property pursuant to Division 14.85 (commencing with Section 34600) of the Vehicle Code.

(c) It is the intent of the Legislature that the fee schedule established in subdivision (a) shall not discriminate against small fleet or individual vehicle operators or result in a disproportionate share of those fees being assigned to small fleet or individual vehicle operators.

SEC. 3. Section 22507.5 of the Vehicle Code is amended to read:

22507.5. (a) Notwithstanding Section 22507, local authorities may, by ordinance or resolution, prohibit or restrict the parking or standing of vehicles on certain streets or highways, or portions thereof, between the hours of 2 a.m. and 6 a.m., and may, by ordinance or resolution, prohibit or restrict the parking or standing, on any street, or portion thereof, in a residential district, of commercial vehicles having

a manufacturer's gross vehicle weight rating of 10,000 pounds or more. The ordinance or resolution relating to parking between the hours of 2 a.m. and 6 a.m. may provide for a system of permits for the purpose of exempting from the prohibition or restriction of the ordinance or resolution, disabled persons, residents, and guests of residents of residential areas, including, but not limited to, high-density and multiple-family dwelling areas, lacking adequate offstreet parking facilities. The ordinance or resolution relating to the parking or standing of commercial vehicles in a residential district, however, shall not be effective with respect to any commercial vehicle, or trailer component thereof, making pickups or deliveries of goods, wares, and merchandise from or to any building or structure located on the restricted streets or highways or for the purpose of delivering materials to be used in the actual and bona fide repair, alteration, remodeling, or construction of any building or structure upon the restricted streets or highways for which a building permit has previously been obtained.

(b) Subdivision (a) of this section is applicable to vehicles specified in subdivision (a) of Section 31303, except that an ordinance or resolution adopted pursuant to subdivision (a) of this section shall not permit the parking of those vehicles which is otherwise prohibited under this code.

(c) For the purpose of implementing this section, each local authority may, by ordinance, define the term ''residential district'' in accordance with its zoning ordinance. The ordinance is not effective unless the legislative body of the local authority holds a public hearing on the proposed ordinance prior to its adoption, with notice of the public hearing given in accordance with Section 65090 of the Government Code.

SEC. 4. Section 23114 of the Vehicle Code is amended to read:

23114. (a) A vehicle may not be driven or moved on any highway unless the vehicle is so constructed, covered, or loaded as to prevent any of its contents or load other than clear water or feathers from live birds from dropping, sifting, leaking, blowing, spilling, or otherwise escaping from the vehicle.

(b) (1) Aggregate material shall only be carried in the cargo area of a vehicle. The cargo area shall not contain any holes, cracks, or openings through which that material may escape, regardless of the degree to which the vehicle is loaded, except as provided in paragraph (2).

(2) Every vehicle used to transport aggregate materials, regardless of the degree to which the vehicle is loaded, shall be equipped with all of the following:

(A) Properly functioning seals on any openings used to empty the load, including, but not limited to, bottom dump release gates and tailgates.

(B) Splash flaps behind every tire, or set of tires, regardless of position on the truck, truck tractor, or trailer.

(C) Center flaps at a location to the rear of each bottom dump release gate as to trucks or trailers equipped with bottom dump release gates. The center flap may be positioned directly behind the bottom dump release gate and in front of the rear axle of the vehicle, or it may be positioned to the rear of the rear axle in line with the splash flaps required behind the tires. The width of the center flap may extend not more than one inch from one sidewall to the opposite sidewall of the inside tires and shall extend to within five inches of the pavement surface, and may be not less than 24 inches from the bottom edge to the top edge of that center flap.

(D) Fenders starting at the splash flap with the leading edge of the fenders extending forward at least six inches beyond the center of the axle which cover the tops of tires not already covered by the truck, truck tractor, or trailer body.

(E) Complete enclosures on all vertical sides of the cargo area, including, but not limited to, tailgates.

(F) Shed boards designed to prevent aggregate materials from being deposited on the vehicle body during top loading.

(c) Vehicles comprised of full rigid enclosures are exempt only from subparagraphs (C) and (F) of paragraph (2) of subdivision (b).

(d) For purposes of this section, ''aggregate material'' means rock fragments, pebbles, sand, dirt, gravel, cobbles, crushed base, asphalt, and other similar materials.

(e) (1) In addition to subdivisions (a) and (b), a vehicle may not transport any aggregate material upon a highway unless the material is covered.

(2) Vehicles transporting loads composed entirely of asphalt material are exempt only from the provisions of this section requiring that loads be covered.

(3) Vehicles transporting loads composed entirely of petroleum coke material are not required to cover their loads if they are loaded using safety procedures, specialized equipment, and a chemical surfactant designed to prevent materials from blowing, spilling, or otherwise escaping from the vehicle.

(4) Vehicles transporting loads of aggregate materials are not required to cover their loads if the load, where it contacts the sides, front, and back of the cargo container area, remains six inches from the upper edge of the container area, and if the load does not extend, at its peak, above any part of the upper edge of the cargo container area.

(f) Any person who provides a location for vehicles to be loaded with any aggregate material or any other material shall provide a location for vehicle operators to comply with this section before entering a highway.

(1) A person is exempt from the requirements of this subdivision if the location that he or she provides for vehicles to be loaded with the materials described in this subdivision has 100 yards or less between the scale houses where the trucks carrying aggregate material are weighed and the point of egress to a public road.

(2) A driver of a vehicle loaded with aggregate material leaving locations exempted from the requirements of this subdivision is authorized to operate on public roads only until that driver is able to safely cover the load at a site near the location's point of egress to the public road. Except as provided under paragraph (4) of subdivision (e), an uncovered vehicle described in this paragraph may not operate more than 200 yards from the point of egress to the public road.

SEC. 5. Section 34501.12 of the Vehicle Code is amended to read:

34501.12. (a) Notwithstanding Section 408, as used in this section and Sections 34505.5 and 34505.6, ''motor carrier'' means the registered owner of any vehicle described in subdivision (a), (b), (e), (f), or (g) of Section 34500, except in the following circumstances:

(1) The registered owner leases the vehicle to another person for a term of more than four months. If the lease is for more than four months, the lessee is the motor carrier.

(2) The registered owner operates the vehicle exclusively under the authority and direction of another person. If the operation is exclusively under the authority and direction of another person, that other person may assume the responsibilities as the motor carrier. If not so assumed, the registered owner is the motor carrier. A person who assumes the motor carrier responsibilities of another pursuant to subdivision (b) shall provide to that other person whose motor carrier responsibility is so assumed, a completed copy of a departmental form documenting that assumption, stating the period for which responsibility is assumed, and signed by an agent of the assuming person. A legible copy shall be carried in each vehicle or combination of vehicles operated on the highway during the period for which responsibility is assumed. That copy shall be presented upon request by any authorized employee of the department. The original completed departmental form documenting the assumption shall be provided to the department within 30 days of the assumption. If the assumption of responsibility is terminated, the person who had assumed responsibility shall so notify the department in writing within 30 days of the termination.

(b) (1) A motor carrier may combine two or more terminals that are not subject to an unsatisfactory compliance rating within the last 36 months for purposes of the inspection required by subdivision (d) subject to all of the following conditions:

(A) The carrier identifies to the department, in writing, each terminal proposed to be included in the combination of terminals for purposes of

this subdivision prior to an inspection of the designated terminal pursuant to subdivision (d).

(B) The carrier provides the department, prior to the inspection of the designated terminal pursuant to subdivision (d), a written listing of all its vehicles of a type subject to subdivision (a), (b), (e), (f), or (g) of Section 34500 that are based at each of the terminals combined for purposes of this subdivision. The listing shall specify the number of vehicles of each type at each terminal.

(C) The carrier provides to the department at the designated terminal during the inspection all maintenance records and driver records and a representative sample of vehicles based at each of the terminals included within the combination of terminals.

(2) If the carrier fails to provide the maintenance records, driver records, and representative sample of vehicles pursuant to subparagraph (C) of paragraph (1), the department shall assign the carrier an unsatisfactory terminal rating and require a reinspection to be conducted pursuant to subdivision (h).

(3) For purposes of this subdivision, the following terms have the meanings given:

(A) ''Driver records'' includes pull notice system records, driver proficiency records, and driver timekeeping records.

(B) ''Maintenance records'' includes all required maintenance, lubrication, and repair records and drivers' daily vehicle condition reports.

(C) ''Representative sample'' means the following, applied separately to the carrier's fleet of motortrucks and truck tractors and its fleet of trailers:

Fleet Size	Representative Sample
1 or 2	All
3 to 8	3
9 to 15	4
16 to 25	6
26 to 50	9
51 to 90	14
91 or more	20

(c) Each motor carrier who, in this state, directs the operation of, or maintains, any vehicle of a type described in subdivision (a) shall designate one or more terminals, as defined in Section 34515, in this state where vehicles can be inspected by the department pursuant to paragraph (4) of subdivision (a) of Section 34501 and where vehicle

inspection and maintenance records and driver records will be made available for inspection.

(d) (1) The department shall inspect, at least every 25 months, every terminal, as defined in Section 34515, of any motor carrier who, at any time, operates any vehicle described in subdivision (a).

(2) The department shall place an inspection priority on those terminals operating vehicles listed in subdivision (g) of Section 34500.

(3) As used in this section and in Sections 34505.5 and 34505.6, subdivision (f) of Section 34500 includes only those combinations where the gross vehicle weight rating (GVWR) of the towing vehicle exceeds 10,000 pounds, but does not include a pickup truck, and subdivision (g) of Section 34500 includes only those vehicles transporting hazardous material for which the display of placards is required pursuant to Section 27903, a license is required pursuant to Section 32000.5, or for which hazardous waste transporter registration is required pursuant to Section 25163 of the Health and Safety Code. Historical vehicles, as described in Section 5004, vehicles that display special identification plates in accordance with Section 5011, implements of husbandry and farm vehicles, as defined in Chapter 1 (commencing with Section 36000) of Division 16, and vehicles owned or operated by an agency of the federal government are not subject to this section or to Sections 34505.5 and 34505.6.

(e) (1) It is the responsibility of the motor carrier to schedule with the department the inspection required by subdivision (d). The motor carrier shall submit an application form supplied by the department, accompanied by the required fee. The initial fee, which is nonrefundable, for a carrier that initially enrolls into the program, is six hundred fifty dollars ($650) per terminal. The initial fee is four hundred dollars ($400) for a motor carrier that owns, leases, or otherwise operates not more than one heavy power unit and not more than three towed vehicles subject to this section. The renewal fee, which is nonrefundable, is four hundred dollars ($400) per terminal, except in the case of a motor carrier who owns, leases, or otherwise operates not more than one heavy power unit and not more than three towed vehicles subject to this section, for which the fee shall be one hundred dollars ($100). Federal, state, and local public entities are exempt from the fee requirements of this section.

(2) Except as provided in paragraph (4), the inspection term for each inspected terminal of a motor carrier shall expire 25 months from the date the terminal receives a satisfactory compliance rating, as specified in subdivision (h). Applications and fees for subsequent inspections shall be submitted not earlier than nine months and not later than seven months before the expiration of the motor carrier's then current inspection term. If the motor carrier has submitted the inspection application and the required accompanying fees, but the department is

unable to complete the inspection within the 25-month inspection period, then no additional fee shall be required for the inspection requested in the original application.

(3) All fees collected pursuant to this subdivision shall be deposited in the Motor Vehicle Account in the State Transportation Fund. An amount equal to the fees collected shall be available for appropriation by the Legislature from the Motor Vehicle Account to the department for the purpose of conducting truck terminal inspections and for the additional roadside safety inspections required by Section 34514.

(4) To avoid the scheduling of a renewal terminal inspection pursuant to this section during a carrier's seasonal peak business periods, the current inspection term of a terminal that has paid all required fees and has been rated satisfactory in its last inspection may be reduced by not more than nine months if a written request is submitted by the carrier to the department at least four months prior to the desired inspection month, or at the time of payment of renewal inspection fees in compliance with paragraph (2), whichever date is earlier. A motor carrier may request this adjustment of the inspection term during any inspection cycle. A request made pursuant to this paragraph shall not result in a fee proration and does not relieve the carrier from the requirements of paragraph (2).

(f) It is unlawful for a motor carrier to operate any vehicle subject to this section without having submitted an inspection application and the required fees to the department as required by subdivision (e) or (h).

(g) It is unlawful for any motor carrier to operate any vehicle subject to this section after submitting an inspection application to the department, without the inspection described in subdivision (d) having been performed and a safety compliance report having been issued to the motor carrier within the 25-month inspection period or within 60 days immediately preceding the inspection period.

(h) (1) Any inspected terminal that receives an unsatisfactory compliance rating shall be reinspected within 120 days after the issuance of the unsatisfactory compliance rating.

(2) A terminal's first required reinspection under this subdivision shall be without charge unless one or more of the following is established:

(A) The motor carrier's operation presented an imminent danger to public safety.

(B) The motor carrier was not in compliance with the requirement to enroll all drivers in the pull notice program pursuant to Section 1808.1.

(C) The motor carrier failed to provide all required records and vehicles for a consolidated inspection pursuant to subdivision (b).

(3) If the unsatisfactory rating was assigned for any of the reasons set forth in paragraph (2), the carrier shall submit the required fee as provided in paragraph (4).

(4) Applications for reinspection pursuant to paragraph (3) or for second and subsequent consecutive reinspections under this subdivision shall be accompanied by the fee specified in paragraph (1) of subdivision (e) and shall be filed within 60 days of issuance of the unsatisfactory compliance rating. The reinspection fee is nonrefundable.

(5) When a motor carrier's Motor Carrier of Property Permit or Public Utilities Commission operating authority is suspended as a result of an unsatisfactory compliance rating, the department shall conduct no reinspection until requested to do so by the Department of Motor Vehicles or the Public Utilities Commission, as appropriate.

(i) It is the intent of the Legislature that the department make its best efforts to inspect terminals within the resources provided. In the interest of the state, the Commissioner of the California Highway Patrol may extend for a period, not to exceed six months, the inspection terms beginning prior to July 1, 1990.

(j) To encourage motor carriers to attain continuous satisfactory compliance ratings, the department may establish and implement an incentive program consisting of the following:

(1) After the second consecutive satisfactory compliance rating assigned to a motor carrier terminal as a result of an inspection conducted pursuant to subdivision (d), and after each consecutive satisfactory compliance rating thereafter, an appropriate certificate, denoting the number of consecutive satisfactory ratings, shall be awarded to the terminal, unless the terminal has received an unsatisfactory compliance rating as a result of any inspection conducted in the interim between the consecutive inspections conducted under subdivision (d), or the motor carrier is rated unsatisfactory by the department following a controlled substances and alcohol testing program inspection. The certificate authorized under this paragraph shall not be awarded for performance in the administrative review authorized under paragraph (2). However, the certificate shall include a reference to any administrative reviews conducted during the period of consecutive satisfactory compliance ratings.

(2) Unless the department's evaluation of the motor carrier's safety record indicates a declining level of compliance, a terminal that has attained two consecutive satisfactory compliance ratings assigned following inspections conducted pursuant to subdivision (d) is eligible for an administrative review in lieu of the next required inspection, unless the terminal has received an unsatisfactory compliance rating as a result of any inspection conducted in the interim between the

consecutive inspections conducted under subdivision (d). An administrative review shall consist of all of the following:

(A) A signed request by a terminal management representative requesting the administrative review in lieu of the required inspection containing a promise to continue to maintain a satisfactory level of compliance for the next 25-month inspection term.

(B) A review with a terminal management representative of the carrier's record as contained in the department's files. If a terminal has been authorized a second consecutive administrative review, the review required under this subparagraph is optional, and may be omitted at the carrier's request.

(C) Absent any cogent reasons to the contrary, upon completion of the requirements of subparagraphs (A) and (B), the safety compliance rating assigned during the last required inspection shall be extended for 25 months.

(3) Not more than two administrative reviews may be conducted consecutively. At the completion of the 25-month inspection term following a second administrative review, a terminal inspection shall be conducted pursuant to subdivision (d). If this inspection results in a satisfactory compliance rating, the terminal shall again be eligible for an administrative review in lieu of the next required inspection. If the succession of satisfactory ratings is interrupted by any rating of other than satisfactory, irrespective of the reason for the inspection, the terminal shall again attain two consecutive satisfactory ratings to become eligible for an administrative review.

(4) As a condition for receiving the administrative reviews authorized under this subdivision in lieu of inspections, and in order to ensure that compliance levels remain satisfactory, the motor carrier shall agree to accept random, unannounced inspections by the department.

(k) This section shall be known and may be cited as the Biennial Inspection of Terminals Program or BIT.

CHAPTER 519

An act to amend Section 115825 of, and to add and repeal Section 115843.5 of, the Health and Safety Code, relating to drinking water.

[Approved by Governor September 14, 2004. Filed with Secretary of State September 14, 2004.]

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

SECTION 1. Section 115825 of the Health and Safety Code is amended to read:

115825. (a) It is hereby declared to be the policy of this state that multiple use should be made of all public water within the state, to the extent that multiple use is consistent with public health and public safety.

(b) Except as provided in this article, recreational uses shall not, with respect to a reservoir in which water is stored for domestic use, include recreation in which there is bodily contact with the water by any participant.

SEC. 2. Section 115843.5 is added to the Health and Safety Code, to read:

115843.5. (a) In the Canyon Lake Reservoir, recreational uses shall not include recreation in which any participant has bodily contact with the water, unless both of the following conditions are satisfied:

(1) The water subsequently receives complete water treatment, in compliance with all applicable department regulations, including coagulation, flocculation, sedimentation, filtration, and disinfection, before being used for domestic purposes. The disinfection shall include, but is not limited to, an advanced technology capable of inactivating organisms, including, but not limited to, viruses, cryptosporidium, and giardia, to levels that comply with department regulations. By January 1, 2006, the disinfection shall include, but not be limited to, ozonation or ultraviolet disinfection in compliance with the federal Environmental Protection Agency Long-Term 2 Enhanced Surface Water Treatment regulations.

(2) The reservoir is operated in compliance with regulations of the department.

(b) The recreational use may be subject to additional conditions and restrictions adopted by the entity operating the water supply reservoir or required by the department, if those conditions and restrictions do not conflict with regulations of the department, and are required to further protect or enhance the public health and safety. The department shall, prior to requiring any additional conditions and restrictions, consult with the entity operating the water supply reservoir regarding the proposed conditions and restrictions at least 60 days prior to the effective date of those conditions or restrictions.

(c) The Elsinore Valley Municipal Water District shall, by January 1, 2007, file a report with the Legislature on the recreational uses at Canyon Lake Reservoir and the water treatment program. The report shall include, but not necessarily be limited to, all of the following information:

(1) Participation in watershedwide activities to improve water quality in the Canyon Lake Reservoir.

(2) Annual results of volatile organic compounds, general minerals, and nutrients testing results provided to the department.

(3) A summary of available monitoring in the Canyon Lake Reservoir provided to the department for giardia and cryptosporidium.

(4) The most current sanitary survey of the watershed and water quality monitoring plan.

(5) A summary of monthly reports provided to the department on intake water bacteria and water quality.

(6) A summary of monthly reports provided to the department on water usage in Canyon Lake Reservoir.

(7) An evaluation of the impact on source water quality due to recreational activities on the Canyon Lake Reservoir, including any microbiological monitoring, and a summary of monthly reports provided to the department on treatment plant performance.

(8) A summary of activities between Elsinore Valley Municipal Water District and the Canyon Lake Property Owners Association for operation of recreational uses and facilities in a manner that optimizes the water quality.

(9) The reservoir management plan and the operations plan.

(10) The annual water quality reports submitted to consumers each year.

(d) If there is a change in operation of the treatment facility or a change in the quantity of water to be treated at the treatment facility, the department may require the Elsinore Valley Municipal Water District to file a report that includes, but is not limited to, the information required pursuant to subdivision (c), and the district shall demonstrate to the satisfaction of the department that water quality will not be adversely affected.

(e) This section shall remain in effect only until January 1, 2008, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2008, deletes or extends that date.

SEC. 3. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances in the Elsinore Valley Municipal Water District. The facts constituting the special circumstances are:

Recreational activities have occurred at Canyon Lake Reservoir pursuant to an agreement between the Elsinore Valley Municipal Water District and the Canyon Lake Property Owners Association, the district and association have coordinated activities to ensure that drinking water is not affected by these recreational activities, drinking water has been provided by the district since 1957 when the water treatment plant was

constructed, major upgrades were added to the treatment plant in 1995, the district will continue to increase water treatment through new water treatment projects at the reservoir in order for bodily contact to continue, and the district will provide information to the Legislature regarding certain issues to ensure that any recreational uses at the reservoir do not affect the provision of domestic water to district customers.

CHAPTER 520

An act to amend Sections 706.034 and 1532 of the Code of Civil Procedure, to amend Section 5235 of the Family Code, to amend Sections 12461 and 12464 of, and to add Section 16582 to, the Government Code, and to amend Section 3088 of the Probate Code, relating to the Controller.

[Approved by Governor September 14, 2004. Filed with Secretary of State September 14, 2004.]

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

SECTION 1. Section 706.034 of the Code of Civil Procedure is amended to read:

706.034. The employer may deduct from the earnings of the employee the sum of one dollar and fifty cents ($1.50) for each payment made in accordance with an earnings withholding order issued pursuant to this chapter.

SEC. 2. Section 1532 of the Code of Civil Procedure is amended to read:

1532. (a) Every person filing a report as provided by Section 1530 shall pay or deliver to the Controller all escheated property specified in the report at the same time the report is filed. On and after January 1, 1997, a payment of unclaimed cash in an amount of at least twenty thousand dollars ($20,000) shall be made by electronic funds transfer pursuant to regulations adopted by the Controller.

(b) The holder of any interest under subdivision (b) of Section 1516 shall deliver a duplicate certificate to the Controller or shall register the securities in uncertificated form in the name of the Controller. Upon delivering a duplicate certificate or providing evidence of registration of the securities in uncertificated form to the Controller, the holder, any transfer agent, registrar, or other person acting for or on behalf of the holder in executing or delivering the duplicate certificate or registering the uncertificated securities, shall be relieved from all liability of every kind to any person including, but not limited to, any person acquiring the

original certificate or the duplicate of the certificate issued to the Controller for any losses or damages resulting to that person by the issuance and delivery to the Controller of the duplicate certificate or the registration of the uncertificated securities to the Controller.

(c) Payment of any intangible property to the Controller shall be made at the office of the Controller in Sacramento or at another location as the Controller by regulation may designate. Except as otherwise agreed by the Controller and the holder, tangible personal property shall be delivered to the Controller at the place where it is held.

(d) Payment is deemed complete on the date the electronic funds transfer is initiated if the settlement to the state's demand account occurs on or before the banking day following the date the transfer is initiated. If the 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) Any person required to pay cash by electronic funds transfer who makes the payment by means other than an authorized electronic funds transfer shall be liable for a civil penalty of 2 percent of the amount of the payment that is due pursuant to this section, in addition to any other penalty provided by law. Penalties are due at the time of payment. If the Controller finds that a holder's failure to make payment by an appropriate electronic funds transfer in accordance with the Controller's procedures is due to reasonable cause and circumstances beyond the holder's control, and occurred notwithstanding the exercise of ordinary care and in the absence of willful neglect, that holder shall be relieved of the penalties.

(f) An electronic funds transfer shall be accomplished by an automated clearinghouse debit, an automated clearinghouse credit, a Federal Reserve Wire Transfer (Fedwire), or by an international funds transfer. Banking costs incurred for the automated clearinghouse debit transaction by the holder shall be paid by the state. Banking costs incurred by the state for the automated clearinghouse credit transaction may be paid by the holder originating the credit. Banking costs incurred for the Fedwire transaction charged to the holder and the state shall be paid by the person originating the transaction. Banking costs charged to the holder and to the state for an international funds transfer may be charged to the holder.

(g) 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, modem, computer, or magnetic tape, so as to order, instruct, or authorize a financial institution to credit or debit an account.

(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 the state, through its designated depository bank, originates an automated clearinghouse transaction debiting the holder's bank account and crediting the state's bank account for the amount of payment.

(4) ''Automated clearinghouse credit'' means an automated clearinghouse transaction in which the holder, through its own bank, originates an entry crediting the state's bank account and debiting the holder's bank account.

(5) ''Fedwire'' means any transaction originated by the holder and utilizing the national electronic payment system to transfer funds through federal reserve banks, pursuant to which the holder debits its own bank account and credits the state's bank account.

(6) ''International funds transfer'' means any transaction originated by the holder and utilizing the international electronic payment system to transfer funds, pursuant to which the holder debits its own bank account, and credits the funds to a United States bank that credits the Unclaimed Property Fund.

SEC. 3. Section 5235 of the Family Code is amended to read:

5235. (a) The employer shall continue to withhold and forward support as required by the assignment order until served with notice terminating the assignment order. If an employer withholds support as required by the assignment order, the obligor shall not be held in contempt or subject to criminal prosecution for nonpayment of the support that was withheld by the employer but not received by the obligee. If the employer withheld the support but failed to forward the payments to the obligee, the employer shall be liable for the payments, including interest, as provided in Section 5241.

(b) Within 10 days of service of a substitution of payee on the employer, the employer shall forward all subsequent support to the governmental entity or other payee that sent the substitution.

(c) The employer shall send the amounts withheld to the obligee within the timeframe specified in federal law and shall report to the obligee the date on which the amount was withheld from the obligor's wages.

(d) The employer may deduct from the earnings of the employee the sum of one dollar and fifty cents ($1.50) for each payment made pursuant to the order.

(e) Once the State Disbursement Unit as required by Section 17309 is operational, the employer shall send all earnings withheld pursuant to this chapter to the State Disbursement Unit instead of the obligee.

SEC. 4. Section 12461 of the Government Code is amended to read:

12461. The Controller's annual report shall include:

(a) General Purpose Financial Statements prepared in accordance with Section 12460 and ''Generally Accepted Accounting Principles.''

(b) Tabular statements showing:

(1) The amount of each appropriation for the preceding fiscal year, the amounts expended, and the balance, if any.

(2) The revenues and cost of government of the state for the preceding fiscal year, classified in the manner and detail that the Controller may determine.

(3) The receipts, disbursements, and closing balances of each fund in the State Treasury for the preceding fiscal year.

(4) Variances between budgetary-legal statements prepared pursuant to Section 12460 and any statements prepared under ''Generally Accepted Accounting Principles.''

The Controller may also publish a condensed summary of the annual report.

The reports required by this article shall be published in an electronic format or printed, as determined by the Controller. The Controller shall make printed copies of the reports available upon request.

SEC. 5. Section 12464 of the Government Code is amended to read:

12464. (a) If the county, city, or district reports are not made in the time, form, and manner required or there is reason to believe that a report is false, incomplete, or incorrect, the Controller shall appoint a qualified accountant to make an investigation and to obtain the information required. The accountant appointed shall report to the Controller the results of investigation, and a copy shall be filed with the legislative body of the county, city, or district, the accounts of which were investigated. If a similar investigation has to be made of the accounts of any county, city, or district, for two successive years, a certified copy of the results of the investigation last made shall be transmitted to the grand jury of the county that was investigated or in which the city or district investigated is situated, or, if the district is situated in more than one county, in the county in which any portion of the district is situated.

(b) Any costs incurred by the Controller pursuant to subdivision (a), including contracts with, or employment of, certified public accountants or public accountants, in compiling a financial report pursuant to Section 12463 or 12463.3 shall be borne by the county, city, district, or redevelopment agency, and shall be a charge against any unencumbered funds of the county, city, district, or redevelopment agency. Any forfeiture imposed by Section 53895 or 53895.5 may be offset up to the

total costs incurred by the Controller. Any remaining balance shall be forfeited in accordance with Sections 53895 and 53895.5. Any costs incurred by the Controller in excess of the forfeiture imposed shall be a charge against any unencumbered funds of the county, city, district, or redevelopment agency.

SEC. 6. Section 16582 is added to the Government Code, to read:

16582. Within the uniform state payroll system, the Controller may, for each participant, disregard errors of twenty-five dollars ($25) or less in individual accounts receivable, if he or she has determined that time and expense will be saved in doing so.

SEC. 7. Section 3088 of the Probate Code is amended to read:

3088. (a) The court may order the spouse who has the management or control of community property to apply the income or principal, or both, of the community property to the support and maintenance of the conservatee, including care, treatment, and support of a conservatee who is a patient in a state hospital under the jurisdiction of the State Department of Mental Health or the State Department of Developmental Services, as ordered by the court.

(b) In determining the amount ordered for support and maintenance, the court shall consider the following circumstances of the spouses:

(1) The earning capacity and needs of each spouse.

(2) The obligations and assets, including the separate property, of each spouse.

(3) The duration of the marriage.

(4) The age and health of the spouses.

(5) The standard of living of the spouses.

(6) Any other relevant factors which it considers just and equitable.

(c) At the request of any interested person, the court shall make appropriate findings with respect to the circumstances.

(d) The court may order the spouse who has the management or control of community property to make a specified monthly or other periodic payment to the conservator of the person of the conservatee or to any other person designated in the order. The court may order the spouse required to make the periodic payments to give reasonable security therefor.

(e) (1) The court may order the spouse required to make the periodic payments to assign, to the person designated in the order to receive the payments, that portion of the earnings of the spouse due or to be due in the future as will be sufficient to pay the amount ordered by the court for the support and maintenance of the conservatee. The order operates as an assignment and is binding upon any existing or future employer upon whom a copy of the order is served. The order shall be in the form of an earnings assignment order for support prescribed by the Judicial Council for use in family law proceedings. The employer may deduct the sum of

one dollar and fifty cents ($1.50) for each payment made pursuant to the order. Any such assignment made pursuant to court order shall have priority as against any execution or other assignment unless otherwise ordered by the court or unless the other assignment is made pursuant to Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the Family Code. No employer shall use any assignment authorized by this subdivision as grounds for the dismissal of that employee.

(2) As used in this subdivision, ''employer'' includes the United States government and any public entity as defined in Section 811.2 of the Government Code. This subdivision applies to the money and benefits described in Sections 704.110 and 704.113 of the Code of Civil Procedure to the extent that those moneys and benefits are subject to a wage assignment for support under Chapter 4 (commencing with Section 703.010) of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure.

(f) The court retains jurisdiction to modify or to vacate an order made under this section where justice requires, except as to any amount that may have accrued prior to the date of the filing of the petition to modify or revoke the order. At the request of any interested person, the order of modification or revocation shall include findings of fact and may be made retroactive to the date of the filing of the petition to revoke or modify, or to any date subsequent thereto. At least 15 days before the hearing on the petition to modify or vacate the order, the petitioner shall mail a notice of the time and place of the hearing on the petition, accompanied by a copy of the petition, to the spouse who has the management or control of the community property. Notice shall be given for the period and in the manner provided in Chapter 3 (commencing with Section 1460) of Part 1 to any other persons entitled to notice of the hearing under that chapter.

(g) In a proceeding for dissolution of the marriage or for legal separation, the court has jurisdiction to modify or vacate an order made under this section to the same extent as it may modify or vacate an order made in the proceeding for dissolution of the marriage or for legal separation.

CHAPTER 521

An act to amend Section 21661.5 of the Public Utilities Code, relating to airports.

[Approved by Governor September 14, 2004. Filed with Secretary of State September 14, 2004.]

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

SECTION 1. Section 21661.5 of the Public Utilities Code is amended to read:

21661.5. (a) No political subdivision, any of its officers or employees, or any person may submit any application for the construction of a new airport to any local, regional, state, or federal agency unless the plan for construction is first approved by the board of supervisors of the county, or the city council of the city, in which the airport is to be located and unless the plan is submitted to the appropriate commission exercising powers pursuant to Article 3.5 (commencing with Section 21670) of Chapter 4 of Part 1 of Division 9, and acted upon by that commission in accordance with the provisions of that article.

(b) A county board of supervisors or a city council may, pursuant to Section 65100 of the Government Code, delegate its responsibility under this section for the approval of plan for construction of new helicopter landing and takeoff areas, to the county or city planning agency.

SEC. 2. The Department of Transportation shall adopt regulations, or amend existing regulations, including Section 3534 of Title 21 of the California Code of Regulations, to be consistent with the changes made by this act.

CHAPTER 522

An act to amend Section 21167.6.5 of the Public Resources Code, relating to natural resources.

[Approved by Governor September 14, 2004. Filed with Secretary of State September 14, 2004.]

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

SECTION 1. Section 21167.6.5 of the Public Resources Code is amended to read:

21167.6.5. (a) The petitioner or plaintiff shall name, as a real party in interest, any recipient of an approval that is the subject of an action or proceeding brought pursuant to Section 21167, 21168, or 21168.5, and shall serve the petition or complaint on that real party in interest, by personal service, mail facsimile, or any other method permitted by law, not later than 20 business days following service of the petition or complaint on the public agency.

(b) The public agency shall provide the petitioner or plaintiff, not later than 10 business days following service of the petition or complaint on the public agency, with a list of responsible agencies and any public agency having jurisdiction over a natural resource affected by the project.

(c) The petitioner or plaintiff shall provide the responsible agencies, and any public agency having jurisdiction over a natural resource affected by the project, with notice of the action or proceeding within 15 days of receipt of the list described in subdivision (b).

(d) Failure to name potential parties, other than those real parties in interest described in subdivision (a), is not grounds for dismissal pursuant to Section 389 of the Code of Civil Procedure.

(e) Nothing in this section is intended to affect an existing right of a party to intervene in the action.

CHAPTER 523

An act to amend Sections 24045.2, 24045.3, 24045.4, 24045.6, 24045.9, and 24045.15 of the Business and Professions Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 14, 2004. Filed with Secretary of State September 14, 2004.]

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

SECTION 1. Section 24045.2 of the Business and Professions Code is amended to read:

24045.2. (a) The department may issue a special temporary retail package off-sale beer and wine license to: (1) a television station, supported wholly or in part by public membership subscription, which is a nonprofit, charitable corporation exempt from payment of income taxes under the provisions of the Internal Revenue Code of 1954 of the United States, or (2) a nonprofit, charitable corporation exempt from payment of income taxes under the provisions of the Internal Revenue Code of 1954 of the United States that receives and administers donations for a noncommercial, educational television station or public broadcasting station supported wholly or in part by public membership subscription. An applicant for this license shall accompany the application with a fee of one hundred dollars ($100).

(b) This license shall only entitle the licensee to sell at auction beer and wine donated to it. Notwithstanding any other provision of this

division, a licensee may donate beer, wine, or both beer and wine, to a corporation licensed under this section, provided donations are not made in connection with a sale of an alcoholic beverage.

(c) This license shall be for a period not exceeding 30 days. Only one license shall be issued to any corporation in a calendar year.

SEC. 2. Section 24045.3 of the Business and Professions Code is amended to read:

24045.3. (a) The department may issue a special temporary retail package off-sale beer and wine license to a women's educational and charitable organization that is a part of a national organization having at least 10 chapters in California at least one of which has been incorporated since 1928, whose purpose is to foster interest among its members in the social, economic, and civic conditions of their community and to give effective volunteer service. An applicant for this license shall accompany the application with a fee of one hundred dollars ($100).

(b) This license shall only entitle the licensee to sell at auction for charitable purposes wine donated to it. None of the funds realized from this auction shall be used for the administrative expenses of the auction and all funds shall be placed in trust for a charitable purpose. Notwithstanding any other provision of this division, a licensee may donate wine, to an organization licensed under this section, provided that donations are not made in connection with a sale of an alcoholic beverage.

(c) This license shall be for a period not exceeding one day. Only one license shall be issued to any organization in a calendar year.

SEC. 3. Section 24045.4 of the Business and Professions Code is amended to read:

24045.4. (a) The department may issue a special temporary off-sale general license to any nonprofit corporation which is exempt from payment of income taxes under the provisions of Section 23701d of the Revenue and Taxation Code and Section 501(c)(3) of the Internal Revenue Code of 1954 of the United States. An applicant for this license shall accompany the application with a fee of one hundred dollars ($100).

(b) This license shall only entitle the licensee to sell at auction alcoholic beverages donated to it. Notwithstanding any other provision of this division, a licensee may donate alcoholic beverages to a corporation licensed under this section, provided that donations are not made in connection with a sale of an alcoholic beverage.

(c) This license shall be for a period not exceeding 30 days. Only one license shall be issued to any corporation in a calendar year.

SEC. 4. Section 24045.6 of the Business and Professions Code is amended to read:

24045.6. (a) The department may issue a special temporary on-sale or off-sale wine license to any nonprofit corporation that is exempt from payment of income taxes under Section 23701d or 23701e of the Revenue and Taxation Code and Section 501(c)(3) or 501(c)(6) of the Internal Revenue Code of 1986. An applicant for this license shall accompany the application with a fee of one hundred dollars ($100).

(b) This special license shall only entitle the licensee to sell wine bought by, or donated to, the licensee to a consumer and to any person holding a license authorizing the sale of wine. Notwithstanding any other provision of this division, a licensee may donate or sell wine to a nonprofit corporation that obtains a special temporary on-sale or off-sale license under this section, provided the donation is not made in connection with a sale of an alcoholic beverage.

(c) This special license shall be for a period not exceeding 15 days. In the event the license under this section is issued for a period exceeding two days, it shall be used solely for retail sales in conjunction with an identifiable fundraising event sponsored or conducted by the licensee and all bottles of wine sold under this license shall bear a label prominently identifying the event. Only one special license authorized by this section shall be issued to any corporation in a calendar year.

SEC. 5. Section 24045.9 of the Business and Professions Code is amended to read:

24045.9. (a) The department may issue a special temporary on-sale beer and wine license to: (1) a television station, supported wholly or in part by public membership subscription, which is a nonprofit, charitable corporation exempt from payment of income taxes under the provisions of the Internal Revenue Code of 1954 of the United States, or (2) a nonprofit, charitable corporation exempt from payment of income taxes under the provisions of the Internal Revenue Code of 1954 of the United States which receives and administers donations for a noncommercial, educational television station or public broadcasting station supported wholly or in part by public membership subscription. An applicant for this license shall accompany the application with a fee of one hundred dollars ($100).

(b) This license shall only entitle the licensee to sell and serve beer and wine donated to it. Notwithstanding any other provision of this division, a licensee may donate beer to a corporation licensed under this section, provided such donations are not made in connection with a sale of an alcoholic beverage.

(c) This license shall be for a period not exceeding 30 days. Only one license shall be issued to any corporation in a calendar year.

(d) For purposes of this section, any licensee may also serve that beer donated by him or her at any event for which the license has been issued.

(e) The department shall adopt rules as it determines necessary to implement and administer this section.

SEC. 6. Section 24045.15 of the Business and Professions Code is amended to read:

24045.15. (a) Notwithstanding any other provision of this division, the department may issue a special temporary on-sale or off-sale wine license to any nonprofit corporation having an agricultural purpose that is exempt from the payment of income taxes under Section 501(c)(5) of the Internal Revenue Code of 1986. If the nonprofit corporation's name, or any name under which the nonprofit corporation does business, includes the designation of an American viticultural area (AVA) recognized by the United States Bureau of Alcohol, Tobacco and Firearms (BATF), as set forth in Part 9 (commencing with Section 9.1) of Title 27 of the Code of Federal Regulations (27 C.F.R. 9.1 et seq.), the membership of the nonprofit corporation shall include a majority of the winegrowers located in the named AVA in order to obtain a license under this section. No more than one nonprofit corporation located in an AVA is entitled to obtain a license under this section. The applicant shall accompany the application with a fee of one hundred dollars ($100).

(b) This special license shall only entitle the licensee to sell wine donated or sold to the nonprofit corporation by the member winegrowers to consumers for the purpose of fundraising. The wine shall bear the brand name of the producing winery. Off-sale privileges shall be limited to direct mail, telephone, and online computer services. No member winegrower shall donate or sell more than 75 cases of wine per year to the nonprofit corporation and the nonprofit corporation shall sell no more than 1,000 cases of wine per year under the license. If the nonprofit corporation's name or any name under which the nonprofit corporation does business includes the designation of an American viticultural area (AVA) recognized by the United States Bureau of Alcohol, Tobacco and Firearms (BATF), as set forth in Part 9 (commencing with Section 9.1) of Title 27 of the Code of Federal Regulations (27 C.F.R. 9.1 et seq.), the wines sold by the nonprofit corporation must be entitled to use the named AVA as the appellation of origin. In order to avoid confusion between the corporation and any winery whose name also includes the designation of the named AVA, any advertising or solicitation for the sale of wine under this license by the corporation shall include a statement disclosing that the corporation is a nonprofit agricultural organization whose members include individual winegrowers or grapegrowers and whose purpose is to promote its agricultural region and improve its grapes and wines. This advertising or solicitation shall also include a complete roster of the corporation's members and a list of the brand names, varieties, and vintages of the wines offered for sale. The wine shall not be sold at less than its minimum retail price.

(c) This special license shall be for a period not exceeding 60 days. Only one special license authorized by this section shall be issued to any nonprofit corporation in a calendar year.

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

In order to ensure that revenues collected by nonprofit organizations through alcoholic beverage sales not be reduced, it is necessary that this act take effect immediately.

CHAPTER 524

An act to add and repeal Section 76104.1 of the Government Code, to amend, repeal, and add Section 1797.98e of the Health and Safety Code, and to add and repeal Section 42007.5 of the Vehicle Code, relating to emergency medical services.

[Approved by Governor September 15, 2004. Filed with Secretary of State September 15, 2004.]

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

SECTION 1. Section 76104.1 is added to the Government Code, to read:

76104.1. (a) Except as provided in subdivision (d), and notwithstanding any other provision of law, for purposes of supporting emergency medical services pursuant to Chapter 2.5 (commencing with Section 1797.98a) of Division 2.5 of the Health and Safety Code, in Santa Barbara County, a penalty of five dollars ($5.00) for every ten dollars ($10.00), or fraction thereof, shall be imposed on every fine, penalty, or forfeiture collected for criminal offenses, including all offenses involving a violation of the Vehicle Code or any local ordinance adopted pursuant to the Vehicle Code, except parking offenses subject to Article 3 (commencing with Section 40200) of Chapter 1 of Division 17 of the Vehicle Code. This penalty assessment shall be collected together with and in the same manner as the amount established by Section 1464 of the Penal Code.

(b) Notwithstanding any other provision of law, for the purposes of supporting emergency medical services pursuant to Chapter 2.5 (commencing with Section 1797.98a) of Division 2.5 of the Health and Safety Code, in Santa Barbara County, for every parking offense, as defined in subdivision (i) of Section 1463 of the Penal Code, where a

parking penalty, fine, or forfeiture is imposed, an added penalty of two dollars and fifty cents ($2.50) shall be included in the total penalty, fine, or forfeiture, together with and in the same manner as the amount established pursuant to subdivision (b) of Section 76000.

(c) The moneys collected pursuant to this section shall be held by the county treasurer in the same manner, and shall be payable for the same purposes, described in subdivision (e) of Section 76104.

(d) (1) Notwithstanding any provision of law to the contrary, in the County of Santa Barbara, the distribution set forth in subparagraph (B) of paragraph (5) of subdivision (b) of Section 1797.98a shall, instead, be 42 percent of the fund to hospitals providing disproportionate trauma and emergency medical services to uninsured patients who do not make any payment for services.

(2) Notwithstanding any provision of law to the contrary, in the County of Santa Barbara, the 17 percent distribution set forth in subparagraph (C) of paragraph (5) of subdivision (b) of Section 1797.98a shall not apply.

(e) This section shall be implemented only if the Santa Barbara County Board of Supervisors adopts a resolution stating that implementation of this section is necessary to the county for purposes of providing payment for emergency medical services.

(f) This section shall remain in effect only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends that date.

SEC. 2. Section 1797.98e of the Health and Safety Code is amended to read:

1797.98e. (a) It is the intent of the Legislature that a simplified, cost-efficient system of administration of this chapter be developed so that the maximum amount of funds may be utilized to reimburse physicians and surgeons and for other emergency medical services purposes. The administering agency shall select an administering officer and shall establish procedures and time schedules for the submission and processing of proposed reimbursement requests submitted by physicians and surgeons. The schedule shall provide for disbursements of moneys in the Emergency Medical Services Fund on at least a quarterly basis to applicants who have submitted accurate and complete data for payment. When the administering agency determines that claims for payment for physician and surgeon services are of sufficient numbers and amounts that, if paid, the claims would exceed the total amount of funds available for payment, the administering agency shall fairly prorate, without preference, payments to each claimant at a level less than the maximum payment level. Each administering agency may encumber sufficient funds during one fiscal year to reimburse claimants for losses incurred during that fiscal year for which claims will not be

received until after the fiscal year. The administering agency may, as necessary, request records and documentation to support the amounts of reimbursement requested by physicians and surgeons and the administering agency may review and audit the records for accuracy. Reimbursements requested and reimbursements made that are not supported by records may be denied to, and recouped from, physicians and surgeons. Physicians and surgeons found to submit requests for reimbursement that are inaccurate or unsupported by records may be excluded from submitting future requests for reimbursement. The administering officer shall not give preferential treatment to any facility, physician and surgeon, or category of physician and surgeon and shall not engage in practices that constitute a conflict of interest by favoring a facility or physician and surgeon with which the administering officer has an operational or financial relationship. A hospital administrator of a hospital owned or operated by a county of a population of 250,000 or more as of January 1, 1991, or a person under the direct supervision of that person, shall not be the administering officer. The board of supervisors of a county or any other county agency may serve as the administering officer. The administering officer shall solicit input from physicians and surgeons and hospitals to review payment distribution methodologies to ensure fair and timely payments. This requirement may be fulfilled through the establishment of an advisory committee with representatives comprised of local physicians and surgeons and hospital administrators. In order to reduce the county's administrative burden, the administering officer may instead request an existing board, commission, or local medical society, or physicians and surgeons and hospital administrators, representative of the local community, to provide input and make recommendations on payment distribution methodologies.

(b) Each provider of health services that receives payment under this chapter shall keep and maintain records of the services rendered, the person to whom rendered, the date, and any additional information the administering agency may, by regulation, require, for a period of three years from the date the service was provided. The administering agency shall not require any additional information from a physician and surgeon providing emergency medical services that is not available in the patient record maintained by the entity listed in subdivision (f) where the emergency medical services are provided, nor shall the administering agency require a physician and surgeon to make eligibility determinations.

(c) During normal working hours, the administering agency may make any inspection and examination of a hospital's or physician and surgeon's books and records needed to carry out the provisions of this

chapter. A provider who has knowingly submitted a false request for reimbursement shall be guilty of civil fraud.

(d) Nothing in this chapter shall prevent a physician and surgeon from utilizing an agent who furnishes billing and collection services to the physician and surgeon to submit claims or receive payment for claims.

(e) All payments from the fund pursuant to Section 1797.98c to physicians and surgeons shall be limited to physicians and surgeons who, in person, provide onsite services in a clinical setting, including, but not limited to, radiology and pathology settings.

(f) All payments from the fund shall be limited to claims for care rendered by physicians and surgeons to patients who are initially medically screened, evaluated, treated, or stabilized in any of the following:

(1) A basic or comprehensive emergency department of a licensed general acute care hospital.

(2) A site that was approved by a county prior to January 1, 1990, as a paramedic receiving station for the treatment of emergency patients.

(3) A standby emergency department that was in existence on January 1, 1989, in a hospital specified in Section 124840.

(4) For the 1991–92 fiscal year and each fiscal year thereafter, a facility which contracted prior to January 1, 1990, with the National Park Service to provide emergency medical services.

(g) Payments shall be made only for emergency medical services provided on the calendar day on which emergency medical services are first provided and on the immediately following two calendar days.

(h) Notwithstanding subdivision (g), if it is necessary to transfer the patient to a second facility providing a higher level of care for the treatment of the emergency condition, reimbursement shall be available for services provided at the facility to which the patient was transferred on the calendar day of transfer and on the immediately following two calendar days.

(i) Payment shall be made for medical screening examinations required by law to determine whether an emergency condition exists, notwithstanding the determination after the examination that a medical emergency does not exist. Payment shall not be denied solely because a patient was not admitted to an acute care facility. Payment shall be made for services to an inpatient only when the inpatient has been admitted to a hospital from an entity specified in subdivision (f).

(j) The administering agency shall compile a quarterly and yearend summary of reimbursements paid to facilities and physicians and surgeons. The summary shall include, but shall not be limited to, the total number of claims submitted by physicians and surgeons in aggregate from each facility and the amount paid to each physician and surgeon. The administering agency shall provide copies of the summary

and forms and instructions relating to making claims for reimbursement to the public, and may charge a fee not to exceed the reasonable costs of duplication.

(k) Each county shall establish an equitable and efficient mechanism for resolving disputes relating to claims for reimbursements from the fund. The mechanism shall include a requirement that disputes be submitted either to binding arbitration conducted pursuant to arbitration procedures set forth in Chapter 3 (commencing with Section 1282) and Chapter 4 (commencing with Section 1285) of Part 3 of Title 9 of the Code of Civil Procedure, or to a local medical society for resolution by neutral parties.

(*l*) This section shall remain in effect only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends that date.

SEC. 3. Section 1797.98e is added to the Health and Safety Code, to read:

1797.98e. (a) It is the intent of the Legislature that a simplified, cost-efficient system of administration of this chapter be developed so that the maximum amount of funds may be utilized to reimburse physicians and surgeons and for other emergency medical services purposes. The administering agency shall select an administering officer and shall establish procedures and time schedules for the submission and processing of proposed reimbursement requests submitted by physicians and surgeons. The schedule shall provide for disbursements of moneys in the Emergency Medical Services Fund on at least a quarterly basis to applicants who have submitted accurate and complete data for payment. When the administering agency determines that claims for payment for physician and surgeon services are of sufficient numbers and amounts that, if paid, the claims would exceed the total amount of funds available for payment, the administering agency shall fairly prorate, without preference, payments to each claimant at a level less than the maximum payment level. Each administering agency may encumber sufficient funds during one fiscal year to reimburse claimants for losses incurred during that fiscal year for which claims will not be received until after the fiscal year. The administering agency may, as necessary, request records and documentation to support the amounts of reimbursement requested by physicians and surgeons and the administering agency may review and audit the records for accuracy. Reimbursements requested and reimbursements made that are not supported by records may be denied to, and recouped from, physicians and surgeons. Physicians and surgeons found to submit requests for reimbursement that are inaccurate or unsupported by records may be excluded from submitting future requests for reimbursement. The administering officer shall not give preferential treatment to any facility,

physician and surgeon, or category of physician and surgeon and shall not engage in practices that constitute a conflict of interest by favoring a facility or physician and surgeon with which the administering officer has an operational or financial relationship. A hospital administrator of a hospital owned or operated by a county of a population of 250,000 or more as of January 1, 1991, or a person under the direct supervision of that person, shall not be the administering officer. The board of supervisors of a county or any other county agency may serve as the administering officer. The administering officer shall solicit input from physicians and surgeons and hospitals to review payment distribution methodologies to ensure fair and timely payments. This requirement may be fulfilled through the establishment of an advisory committee with representatives comprised of local physicians and surgeons and hospital administrators. In order to reduce the county's administrative burden, the administering officer may instead request an existing board, commission, or local medical society, or physicians and surgeons and hospital administrators, representative of the local community, to provide input and make recommendations on payment distribution methodologies.

(b) Each provider of health services that receives payment under this chapter shall keep and maintain records of the services rendered, the person to whom rendered, the date, and any additional information the administering agency may, by regulation, require, for a period of three years from the date the service was provided. The administering agency shall not require any additional information from a physician and surgeon providing emergency medical services that is not available in the patient record maintained by the entity listed in subdivision (f) where the medical services are provided, nor shall the administering agency require a physician and surgeon to make eligibility determinations.

(c) During normal working hours, the administering agency may make any inspection and examination of a hospital's or physician and surgeon's books and records needed to carry out the provisions of this chapter. A provider who has knowingly submitted a false request for reimbursement shall be guilty of civil fraud.

(d) Nothing in this chapter shall prevent a physician and surgeon from utilizing an agent who furnishes billing and collection services to the physician and surgeon to submit claims or receive payment for claims.

(e) All payments from the fund pursuant to Section 1797.98c to physicians and surgeons shall be limited to physicians and surgeons who, in person, provide onsite services in a clinical setting, including, but not limited to, radiology and pathology settings.

(f) All payments from the fund shall be limited to claims for care rendered by physicians and surgeons to patients who are initially

medically screened, evaluated, treated, or stabilized in any of the following:

(1) A basic or comprehensive emergency department of a licensed general acute care hospital.

(2) A site that was approved by a county prior to January 1, 1990, as a paramedic receiving station for the treatment of emergency patients.

(3) A standby emergency department that was in existence on January 1, 1989, in a hospital specified in Section 124840.

(4) For the 1991–92 fiscal year and each fiscal year thereafter, a facility which contracted prior to January 1, 1990, with the National Park Service to provide emergency medical services.

(g) Payments shall be made only for emergency services provided on the calendar day on which emergency medical services are first provided and on the immediately following two calendar days, however, payments may not be made for services provided beyond a 48-hour period of continuous service to the patient.

(h) Notwithstanding subdivision (g), if it is necessary to transfer the patient to a second facility providing a higher level of care for the treatment of the emergency condition, reimbursement shall be available for services provided at the facility to which the patient was transferred on the calendar day of transfer and on the immediately following two calendar days, however, payments may not be made for services provided beyond a 48-hour period of continuous service to the patient.

(i) Payment shall be made for medical screening examinations required by law to determine whether an emergency condition exists, notwithstanding the determination after the examination that a medical emergency does not exist. Payment shall not be denied solely because a patient was not admitted to an acute care facility. Payment shall be made for services to an inpatient only when the inpatient has been admitted to a hospital from an entity specified in subdivision (f).

(j) The administering agency shall compile a quarterly and yearend summary of reimbursements paid to facilities and physicians and surgeons. The summary shall include, but shall not be limited to, the total number of claims submitted by physicians and surgeons in aggregate from each facility and the amount paid to each physician and surgeon. The administering agency shall provide copies of the summary and forms and instructions relating to making claims for reimbursement to the public, and may charge a fee not to exceed the reasonable costs of duplication.

(k) Each county shall establish an equitable and efficient mechanism for resolving disputes relating to claims for reimbursements from the fund. The mechanism shall include a requirement that disputes be submitted either to binding arbitration conducted pursuant to arbitration procedures set forth in Chapter 3 (commencing with Section 1282) and

Chapter 4 (commencing with Section 1285) of Part 3 of Title 9 of the Code of Civil Procedure, or to a local medical society for resolution by neutral parties.

(*l*) This section shall become operative January 1, 2007.

SEC. 4. Section 42007.5 is added to the Vehicle Code, to read:

42007.5. (a) Notwithstanding paragraph (2) of subdivision (b) of Section 42007, in Santa Barbara County, upon the establishment of a Maddy Emergency Medical Services Fund pursuant to Section 1797.98a of the Health and Safety Code, the amount that would have been collected pursuant to Section 76104.1 of the Government Code shall be deposited in the Maddy Emergency Medical Services Fund established by the county pursuant to Section 1797.98a of the Health and Safety Code.

(b) The Board of Supervisors of the County of Santa Barbara shall report to the Legislature whether, and to the extent that, any actions are taken by the County of Santa Barbara to implement alternative local sources of funding.

(c) This section shall remain in effect only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends that date.

SEC. 5. The Legislature finds and declares that due to unique circumstances regarding emergency medical services in Santa Barbara County, a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution. Therefore, the special legislation contained in Section 1 of this act is necessarily applicable only to Santa Barbara County.

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.

CHAPTER 525

An act to amend Sections 21083.8.1, 21108 and 21152 of the Public Resources Code, relating to environmental quality.

[Approved by Governor September 15, 2004. Filed with Secretary of State September 15, 2004.]

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

SECTION 1. Section 21083.8.1 of the Public Resources Code is amended to read:

21083.8.1. (a) (1) For purposes of this section, ''reuse plan'' for a military base means an initial plan for the reuse of a military base adopted by a local government or a redevelopment agency in the form of a general plan, general plan amendment, specific plan, redevelopment plan, or other planning document, except that the reuse plan shall also consist of a statement of development policies, include a diagram or diagrams illustrating its provisions, and make the designation required in paragraph (2). ''Military base'' or ''base'' means a military base or reservation either closed or realigned by, or scheduled for closure or realignment by, the federal government.

(2) The reuse plan shall designate the proposed general distribution and general location of development intensity for housing, business, industry, open space, recreation, natural resources, public buildings and grounds, roads and other transportation facilities, infrastructure, and other categories of public and private uses of land.

(b) (1) When preparing and certifying an environmental impact report for a reuse plan, including when utilizing an environmental impact statement pursuant to Section 21083.5, the determination of whether the reuse plan may have a significant effect on the environment may be made in the context of the physical conditions that were present at the time that the federal decision became final for the closure or realignment of the base. The no project alternative analyzed in the environmental impact report shall discuss the existing conditions on the base, as they exist at the time that the environmental impact report is prepared, as well as what could be reasonably expected to occur in the foreseeable future if the reuse plan were not approved, based on current plans and consistent with available infrastructure and services.

(2) For purposes of this division, all public and private activities taken pursuant to, or in furtherance of, a reuse plan shall be deemed to be a single project. However, further environmental review of any such public or private activity shall be conducted if any of the events specified in Section 21166 have occurred.

(c) Prior to preparing an environmental impact report for which a lead agency chooses to utilize the provisions of this section, the lead agency shall do all of the following:

(A) Hold a public hearing at which is discussed the federal environmental impact statement prepared for, or in the process of being prepared for, the closure of the military base. The discussion shall include the significant effects on the environment examined in the environmental impact statement, potential methods of mitigating those

effects, including feasible alternatives, and the mitigative effects of federal, state, and local laws applicable to future nonmilitary activities. Prior to the close of the hearing, the lead agency may specify the baseline conditions for the reuse plan environmental impact report prepared, or in the process of being prepared, for the closure of the base. The lead agency may specify particular physical conditions that it will examine in greater detail than were examined in the environmental impact statement. Notice of the hearing shall be given as provided in Section 21092. The hearing may be continued from time to time.

(B) Identify pertinent responsible agencies and trustee agencies and consult with those agencies prior to the public hearing as to the application of their regulatory policies and permitting standards to the proposed baseline for environmental analysis, as well as to the reuse plan and planned future nonmilitary land uses of the base. The affected agencies shall have not less than 30 days prior to the public hearing to review the proposed reuse plan and to submit their comments to the lead agency.

(C) At the close of the hearing, the lead agency shall state in writing how the lead agency intends to integrate the baseline for analysis with the reuse planning and environmental review process, taking into account the adopted environmental standards of the community, including, but not limited to, the applicable general plan, specific plan, and redevelopment plan, and including other applicable provisions of adopted congestion management plans, habitat conservation or natural communities conservation plans, integrated waste management plans, and county hazardous waste management plans.

(D) At the close of the hearing, the lead agency shall state, in writing, the specific economic or social reasons, including, but not limited to, new job creation, opportunities for employment of skilled workers, availability of low- and moderate-income housing, and economic continuity, which support the selection of the baseline.

(d) (1) Nothing in this section shall in any way limit the scope of a review or determination of significance of the presence of hazardous or toxic wastes, substances, or materials including, but not limited to, contaminated soils and groundwater, nor shall the regulation of hazardous or toxic wastes, substances, or materials be constrained by prior levels of activity that existed at the time that the federal agency decision to close the military base became final.

(2) This section does not apply to any project undertaken pursuant to Chapter 6.5 (commencing with Section 25100) of, or Chapter 6.8 (commencing with Section 25300) of, Division 20 of the Health and Safety Code, or pursuant to the Porter-Cologne Water Quality Control Act (Division 7 (commencing with Section 13000) of the Water Code).

(3) This section may apply to any reuse plan environmental impact report for which a notice of preparation pursuant to subdivision (a) of Section 21092 is issued within one year from the date that the federal record of decision was rendered for the military base closure or realignment and reuse, or prior to January 1, 1997, whichever is later, if the environmental impact report is completed and certified within five years from the date that the federal record of decision was rendered.

(e) All subsequent development at the military base shall be subject to all applicable federal, state, or local laws, including, but not limited to, those relating to air quality, water quality, traffic, threatened and endangered species, noise, and hazardous or toxic wastes, substances, or materials.

SEC. 2. Section 21108 of the Public Resources Code is amended to read:

21108. (a) Whenever a state agency approves or determines to carry out a project that is subject to this division, the state agency shall file notice of that approval or that determination with the Office of Planning and Research. The notice shall indicate the determination of the state agency whether the project will, or will not, have a significant effect on the environment and shall indicate whether an environmental impact report has been prepared pursuant to this division.

(b) Whenever a state agency determines that a project is not subject to this division pursuant to subdivision (b) of Section 21080 or Section 21172, and the state agency approves or determines to carry out the project, the state agency or the person specified in subdivision (b) or (c) of Section 21065 may file notice of the determination with the Office of Planning and Research. Any notice filed pursuant to this subdivision by a person specified in subdivision (b) or (c) of Section 21065 shall have a certificate of determination attached to it issued by the state agency responsible for making the determination that the project is not subject to this division pursuant to subdivision (b) of Section 21080 or pursuant to Section 21172. The certificate of determination may be in the form of a certified copy of an existing document or record of the state agency.

(c) All notices filed pursuant to this section shall be available for public inspection, and a list of these notices shall be posted on a weekly basis in the Office of Planning and Research. Each list shall remain posted for a period of 30 days. The Office of Planning and Research shall retain each notice for not less than 12 months.

SEC. 3. Section 21152 of the Public Resources Code is amended to read:

21152. (a) Whenever a local agency approves or determines to carry out a project that is subject to this division, the local agency shall file notice of the approval or the determination within five working days after the approval or determination becomes final, with the county clerk

of each county in which the project will be located. The notice shall indicate the determination of the local agency whether the project will, or will not, have a significant effect on the environment and shall indicate whether an environmental impact report has been prepared pursuant to this division. The notice shall also include certification that the final environmental impact report, if one was prepared, together with comments and responses, is available to the general public.

(b) Whenever a local agency determines that a project is not subject to this division pursuant to subdivision (b) of Section 21080 or pursuant to Section 21172, and the local agency approves or determines to carry out the project, the local agency or the person specified in subdivision (b) or (c) of Section 21065 may file a notice of the determination with the county clerk of each county in which the project will be located. A notice filed pursuant to this subdivision by a person specified in subdivision (b) or (c) of Section 21065 shall have a certificate of determination attached to it issued by the local agency responsible for making the determination that the project is not subject to this division pursuant to subdivision (b) of Section 21080 or Section 21172. The certificate of determination may be in the form of a certified copy of an existing document or record of the local agency.

(c) All notices filed pursuant to this section shall be available for public inspection, and shall be posted within 24 hours of receipt in the office of the county clerk. A notice shall remain posted for a period of 30 days. Thereafter, the clerk shall return the notice to the local agency with a notation of the period it was posted. The local agency shall retain the notice for not less than 12 months.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a 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, within the meaning of Section 17556 of the Government Code.

CHAPTER 526

An act to add Part 8 (commencing with Section 36700) to Division 18 of the Streets and Highways Code, relating to multifamily improvement districts.

[Approved by Governor September 15, 2004. Filed with Secretary of State September 15, 2004.]

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

SECTION 1. Part 8 (commencing with Section 36700) is added to Division 18 of the Streets and Highways Code, to read:

PART 8. MULTIFAMILY IMPROVEMENT DISTRICTS

CHAPTER 1. GENERAL PROVISIONS

36700. This part shall be known and may be cited as the ''Multifamily Improvement District Law.''

36701. The Legislature finds and declares all of the following:

(a) Many businesses that operate multifamily residential properties and commercial properties within predominantly multifamily neighborhoods of California's communities are economically disadvantaged, are underutilized, and are unable to attract tenants because of inadequate facilities, services, and activities in those neighborhoods.

(b) It is in the public interest to promote the economic revitalization and physical maintenance of the multifamily residential neighborhoods to create jobs, attract new businesses, and prevent the erosion of the multifamily residential neighborhoods.

(c) It is of particular local benefit to allow cities to fund business related improvements and activities through the levy of assessments upon the businesses or real property that benefit from those improvements.

(d) Assessments levied for the purpose of providing improvements and promoting activities that benefit real property or businesses are not taxes for the general benefit of a city, but are assessments for the improvements and activities that confer special benefits upon the real property or businesses for which the improvements and activities are provided.

36702. The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)) and the Property and Business Improvement District Law of 1994 (Part 7 (commencing with Section 36600)). This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

36703. This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the

furnishing of improvements or activities or the raising of revenue for these purposes.

36704. (a) Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part.

(b) A multifamily improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

(c) Any provision in this part that conflicts with any other provision of law shall prevail over the other provision of law.

(d) This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect.

(e) Assessments levied under this part are not special taxes.

(f) Consistent with Article XIII C of the California Constitution, no assessment shall be imposed under this part on any property which exceeds the reasonable cost of the proportional special benefit conferred on that property. Only special benefits are assessable, and a city shall separate the general benefits from the special benefits conferred on any property.

36705. As used in this part:

(a) ''Activities'' means, but is not limited to, all of the following:

(1) Providing security services supplemental to those normally provided by the city.

(2) Maintaining, including irrigating, landscaping.

(3) Providing sanitation, graffiti removal, street and sidewalk cleaning, and other public services supplemental to those normally provided by the city.

(4) Marketing, advertising, and promoting economic development, including the retention and recruitment of businesses and tenants.

(5) Providing managerial services for multifamily residential businesses.

(6) Providing building inspection and code enforcement services for multifamily residential businesses supplemental to those normally provided by the city.

(b) ''Assessment'' means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and promoting activities which will benefit the properties or businesses located within a multifamily improvement district.

(c) ''Business'' means all types of businesses, including, but not limited to, the operation of multifamily residential properties, retail

stores, commercial properties, financial institutions, and professional offices.

(d) ''City'' means a city, county, city and county, or an agency or entity created pursuant to the Joint Exercise of Powers Act, Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, the public member agencies of which includes only cities, counties, or a city and county.

(e) ''City council'' means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

(f) ''Improvement'' means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to:

(1) Parking facilities.

(2) Benches, booths, kiosks, display cases, pedestrian shelters, signs, and entry monuments.

(3) Trash receptacles.

(4) Street lighting.

(5) Street decorations.

(6) Parks.

(7) Fountains.

(8) Planting areas.

(9) Closing, opening, widening, or narrowing of existing streets.

(10) Facilities or equipment, or both, to enhance the security of persons and property within the district.

(11) Ramps, sidewalks, plazas, and pedestrian malls.

(12) Rehabilitation or removal of existing structures.

(g) ''Management district plan'' or ''plan'' means a proposal as described in Section 36713.

(h) ''Multifamily improvement district,'' or ''district,'' means a multifamily improvement district established pursuant to this part.

(i) ''Owners' association'' means a private nonprofit entity that is under contract with a city to administer or implement activities and improvements specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose.

(j) ''Property'' means real property situated within a multifamily improvement district.

(k) ''Property owner'' or ''owner'' means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. The city council has no

obligation to obtain other information as to the ownership of land, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this subdivision requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient.

(*l*) ''Tenant'' means an occupant pursuant to a lease or a rental agreement of commercial space or a dwelling unit, other than an owner.

CHAPTER 2. FORMATION

36710. (a) A multifamily improvement district may be established pursuant to this chapter.

(b) A city may not form a multifamily improvement district on or after January 1, 2012, unless a later statute which is enacted on or before January 1, 2012, deletes or extends that date.

36711. A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

36712. (a) Upon the submission of a written petition, signed by either more than two-thirds of the property owners or more than two-thirds of the business owners in the proposed district, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district.

(b) The petition of the property owners or the business owners required pursuant to subdivision (a) shall include all of the following:

(1) A map showing the general boundaries of the proposed district.

(2) A general description of the proposed activities and improvements to be carried out by the district.

(3) A general description of how the proposed district will be financed, and whether bonds are proposed to be issued.

(c) The resolution of intention described in subdivision (a) shall contain all of the following:

(1) A brief description of the proposed activities and improvements, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or on businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.

(2) Order the preparation of a management district plan by a registered professional engineer certified by the state.

36713. The management district plan shall contain all of the following:

(a) A map of the proposed district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district.

(b) The name of the proposed district.

(c) A description of the boundaries of the proposed district, including the boundaries of any benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected lands and businesses included. Under no circumstances shall the boundaries of a proposed district overlap with the boundaries of another existing district created pursuant to this part. Nothing in this part prohibits the boundaries of a district created pursuant to this part to overlap with other assessment districts.

(d) The improvements and activities proposed for each year of operation of the district and the maximum cost thereof.

(e) The total annual amount proposed to be expended for improvements, maintenance and operations, and debt service in each year of operation of the district.

(f) The proposed source or sources of financing including the proposed method and basis of levying the assessment in sufficient detail to allow each property owner or each business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan shall also state whether bonds will be issued to finance improvements.

(g) The time and manner of collecting the assessments.

(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding those time limitations, a district that finances improvements with bonds may levy assessments until the maximum maturity of those bonds, not to exceed 20 years. The management district plan may set forth specific increases in assessments for each year of operation of the district.

(i) The proposed time for implementation and completion of the management district plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k) A list of the properties or the businesses to be assessed, including the assessor's parcel numbers for any properties to be assessed, and a statement of the method or upon benefited real property or businesses, in proportion to the benefit received by the property or the business, to defray the cost thereof, including operation and maintenance. The plan

may provide that all or any class or category of real property which is exempt by law from real property taxation may nevertheless be included within the boundaries of the district but shall not be subject to assessment on real property.

(*l*) Any other item or matter required to be incorporated therein by the city council.

36714. (a) Except as provided in this section, the city council shall comply with the notice, protest, and hearing procedures in Section 53753 of the Government Code.

(b) However, notwithstanding the provisions of Section 53753 of the Government Code, if the assessment will be levied on businesses and not on property owners, the required notice shall be provided to the businesses that would be assessed, and only the assessment ballots submitted by the owners of those businesses shall be tabulated in determining whether a majority protest exists.

(c) Notwithstanding subdivision (e) of Section 53753 of the Government Code, the city may not establish the district or levy assessments if the assessment ballots submitted, and not withdrawn, in opposition to the proposed assessment exceed one-third of the total assessment ballots submitted, and not withdrawn, weighting those assessment ballots by the amount of the proposed assessment to be imposed upon the identified parcel for which each assessment ballot was submitted.

36715. At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed district that will exclude territory that will not benefit from the proposed improvements or activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36718.

36716. (a) If the city council, following the public hearing, decides to establish the proposed district, the city council shall adopt a resolution of formation that shall contain all of the following:

(1) A brief description of the proposed activities and improvements, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement about whether bonds will be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable

an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.

(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A determination regarding any protests received. The city shall not establish the district or levy assessments if the assessment ballots submitted, and not withdrawn, in opposition to the proposed assessment exceed one-third of the total assessment ballots submitted, and not withdrawn, weighting those assessment ballots by the amount of the proposed assessment to be imposed upon the identified parcel for which each assessment ballot was submitted.

(5) A statement that the properties or businesses in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements and activities to be provided in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district.

(7) A finding that the property or the businesses within the area of the district will be benefited by the improvements and activities funded by the assessments proposed to be levied.

(b) The adoption of the resolution of formation and recordation of the notice and map pursuant to Section 36718 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

36717. If the city council, following the public hearing, desires to establish the proposed district, and the city council has not made changes pursuant to Section 36715, or has made changes that do not substantially change the proposed assessment, the city council shall adopt a resolution establishing the district. The resolution shall contain all of the information specified in paragraphs (1) to (8), inclusive, of subdivision (a) of Section 36716, but need not contain information about the preliminary resolution if none has been adopted.

36718. Following the adoption of the resolution establishing the district pursuant to Section 36716 or 36717, the clerk of the city shall record a notice and an assessment diagram pursuant to Section 3114. If the assessment is levied on businesses, the text of the recorded notice shall be modified to reflect that the assessment will be levied on businesses, or specified categories of businesses, within the area of the

district. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

36719. The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose different assessments within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose different assessments or rates of assessment on each category of business, or on each category of business within each zone.

36720. The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements and activities.

36721. All provisions of this part applicable to the establishment, modification, or disestablishment of a district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a district.

36722. If a district expires due to the time limit set pursuant to subdivision (h) of Section 36713, a new management district plan may be created and a new district established pursuant to this part.

CHAPTER 3. ASSESSMENTS

36730. The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution establishing the management district plan described in Section 36713. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part shall be charged interest and penalties.

36731. (a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.

(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the

district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

(c) Properties used for single-family residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

36732. The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36717. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

36733. The city council may execute baseline service contracts that would establish levels of city services that would continue after a has been formed.

36734. The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

36735. (a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. Notice of the public hearing and the proposed modifications shall be published as provided in Section 36714. If the modification includes the levy of a new or increased assessment, the city council shall comply with Sections 36714 and 53753 of the Government Code.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

36736. Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36718.

36737. (a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36716, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10

(commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36716, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 20 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

CHAPTER 4. GOVERNANCE

36740. Notwithstanding any other provision of this part, an owners' association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), for all documents relating to activities of the district.

36741. (a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

(1) Any proposed changes in the boundaries of the district or in any benefit zones or classification of property or businesses within the district.

(2) The improvements and activities to be provided for that fiscal year.

(3) An estimate of the cost of providing the improvements and the activities for that fiscal year.

(4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.

(5) The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6) The amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36734 and 36735.

(d) The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

36742. The management district plan may, but is not required to, state that an owners' association will provide the improvements or activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

36743. (a) Any district previously established whose term has expired, may be renewed by following the procedures for establishment as provided in this chapter.

(b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or the businesses in the prior district. If the renewed district does not include parcels or the businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.

(c) Upon renewal, a district shall have a term not to exceed 10 years. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

36744. (a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and

unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:

(1) If the city council finds there has been a misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.

(2) During the operation of the district, there shall be a 30-day period each year in which assessees may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners of real property or of businesses in the area who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall give notice of the public hearing on the proposed disestablishment.

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the district. The notice of the hearing on the proposed disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

36745. (a) Upon the disestablishment of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.

(b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the

assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

CHAPTER 527

An act to amend Sections 6459, 6480.1, 43152.14, 43201, 43350, 45351, 46156, 46301, 50120.1, 55061, and 55101 of, to amend and renumber Section 6480.3 of, and to repeal Section 6451.5 of, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 15, 2004. Filed with Secretary of State September 15, 2004.]

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

SECTION 1. Section 6451.5 of the Revenue and Taxation Code is repealed.

SEC. 2. Section 6459 of the Revenue and Taxation Code is amended to read:

6459. (a) The board for good cause may extend for not to exceed one month the time for making any return or paying any amount required to be paid under this part. The extension may be granted at any time provided a request therefor is filed with the board within or prior to the period for which the extension may be granted.

Any person to whom an extension is granted shall pay, in addition to the tax, interest at the modified adjusted rate per month, or fraction thereof, established pursuant to Section 6591.5, from the date on which the tax would have been due without the extension until the date of payment.

(b) The board may grant an extension for more than one month if both of the following conditions occur:

(1) A budget for the state has not been adopted by July 1.

(2) The person requesting the extension is a creditor of the state who has not been paid because of the state's failure to timely adopt a budget.

Any extension granted under this subdivision shall expire no later than the last day of the month following the month in which the budget is adopted or one month from the due date of the return or payment, whichever comes later.

Any person to whom an extension has been granted under this subdivision shall pay, in addition to the tax, interest at the modified adjusted rate per month, or fraction thereof, established pursuant to Section 6591.5, from the date on which the tax would have been due without the extension until the date of payment. However, no interest

shall be due on that portion of the payment equivalent to the amount due to the person from the state on the due date of the payment.

SEC. 3. Section 6480.1 of the Revenue and Taxation Code is amended to read:

6480.1. (a) At any time that motor vehicle fuel tax or diesel fuel tax is imposed or would be imposed, but for the dyed diesel fuel exemption in paragraph (1) of subdivision (a) of Section 60100, or the train operator exemption in paragraph (7) of subdivision (a) of Section 60100 or paragraph (11) of subdivision (a) of Section 7401, or, pursuant to subdivision (f) of Section 6480, would be deemed to be imposed, on any removal, entry, or sale in this state of motor vehicle fuel, aircraft jet fuel, or diesel fuel, the supplier shall collect prepayment of retail sales tax from the person to whom the motor vehicle fuel, aircraft jet fuel, or diesel fuel is sold. However, if no sale occurs at the time of imposition of motor vehicle fuel tax or diesel fuel tax, the supplier shall prepay the retail sales tax on that motor vehicle fuel, aircraft jet fuel, or diesel fuel. The prepayment required to be collected by the supplier constitutes a debt owed by the supplier to this state until paid to the board, until satisfactory proof has been submitted to prove that the retailer of the fuel has paid the retail sales tax to the board, or until a supplier or wholesaler who has consumed the fuel has paid the use tax to the board. Each supplier shall report and pay the prepayment amounts to the board, in a form as prescribed by the board, in the period in which the fuel is sold. On each subsequent sale of that fuel, each seller, other than the retailer, shall collect from his or her purchaser a prepayment computed using the rate applicable at the time of sale. Each supplier shall provide his or her purchaser with an invoice for, or other evidence of, the collection of the prepayment amounts which shall be separately stated thereon.

(b) (1) A wholesaler shall collect prepayment of the retail sales tax from the person to whom the motor vehicle fuel, aircraft jet fuel, or diesel fuel is sold. Each wholesaler shall provide his or her purchaser with an invoice for or other evidence of the collection of the prepayment amounts, which shall be separately stated thereon.

(2) Each wholesaler shall report to the board, in a form as prescribed by the board and for the period in which the motor vehicle fuel, aircraft jet fuel, or diesel fuel was sold, all of the following:

(A) The number of gallons of fuel sold and the amount of sales tax prepayments collected by the wholesaler.

(B) The number of tax-paid gallons purchased and the amount of sales tax prepayments made by the wholesaler.

(C) In the event that the amount of sales tax prepayments collected by the wholesaler is greater than the amount of sales tax prepayments made by the wholesaler, then the excess constitutes a debt owed by the wholesaler to the state until paid to the board, or until satisfactory proof

has been submitted that the retailer of the fuel has paid the tax to the board.

(c) A supplier or wholesaler who pays the prepayment and issues a resale certificate to the seller, but subsequently consumes the motor vehicle fuel, aircraft jet fuel, or diesel fuel, shall be entitled to a credit against his or her sales and use taxes due and payable for the period in which the prepayment was made, provided that he or she reports and pays the use tax to the board on the consumption of that fuel.

(d) The amount of a prepayment paid by the retailer or a supplier or wholesaler who has consumed the motor vehicle fuel, aircraft jet fuel, or diesel fuel to the seller from whom he or she acquired the fuel shall constitute a credit against his or her sales and use taxes due and payable for the period in which the sale was made. Failure of the supplier or wholesaler to report prepayments or the supplier's or wholesaler's failure to comply with any other duty under this article shall not constitute grounds for denial of the credit to the retailer, supplier, or wholesaler, either on a temporary or permanent basis or otherwise. To be entitled to the credit, the retailer, supplier, or wholesaler shall retain for inspection by the board any receipts, invoices, or other documents showing the amount of sales tax prepaid to his or her supplier, together with the evidence of payment.

(e) The rate of the prepayment required to be collected during the period from July 1, 1986, through March 31, 1987, shall be four cents ($0.04) per gallon of motor vehicle fuel distributed or transferred.

(f) On April 1 of each succeeding year, the prepayment rate per gallon for motor vehicle fuel, rounded to the nearest one-half of one cent ($0.005), of the required prepayment shall be established by the board based upon 80 percent of the combined state and local sales tax rate established by Sections 6051, 6051.2, 6051.3, 6051.5, 7202, and 7203.1, and Section 35 of Article XIII of the California Constitution on the arithmetic average selling price (excluding sales tax) as determined by the State Energy Resources Conservation and Development Commission, in its latest publication of the ''Quarterly Oil Report,'' of all grades of gasoline sold through a self-service gasoline station. In the event the ''Quarterly Oil Report'' is delayed or discontinued, the board may base its determination on other sources of the arithmetic average selling price of gasoline. The board shall make its determination of the rate no later than November 1 of the year prior to the effective date of the new rate. Immediately upon making its determination and setting of the rate, the board shall each year, no later than January 1, notify by mail every supplier, wholesaler, and retailer of motor vehicle fuel. In the event the price of fuel decreases or increases, and the established rate results in prepayments which consistently exceed or are significantly lower than the retailers' sales tax liability, the board may readjust the rate.

(g) On April 1 of each succeeding year, the prepayment rate per gallon for aircraft jet fuel, rounded to the nearest one-half of one cent ($0.005), shall be established by the board based upon 80 percent of the combined state and local sales tax rate established by Sections 6051, 6051.2, 6051.3, 6051.5, 7202, and 7203.1, and Section 35 of Article XIII of the California Constitution on the arithmetic average selling price (excluding sales and state excise tax) as determined by the board. The board shall make its determination of the rate no later than November 1 of the year prior to the effective date of the new rate. The rate of the prepayment required to be collected for aircraft jet fuel shall be equal to 80 percent of the arithmetic average selling price of aircraft jet fuel as specified by industry publications. Immediately upon making its determination and setting of the rate, the board shall each year, no later than January 1, notify by mail every supplier, wholesaler, and retailer of aircraft jet fuel. In the event the price of aircraft jet fuel decreases or increases, and the established rate results in prepayments that consistently exceed or are significantly lower than the retailers' sales tax liability, the board may readjust the rate.

(h) On April 1 of each succeeding year, the prepayment rate per gallon for diesel fuel, rounded to the nearest one-half of one cent ($0.005), shall be established by the board based upon 80 percent of the combined state and local sales tax rate established by Sections 6051, 6051.2, 6051.3, 6051.5, 7202, and 7203.1, and Section 35 of Article XIII of the California Constitution on the arithmetic average selling price (excluding sales and state excise tax) as determined by the board. The board shall make its determination of the rate no later than November 1 of the year prior to the effective date of the new rate. The rate of the prepayment required to be collected for diesel fuel shall be equal to 80 percent of the arithmetic average selling price of diesel fuel as specified by industry publications. Immediately upon making its determination and setting of the rate, the board shall each year, no later than January 1, notify by mail every supplier, wholesaler, and retailer of diesel fuel. In the event the price of diesel fuel decreases or increases, and the established rate results in prepayments that consistently exceed or are significantly lower than the retailers' sales tax liability, the board may readjust the rate.

(i) (1) Notwithstanding any other provision of this section, motor vehicle fuel sold by a supplier or wholesaler to a qualified purchaser who, pursuant to a contract with the State of California or its instrumentalities, resells that fuel to the State of California or its instrumentalities shall be exempt from the prepayment requirements.

(2) A qualified purchaser who acquires motor vehicle fuel for subsequent resale to the State of California or its instrumentalities pursuant to this subdivision shall furnish to the supplier or wholesaler

from whom the fuel is acquired an exemption certificate, completed in accordance with any instructions or regulations as the board may prescribe. The supplier or wholesaler shall retain the certificate in his or her records in support of the exemption. To qualify for the prepayment exemption, both of the following conditions shall apply:

(A) The qualified purchaser does not take possession of the fuel at any time.

(B) The fuel is delivered into storage tanks owned or leased by the State of California or its instrumentalities via facilities of the supplier or wholesaler, or by common or contract carriers under contract with the supplier or wholesaler.

(3) For purposes of this subdivision, ''qualified purchaser'' means a wholesaler who does not have or maintain a storage facility or facilities for the purpose of selling motor vehicle fuel.

SEC. 4. Section 6480.3 of the Revenue and Taxation Code, as added by Chapter 446 of the Statutes of 2002, is amended and renumbered to read:

6480.9. (a) A person qualified under subdivision (b) may issue a certificate to a seller with respect to the amount of sales tax required to be prepaid pursuant to Section 6480.1 when purchasing diesel fuel from the seller. The certificate shall be completed in accordance with any instructions or regulations as the board may prescribe, and shall clearly specify that the person will purchase the volume of diesel fuel that the person reasonably expects he or she will sell that qualifies for the exemption under Section 6357.1. A seller that receives a properly completed certificate from a person qualified under subdivision (b) shall not be required to collect the prepayment of the retail sales tax otherwise required in Section 6480.1 on that volume of the diesel fuel sold pursuant to the certificate.

(b) A person is qualified for purposes of this section if both of the following conditions are met:

(1) The person sold diesel fuel that was used by the consumer in a manner that qualified, or would have qualified for an exemption under Section 6357.1, and in the prior year, those sales totaled more than 25 percent of the person's total taxable sales.

(2) The person's sales consist primarily of either bulk deliveries of fuel or of fuel sales through a cardlock, keylock, or other unattended mechanism, or both. For purposes of the preceding sentence, ''bulk deliveries'' means transfers of fuel into storage tanks of 500 gallons or more.

(c) A person issuing a certificate pursuant to this section is liable for sales tax that is imposed under the Bradley-Burns Uniform Local Sales and Use Tax Law (Part 1.5 (commencing with Section 7200)) or in accordance with the Transactions and Use Tax Law (Part 1.6

(commencing with Section 7251)) and sales tax that is imposed under Section 6051.2 or 6201.2, or under Section 35 of Article XIII of the California Constitution.

(d) A person issuing a certificate pursuant to this section shall be liable for sales tax on any portion of the gross receipts derived from the sale of fuel that is not sold in a manner that qualifies for an exemption under Section 6357.1.

(e) A person liable for the sales tax under subdivision (c) or (d) of this section shall report and pay that sales tax with the return for the reporting period in which the person sells the fuel.

(f) Any person who gives a certificate pursuant to this section for purchases of diesel fuel that he or she knows at the time of purchase do not qualify for the exemption from the prepayment pursuant to this section for the purpose of evading payment of the prepayment of the retail sales tax is guilty of a misdemeanor punishable as provided in Section 7153. In addition, the person shall be liable to the state for a penalty of one thousand dollars ($1,000) for each certificate issued for personal gain or to evade the payment of taxes.

SEC. 5. Section 43152.14 of the Revenue and Taxation Code is amended to read:

43152.14. The fee imposed pursuant to Section 105310 of the Health and Safety Code, that is collected and administered under Section 43057, is due and payable on or before April 1 of each year for the previous calendar year.

SEC. 6. Section 43201 of the Revenue and Taxation Code is amended to read:

43201. (a) If the board is dissatisfied with the return or report filed or the amount of tax paid to the state by any taxpayer, or if no return or report has been filed or no payment or payments of the taxes have been made to the state by a taxpayer, the board may compute and determine the amount to be paid, based upon any information available to it. In addition, where the board is authorized to collect a tax for another state agency, the board may issue a notice of determination or similar billing document for collection of the tax. One or more additional determinations may be made of the amount of tax due for one, or for more than one, period. The amount of tax so determined shall bear interest at the modified adjusted rate per month, or fraction thereof, established pursuant to Section 6591.5, from the date the amount of the tax, or any portion thereof, became due and payable until the date of payment. In making a determination, the board may offset overpayments for a period or periods against underpayments for another period or periods and against the interest and penalties on the underpayments.

(b) If any part of the deficiency for which a determination of an additional amount due is found to have been occasioned by negligence

or intentional disregard of this part or authorized regulations, a penalty of 10 percent of the amount of the determination shall be added, plus interest as provided above.

(c) If any part of the deficiency for which a determination of an additional amount due is found to be occasioned by fraud or an intent to evade this part or authorized regulations, a penalty of 25 percent of the amount of the determination shall be added, plus interest as provided in subdivision (a).

(d) The board shall give to the taxpayer written notice of its determination. The notice shall be placed in a sealed envelope, with postage paid, addressed to the taxpayer at his or her address as it appears in the records of the board. The giving of notice shall be deemed complete at the time of the deposit of the notice in a United States Post Office, or a mailbox, sub-post office, substation or mail chute, or other facility regularly maintained or provided by the United States Postal Service without extension of time for any reason. In lieu of mailing, a notice may be served personally by delivering to the person to be served, and service shall be deemed complete at the time of delivery. Personal service to a corporation may be made by delivery of a notice to any person designated in the Code of Civil Procedure to be served for the corporation with summons and complaint in a civil action.

SEC. 7. Section 43350 of the Revenue and Taxation Code is amended to read:

43350. If the board believes that the collection of any amount of tax will be jeopardized by delay, it shall thereupon make a determination of the amount of tax due, noting that fact upon the determination, and the amount of tax shall be immediately due and payable. If the amount of the tax, interest, and penalty specified in the jeopardy determination is not paid, or a petition for redetermination is not filed, within 10 days after the service upon the taxpayer of notice of the determination, the determination becomes final, and the delinquency penalty and interest provided in Section 43155 shall attach to the amount of tax specified therein.

SEC. 8. Section 45351 of the Revenue and Taxation Code is amended to read:

45351. If the board finds and determines that the collection of any amount of fee will be jeopardized by delay, it shall thereupon make a determination of the amount of fee due, noting that fact upon the determination, and the amount of the fee shall be immediately due and payable. If the amount of the fee, interest, and penalty specified in the jeopardy determination is not paid, or a petition for redetermination is not filed, within 10 days after the service upon the taxpayer of notice of the determination, the determination becomes final, and the delinquency

penalty and interest provided in Section 45153 shall attach to the amount of fee specified therein.

SEC. 9. Section 46156 of the Revenue and Taxation Code is amended to read:

46156. (a) If the board finds that a person's failure to make a timely return or payment is due to reasonable cause and circumstances beyond the person's control, and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, the person may be relieved of the penalty provided by Sections 46154, 46154.1, 46160, 46251, and 46356.

(b) Except as provided in subdivision (c) any person seeking to be relieved of the penalty shall file with the board a statement, under penalty of perjury, setting forth the facts upon which he or she bases his or her claim for relief.

(c) The board shall establish criteria that provide for efficient resolution of requests for relief pursuant to this section.

SEC. 10. Section 46301 of the Revenue and Taxation Code is amended to read:

46301. If the board believes that the collection of any amount of fee will be jeopardized by delay, it shall thereupon make a determination of the amount of fee due, noting that fact upon the determination, and the amount of fee shall be immediately due and payable. If the amount of the fee, interest, and penalty specified in the jeopardy determination is not paid, or a petition for redetermination is not filed, within 10 days after the service upon the taxpayer of notice of the determination, the determination becomes final, and the delinquency penalty and interest provided in Section 46154 shall attach to the amount of fee specified therein.

SEC. 11. Section 50120.1 of the Revenue and Taxation Code is amended to read:

50120.1. If the board determines that the collection of any amount of fee will be jeopardized by delay, it shall thereupon make a determination of the amount of fee due, noting that fact upon the determination, and the amount of the fee shall be immediately due and payable. If the amount of the fee, interest, and penalty specified in the jeopardy determination is not paid, or a petition for redetermination is not filed, within 10 days after the service upon the feepayer of a notice of the determination, the determination becomes final, and the delinquency penalty and interest provided in Section 50112 shall attach to the amount of fee specified in the jeopardy determination.

SEC. 12. Section 55061 of the Revenue and Taxation Code is amended to read:

55061. (a) If the board is dissatisfied with the return filed or the amount of the fee paid to the state by any feepayer, or if no return has

been filed or no payment of the fee has been made to the state by a feepayer, the board may compute and determine the amount to be paid, based upon any information available to it. In addition, where the board is authorized to collect a fee for another state agency, or where the board is authorized to collect a fee under circumstances where the feepayer is not required to file a return, the board may issue a notice of determination or similar billing document for collection of the fee. One or more additional determinations may be made of the amount of the fee due for one, or for more than one period. The amount of the fee so determined shall bear interest at the modified adjusted rate per month, or fraction thereof, established pursuant to Section 6591.5, from the date the amount of the fee, or any portion thereof, became due and payable until the date of payment. In making a determination, the board may offset overpayments for a period or periods against underpayments for another period or periods and against the interest and penalties on the underpayments.

(b) If any part of the deficiency for which a determination of an additional amount due is found to have been occasioned by negligence or intentional disregard of this part or authorized regulations, a penalty of 10 percent of the amount of the determination shall be added, plus interest as provided in subdivision (a).

(c) If any part of the deficiency for which a determination of an additional amount due is found to be occasioned by fraud or an intent to evade this part or authorized regulations, a penalty of 25 percent of the amount of the determination shall be added, plus interest as provided in subdivision (a).

(d) The board shall give to the feepayer written notice of its determination. The notice shall be placed in a sealed envelope, with postage paid, addressed to the feepayer at his or her address as it appears in the records of the board. The giving of notice shall be deemed complete at the time of the deposit of the notice in a United States Post Office, or a mailbox, sub-post office, substation or mail chute, or other facility regularly maintained or provided by the United States Postal Service without extension of time for any reason. In lieu of mailing, a notice may be served personally by delivering to the person to be served and service shall be deemed complete at the time of delivery. Personal service to a corporation may be made by delivery of a notice to any person designated in the Code of Civil Procedure to be served for the corporation with summons and complaint in a civil action.

SEC. 13. Section 55101 of the Revenue and Taxation Code is amended to read:

55101. If the board believes that the collection of any amount of the fee will be jeopardized by delay, it shall thereupon make a determination of the amount of the fee due, noting that fact upon the determination, and

the amount of the fee shall be immediately due and payable. If the amount of the fee, interest, and penalty specified in the jeopardy determination is not paid, or a petition for redetermination is not filed, within 10 days after the service upon the feepayer of notice of determination, the determination becomes final, and the delinquency penalty and interest provided in Section 55042 shall be attached to the amount of the fee specified therein.

CHAPTER 528

An act to amend Sections 18662 and 18668 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 15, 2004. Filed with Secretary of State September 15, 2004.]

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

SECTION 1. Section 18662 of the Revenue and Taxation Code is amended to read:

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, rents, 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) This subdivision applies to any disposition of a California real property interest by:

(A) Any person, other than either of the following:

(i) A corporation, including an entity classified for tax purposes as a corporation under Part 11 (commencing with Section 23001).

(ii) A partnership, as determined in accordance with Subchapter K of Chapter 1 of Subtitle A of the Internal Revenue Code, including an entity classified as a partnership for tax purposes under Part 10 (commencing with Section 17001).

(B) A corporation, 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:

(i) It is not organized and existing under the laws of California.

(ii) It does not qualify with the office of the Secretary of State to transact business in California.

(iii) It does not maintain and staff a permanent office in California.

(2) In the case of any disposition of a California real property interest by a transferor described in paragraph (1), the transferee (including for this purpose any intermediary or accommodator in a deferred exchange) is required to withhold an amount equal to $3^1/_3$ percent of the sales price of the California real property conveyed.

(3) Notwithstanding any other provision of this subdivision, all of the following shall apply:

(A) No transferee is required to withhold any amount under this subdivision unless the sales price of the California real property conveyed exceeds one hundred thousand dollars ($100,000).

(B) No transferee (other than an intermediary or an accommodator in a deferred exchange) is 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) (i) No transferee, trustee under a deed of trust, or mortgagee under a mortgage with a power of sale is required to withhold under this subdivision when the transferee has acquired California real property at a sale pursuant to a power of sale under a mortgage or deed of trust or a sale pursuant to a decree of foreclosure or has acquired the property by a deed in lieu of foreclosure.

(ii) No transferee is 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 (including for this purpose any intermediary or accommodator in a deferred exchange) is 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, one of the following:

(i) (I) The California real property being conveyed is the seller's or decedent's principal residence (within the meaning of Section 121 of the Internal Revenue Code).

(II) The last use of the property being conveyed was use by the transferor as the transferor's principal residence within the meaning of Section 121 of the Internal Revenue Code.

(ii) (I) The California real property being conveyed is being exchanged, or will be exchanged, for property of like kind (within the meaning of Section 1031 of the Internal Revenue Code), but only to the extent of the amount of the gain not required to be recognized for California income or franchise tax purposes under Section 1031 of the Internal Revenue Code.

(II) Subclause (I) may not apply if an exchange does not qualify for nonrecognition treatment for California income or franchise tax purposes under Section 1031 of the Internal Revenue Code, in whole or in part, due to the failure of the transaction to comply with the provisions of Section 1031(a)(3) of the Internal Revenue Code, relating to the requirement that property be identified and that the exchange be completed not more than 180 days after the transfer of the exchanged property.

(III) In any case where clause (ii) applies, the transferee (including for this purpose any intermediary or accommodator in a deferred exchange) is required to notify the Franchise Tax Board in writing within 10 days of the expiration of the statutory periods specified in Section 1031(a)(3) of the Internal Revenue Code and thereafter remit the applicable withholding amounts determined under this subdivision in accordance with paragraph (4).

(iii) The California real property has been compulsorily or involuntarily converted (within the meaning of Section 1033 of the Internal Revenue Code) and the transferor intends to acquire property similar or related in service or use so as to be eligible for nonrecognition of gain for California income tax purposes under Section 1033 of the Internal Revenue Code.

(iv) The transaction will result in either a net loss or a net gain not required to be recognized for California income or franchise tax purposes.

(v) The transferor is a corporation with a permanent place of business in California.

(E) (i) In the case of any transaction otherwise subject to this subdivision that qualifies as an ''installment sale'' (within the meaning of Section 453(b) of the Internal Revenue Code) for California income tax purposes, the provisions of this subdivision may, upon the irrevocable written election of the transferee, be separately applied to each principal payment to be made under the terms of the installment sale agreement between the parties.

(ii) For purposes of clause (i), subparagraph (A) of paragraph (3) does not apply to each individual payment to be received under the terms of the installment sale agreement.

(iii) The election under this subparagraph shall be made at the time, and in the form and manner, specified by the Franchise Tax Board in forms and instructions, except that the form shall, at a minimum, include the requirement specified in clause (iv) of this subparagraph.

(iv) The election under this subparagraph is valid only if the transferee agrees to withhold and remit from each installment payment the amount specified under this subdivision in the form and manner, and at the time, specified in paragraph (4).

(4) (A) Amounts withheld and payments made in accordance with this subdivision shall be reported and remitted to the Franchise Tax Board in the form and manner and at the time specified by the Franchise Tax Board. Notwithstanding the foregoing, funds withheld on individual transactions by real estate escrow persons may, at the option of the real estate escrow person, be remitted by the 20th day of the month following the close of escrow for the individual transaction, or may be remitted on a monthly basis in combination with other transactions closed during that month.

(B) The transferor shall submit a copy of the written certificate specified in subparagraph (D) of paragraph (3), executed by the transferor, to the Franchise Tax Board upon request.

(5) For purposes of this subdivision, ''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.

(6) 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 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.

(7) (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 or, upon request of the parties, withholding an amount under this subdivision and remitting that 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.

(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).

(8) For purposes of this subdivision, ''sales price'' means the sum of all of the following:

(A) The cash paid, or to be paid, but excluding for this purpose any stated or unstated interest or original issue discount (as determined under Sections 1271 through 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.

(9) The Franchise Tax Board may prescribe, by forms, instructions, published notices, or regulations, any requirements necessary for the efficient administration of this subdivision relating to the treatment of ''de minimus'' amounts otherwise required under this section.

(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.

(g) Withholding is not required under this section with respect to wages, salaries, fees, or other compensation paid by a corporation for services performed in California for that corporation to a nonresident corporate director for director services, including attendance at a board of directors' meeting.

(h) In the case of any payment described in subdivision (g), the person making the payment shall do each of the following:

(1) File a return with the Franchise Tax Board at the time and in the form and manner specified by the Franchise Tax Board.

(2) Provide the payee with a statement at the time and in the form and manner specified by the Franchise Tax Board.

(i) (1) The amendments to this section made by Chapter 488 of the Statutes of 2002 apply to dispositions of California real property interests that occur on or after January 1, 2003.

(2) In the case of any payments received on or after January 1, 2003, pursuant to an installment sale agreement relating to a disposition occurring before January 1, 2003, the amendments to this section made by Chapter 488 of the Statutes of 2002 do not apply to those payments.

SEC. 2. Section 18668 of the Revenue and Taxation Code is amended to read:

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 is 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 (other than a transferee that is an intermediary or accommodator in a deferred exchange) 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 (other than a transferee that is an intermediary or accommodator in a deferred exchange) 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 $3^1/_3$ 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, trust, or estate or when the disbursement instructions authorize the proceeds to be sent to a financial intermediary of the seller, OR

2. A corporate seller that has no permanent place of business in California immediately after the transfer of title to the California real property.

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 corporation with a permanent place of business in California, OR

3. The seller, who is an individual, trust, estate or a corporation without a permanent place of business in California executes a written certificate, under the penalty of perjury, of any of the following:

A. The California real property being conveyed is the seller's or decedent's principal residence (within the meaning of Section 121 of the Internal Revenue Code).

B. The last use of the property being conveyed was use by the transferor as the transferor's principal residence within the meaning of Section 121 of the Internal Revenue Code.

C. The California real property being conveyed is or will be exchanged for property of like kind (within the meaning of Section 1031 of the Internal Revenue Code), but only to the extent of the amount of gain not required to be recognized for California income tax purposes under Section 1031 of the Internal Revenue Code.

D. The California real property has been compulsorily or involuntarily converted (within the meaning of Section 1033 of the Internal Revenue Code) and that the seller intends to acquire property similar or related in service or use so as to be eligible for nonrecognition of gain for California income tax purposes under Section 1033 of the Internal Revenue Code.

E. The California real property transaction will result in a loss or a net gain not required to be recognized for California income tax purposes.

The seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.''

(3) The real estate escrow person is not 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 year in which the disposition occurred.

(4) The real estate escrow person or transferee is not liable under paragraph (1) or subdivision (d), if the failure to withhold is the result of his or her 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 pursuant to subparagraph (D) of paragraph (3) of subdivision (e) of Section 18662.

(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 that section is liable for twice the amount specified in subdivision (d).

(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).

SEC. 3. (a) Except as provided in subdivision (b), the amendments made to Sections 18662 and 18668 of the Revenue and Taxation Code by this act shall apply to dispositions of California real property interests occurring on or after January 1, 2005.

(b) The amendments made by this act with respect to installment payments shall apply to installment payments received on or after January 1, 2004, for sales occurring on or after January 1, 2003.

CHAPTER 529

An act to amend Sections 6028, 6140.7, 17209, and 17536.5 of, and to add Section 5466 to, the Business and Professions Code, relating to legal proceedings.

[Approved by Governor September 15, 2004. Filed with Secretary of State September 15, 2004.]

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

SECTION 1. Section 5466 is added to the Business and Professions Code, to read:

5466. (a) Notwithstanding any other provision of law, as to an advertising display in place as of August 12, 2004, a cause of action for the erection or maintenance of an advertising display that violates this chapter or the laws of a local governmental entity shall not be brought by a private party against an advertising display that has been in continuous existence in its current location for a period of five years. However, if the advertising display has been illegally modified, the cause of action for the illegal modification may be brought by a private party if it is filed within five years of the date the modification was made.

(b) This section shall not apply to a cause of action brought by a governmental entity that is based on the erection or maintenance of an advertising display that violates this chapter or the laws of the governmental entity.

SEC. 2. Section 6028 of the Business and Professions Code is amended to read:

6028. (a) The board may make appropriations and disbursements from the funds of the State Bar to pay all necessary expenses for effectuating the purposes of this chapter.

(b) Except as provided in subdivision (c), no member of the board shall receive any other compensation than his or her necessary expenses connected with the performance of his or her duties as a member of the board.

(c) Public members of the board appointed pursuant to the provisions of Section 6013.5 and public members of the examining committee appointed pursuant to Section 6046.5 shall receive, out of funds appropriated by the board for this purpose, fifty dollars ($50) per day for each day actually spent in the discharge of official duties, but in no event shall this payment exceed five hundred dollars ($500) per month. In addition, these public members shall receive, out of funds appropriated by the board, necessary expenses connected with the performance of their duties.

SEC. 3. Section 6140.7 of the Business and Professions Code is amended to read:

6140.7. Costs assessed against a member publicly reproved or suspended, where suspension is stayed and the member is not actually suspended, shall be added to and become a part of the membership fee of the member, for the next calendar year. Unless time for payment of discipline costs is extended pursuant to subdivision (c) of Section 6086.10, costs assessed against a member who resigns with disciplinary charges pending or by a member who is actually suspended or disbarred shall be paid as a condition of reinstatement of or return to active membership.

SEC. 4. Section 17209 of the Business and Professions Code is amended to read:

17209. If a violation of this chapter is alleged or the application or construction of this chapter is in issue in any proceeding in the Supreme Court of California, a state court of appeal, or the appellate division of a superior court, each person filing any brief or petition with the court in that proceeding shall serve, within three days of filing with the court, a copy of that brief or petition on the Attorney General, directed to the attention of the Consumer Law Section at a service address designated on the Attorney General's official Web site for service of papers under this section or, if no service address is designated, at the Attorney General's office in San Francisco, California, and on the district attorney of the county in which the lower court action or proceeding was originally filed. Upon the Attorney General's or district attorney's request, each person who has filed any other document, including all or a portion of the appellate record, with the court in addition to a brief or petition shall provide a copy of that document without charge to the Attorney General or the district attorney within five days of the request. The time for service may be extended by the Chief Justice or presiding justice or judge for good cause shown. No judgment or relief, temporary or permanent, shall be granted or opinion issued until proof of service of the brief or petition on the Attorney General and district attorney is filed with the court.

SEC. 5. Section 17536.5 of the Business and Professions Code is amended to read:

17536.5. If a violation of this chapter is alleged or the application or construction of this chapter is in issue in any proceeding in the Supreme Court of California, a state court of appeal, or the appellate division of a superior court, each person filing any brief or petition with the court in that proceeding shall serve, within three days of filing with the court, a copy of that brief or petition on the Attorney General, directed to the attention of the Consumer Law Section at a service address designated on the Attorney General's official Web site for

service of papers under this section or, if no service address is designated, at the Attorney General's office in San Francisco, California, and on the district attorney of the county in which the lower court action or proceeding was originally filed. Upon the Attorney General's or district attorney's request, each person who has filed any other document, including all or a portion of the appellate record, with the court in addition to a brief or petition shall provide a copy of that document without charge to the Attorney General or the district attorney within five days of the request. The time for service may be extended by the Chief Justice or presiding justice or judge for good cause shown. No judgment or relief, temporary or permanent, shall be granted or opinion issued until proof of service of the petition or brief on the Attorney General and district attorney is filed with the court.

CHAPTER 530

An act to amend Sections 799.30, 799.46, and 799.55 of, and to add Sections 1866 and 1867 to, the Civil Code, relating to evictions.

[Approved by Governor September 15, 2004. Filed with Secretary of State September 15, 2004.]

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

SECTION 1. Section 799.30 of the Civil Code is amended to read:

799.30. ''Recreational vehicle park'' or ''park'' has the same meaning as defined in Section 18862.39 of the Health and Safety Code.

SEC. 2. Section 799.46 of the Civil Code is amended to read:

799.46. At the entry to a recreational vehicle park, or within the separate designated section for recreational vehicles within a mobilehome park, there shall be displayed in plain view on the property a sign indicating that the recreational vehicle may be removed from the premises for the reasons specified in Sections 799.22 and 1866 and containing the telephone number of the local traffic law enforcement agency. Nothing in this section shall prevent management from additionally displaying the sign in other locations within the park.

SEC. 3. Section 799.55 of the Civil Code is amended to read:

799.55. Except as provided in subdivision (b) of Section 1866, as a prerequisite to the right of management to have a defaulting occupant's recreational vehicle removed from the lot which is the subject of the registration agreement between the park and the occupant pursuant to Section 799.57, the management shall serve a 72-hour written notice as prescribed in Section 799.56. A defaulting occupant may correct his or

her payment deficiency within the 72-hour period during normal business hours.

SEC. 4. Section 1866 is added to the Civil Code, to read:

1866. (a) For purposes of this section, the following definitions apply:

(1) ''Camping cabin'' has the same meaning as in Section 18862.5 of the Health and Safety Code.

(2) ''Campsite'' has the same meaning as in Section 18862.9 of the Health and Safety Code.

(3) ''Guest'' is interchangeable with ''occupant'' and has the same meaning as used in Chapter 2.6 (commencing with Section 799.20) of Title 2 of Part 2 of Division 1.

(4) ''Lot'' has the same meaning as in Section 18862.23 of the Health and Safety Code.

(5) ''Motor vehicle'' has the same meaning as in Section 415 of the Vehicle Code.

(6) ''Occupant'' is interchangeable with ''guest'' and has the same meaning as used in Chapter 2.6 (commencing with Section 799.20) of Title 2 of Part 2 of Division 1.

(7) ''Park trailer'' has the same meaning as in Section 18009.3 of the Health and Safety Code.

(8) ''Recreational vehicle'' has the same meaning as in Section 18010 of the Health and Safety Code.

(9) ''Site'' means the campsite, camping cabin, lot, or rental unit.

(10) ''Special occupancy park'' has the same meaning as in Section 18862.43 of the Health and Safety Code.

(11) ''Tent'' has the same meaning as in Section 18862.49 of the Health and Safety Code.

(b) (1) Notwithstanding any other provision of law, the park management of a special occupancy park shall have the right to evict a guest if the guest refuses or otherwise fails to fully depart from the campsite, camping cabin, lot, or other rental unit at the park management's posted checkout time on the date agreed to by the guest, but only if the following conditions are met:

(A) The guest is provided with written notice, at the time that he or she was provided accommodations by the park management, that the park management needs that guest's campsite, camping cabin, lot, or rental unit to accommodate an arriving person with a contractual right thereto, and that if the guest fails to fully depart at the time agreed to, the park management may take possession of the guest's property left in the site, subject to the limits of paragraph (2), including any tent, park trailer, or recreational vehicle, and make the campsite, camping cabin, lot, or rental unit available to new guests. The written notice shall be signed by the guest.

(B) (i) At the time that the park management actually undertakes to evict the guest as specified in this subdivision, the park management has a contractual obligation to provide the guest's campsite, camping cabin, lot, or rental unit to an arriving person and there are no other substantially similar campsites, camping cabins, lots, or rental units available for the arriving person.

(ii) Subject to the same requirements described in subparagraph (i), a guest may be provided with the notice described in subparagraph (A) subsequent to the time he or she was provided accommodations by park management, if the notice is provided at least 24 hours prior to the guest's scheduled checkout time. If park management provides a notice under this subparagraph in bad faith or with the knowledge that the contractual obligation is not a bona fide obligation, it shall be liable to the evicted guest for actual damages, plus a civil penalty of two hundred fifty dollars ($250).

(C) At the time that the park management actually undertakes to evict the guest as specified in this subdivision, the park management offers another campsite, camping cabin, lot, or rental unit to the guest, if one is available.

(2) In addition to the requirements of paragraph (1), in order for management to remove a recreational vehicle or motor vehicle, the park management shall do all of the following:

(A) Management shall have an oral, face-to-face communication with the registered guest after the guest has held over that does all of the following:

(i) Alerts the guest that he or she is in violation of the terms of the reservation because he or she has failed to depart the site at the agreed-upon time.

(ii) Reminds the guest that failure to remove a recreational vehicle, motor vehicle, or any other property from the space within two hours may result in the park management removing the recreational vehicle, motor vehicle, or any other property.

(iii) Discloses that the cost of towing a recreational vehicle or motor vehicle is substantial and that these costs will be incurred by the guest.

(iv) Identifies another location in the park to which the guest may temporarily move his or her recreational vehicle or motor vehicle.

(B) The park management gives the guest two hours after the park management has communicated with the guest, pursuant to subparagraph (A), to remove the guest's recreational vehicle, motor vehicle, or other property from the site.

(c) Except as provided in subdivision (f), if the conditions specified in subdivision (b) are met, the park management may take possession of the guest's property left at the site and have the guest's recreational vehicle or motor vehicle towed from the special occupancy park and

make the guest's campsite, camping cabin, lot, or rental unit available to a new guest. Park management may enter a campsite, camping cabin, park trailer, lot, or rental unit owned by the park management to take possession of the guest's possessions. The evicted guest shall be entitled to immediate possession of his or her property upon request, subject to the enforcement rights of the park management, which are the same as those accorded to a hotel, motel, inn, boarding house, or lodging housekeeper, pursuant to Sections 1861 to 1861.28, inclusive. If a guest's recreational vehicle or motor vehicle has been towed from the premises, the guest shall be entitled to immediate possession of his or her vehicle upon request, subject to the conditions of the towing company.

(d) When the park management moves or causes the removal of a guest's recreational vehicle, motor vehicle, or other property, the management and the individual or entity that removes the recreational vehicle, motor vehicle, or other property shall exercise reasonable and ordinary care in removing the recreational vehicle, motor vehicle, or other property.

(e) This section does not apply to a manufactured home, as defined in Section 18007 of the Health and Safety Code, or a mobilehome, as defined in Section 18008 of the Health and Safety Code.

(f) In the event that a guest is incapable of removing his or her recreational vehicle or motor vehicle from the lot because of: (1) a physical incapacity, (2) the recreational vehicle or motor vehicle is not motorized and cannot be moved by the guest's vehicle, or (3) the recreational vehicle or motor vehicle is inoperable due to mechanical difficulties, the guest shall be provided with 72 hours in which to remove the vehicle. If the guest has not removed the vehicle within 72 hours, park management may remove the vehicle without further notice.

(g) As pertains to a minor, the rights of guests include, but are not limited to, the following:

(1) If a minor who is unaccompanied by an adult seeks accommodations, the park management may require a parent or guardian of the minor, or another responsible adult, to assume, in writing, full liability for any and all proper charges and other obligations incurred by the minor for accommodations, food and beverages, and other services provided by or through the park management, as well as for any and all injuries or damage caused by the minor to any person or property.

(2) If a minor is accompanied by an adult, the park management may require the adult to agree, in writing, not to leave any minor 12 years of age or younger unattended on the park management's premises at any time during their stay, and to control the minor's behavior during their stay so as to preserve the peace and quiet of the other guests and to prevent any injury to any person and damage to any property.

SEC. 5. Section 1867 is added to the Civil Code, to read:

1867. (a) The park management of a special occupancy park may require a guest to move from a space in the special occupancy park to a different space in the special occupancy park if an imminent danger is present, as determined by the park management. If possible, the park management shall offer to return the guest to his or her original space once the park management has determined that the imminent danger is removed or resolved.

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

(1) ''Imminent danger'' means a danger that poses an immediate and likely risk to the health or safety of a guest or guests in the special occupancy park.

(2) ''Space'' means any of the following:

(A) ''Camping cabin,'' as defined in Section 18862.5 of the Health and Safety Code.

(B) ''Campsite,'' as defined in Section 18862.9 of the Health and Safety Code.

(C) ''Lot,'' as defined in Section 18862.23 of the Health and Safety Code, or other rental unit.

(3) ''Special occupancy park'' has the same meaning as in Section 18862.43 of the Health and Safety Code.

CHAPTER 531

An act to amend Section 7632 of the Business and Professions Code, relating to funeral directors and embalmers.

[Approved by Governor September 15, 2004. Filed with Secretary of State September 15, 2004.]

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

SECTION 1. Section 7632 of the Business and Professions Code is amended to read:

7632. A funeral director shall cause all human remains embalmed in or at the direction of his or her funeral establishment to be embalmed by a licensed embalmer, by an apprentice embalmer under the supervision of his or her licensed supervising embalmer, or by a student in a program accredited by the American Board of Funeral Service Education under the supervision of a licensed embalmer.

CHAPTER 532

An act to amend Sections 7500.2, 7507.3, 7507.9, 7507.10, and 7508.2 of, to add Section 7505.2 to, to repeal Section 7506 of, and to repeal and add Section 7500.1 of, the Business and Professions Code, relating to repossession agencies.

[Approved by Governor September 15, 2004. Filed with Secretary of State September 15, 2004.]

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

SECTION 1. Section 7500.1 of the Business and Professions Code is repealed.

SEC. 2. Section 7500.1 is added to the Business and Professions Code, to read:

7500.1. The following terms as used in this chapter have the meaning expressed in this section.

(a) ''Advertisement'' means any written or printed communication, including a directory listing, except a free telephone directory listing which does not allow space for a license number.

(b) ''Assignment'' means a written authorization by the legal owner, lienholder, lessor or lessee to skip trace, locate, or repossess or to collect money payment in lieu of repossession of, any collateral, including, but not limited to, collateral registered under the Vehicle Code that is subject to a security agreement that contains a repossession clause. ''Assignment'' also means a written authorization by an employer to recover any collateral entrusted to an employee or former employee if the possessor is wrongfully in possession of the collateral. A photocopy, facsimile copy, or electronic copy of an assignment shall have the same force and effect as an original written assignment.

(c) ''Bureau'' means the Bureau of Security and Investigative Services.

(d) ''Chief'' means the Chief of the Bureau of Security and Investigative Services.

(e) ''Collateral'' means any vehicle, boat, recreational vehicle, motor home, appliance, or other property that is subject to a security agreement.

(f) ''Combustibles'' means any substance or article that is capable of undergoing combustion or catching fire, or that is flammable, if retained.

(g) ''Dangerous drugs'' means any controlled substances as defined in Chapter 2 (commencing with Section 11053) of Division 10 of the Health and Safety Code.

(h) ''Deadly weapon'' means and includes any instrument or weapon of the kind commonly known as a blackjack, slungshot, billy, sandclub,

sandbag, metal knuckles, dirk, dagger, pistol, or revolver, or any other firearm, any knife having a blade longer than five inches, any razor with an unguarded blade, and any metal pipe or bar used or intended to be used as a club.

(i) ''Debtor'' means any person obligated under a security agreement.

(j) ''Department'' means the Department of Consumer Affairs.

(k) ''Director'' means the Director of Consumer Affairs.

(*l*) ''Health hazard'' means any personal effects which if retained would produce an unsanitary or unhealthful condition.

(m) ''Legal owner'' means a person holding a security interest in any collateral that is subject to a security agreement, a lien against any collateral, or an interest in any collateral that is subject to a lease agreement.

(n) ''Licensee'' means an individual, partnership, limited liability company, or corporation licensed under this chapter as a repossession agency.

(o) ''Multiple licensee'' means a repossession agency holding more than one repossession license under this chapter, with one fictitious trade style and ownership, conducting repossession business from additional licensed locations other than the location shown on the original license.

(p) ''Person'' includes any individual, partnership, limited liability company, or corporation.

(q) ''Personal effects'' means any property that is not the property of the legal owner.

(r) ''Private building'' means and includes any dwelling, outbuilding, or other enclosed structure.

(s) ''Qualified certificate holder'' or ''qualified manager'' is a person who possesses a valid qualification certificate in accordance with the provisions of Article 5 (commencing with Section 7504) and is in active control or management of, and who is a director of, the licensee's place of business.

(t) ''Registrant'' means a person registered under this chapter.

(u) ''Secured area'' means and includes any fenced and locked area.

(v) ''Security agreement'' means an obligation, pledge, mortgage, chattel mortgage, lease agreement, deposit, or lien, given by a debtor as security for payment or performance of his or her debt, by furnishing the creditor with a recourse to be used in case of failure in the principal obligation. ''Security agreement'' also includes a bailment where an employer-employee relationship exists or existed between the bailor and the bailee.

(w) ''Services'' means any duty or labor to be rendered by one person for another.

(x) ''Violent act'' means any act that results in bodily harm or injury to any party involved.

SEC. 3. Section 7500.2 of the Business and Professions Code is amended to read:

7500.2. A repossession agency means and includes any person who, for any consideration whatsoever, engages in business or accepts employment to locate or recover collateral, whether voluntarily or involuntarily, including, but not limited to, collateral registered under the provisions of the Vehicle Code which is subject to a security agreement, except for any person registered pursuant to Article 7 (commencing with Section 7506).

SEC. 4. Section 7505.2 is added to the Business and Professions Code, to read:

7505.2. Nothing in this chapter prohibits the using or taking of personal effects that are connected, adjoined, or affixed to the collateral through an unbroken sequence, if that use or taking is reasonably necessary to effectuate the recovery in a safe manner or to protect the collateral or personal effects. No storage fee shall be charged for the first week on any personal effects used to effectuate a recovery pursuant to this section. Any personal effects used or taken pursuant to this section shall be processed in a reasonably expedient manner pursuant to Sections 7507.9 and 7507.10.

SEC. 5. Section 7506 of the Business and Professions Code is repealed.

SEC. 6. Section 7507.3 of the Business and Professions Code is amended to read:

7507.3. A repossession agency shall be required to keep and maintain adequate records of all transactions, including, but not limited to, assignment forms; vehicle report of repossession required by Section 28 of the Vehicle Code; vehicle condition reports, including odometer readings, if available; personal effects inventory; notice of seizure; and records of all transactions pertaining to the sale of collateral that has been repossessed, including, but not limited to, bids solicited and received, cash received, deposits made to the trust account, remittances to the seller, and allocation of any moneys not so remitted to appropriate ledger accounts. Records, including bank statements of the trust account, shall be retained for a period of not less than four years and shall be available for examination by the bureau upon demand. In addition, collateral and personal effects storage areas shall be made accessible for inspection by the bureau upon demand. An assignment form may be an original, a photocopy, a facsimile copy, or a copy stored in an electronic format.

SEC. 7. Section 7507.9 of the Business and Professions Code is amended to read:

7507.9. Personal effects shall be removed from the collateral. A complete and accurate inventory of the personal effects shall be made, and the personal effects shall be labeled and stored by the licensee for a

minimum of 60 days in a secure manner, except those personal effects removed by or in the presence of the debtor or the party in possession of the collateral at the time of the repossession.

(a) The date and time the inventory is made shall be indicated. The permanent records of the licensee shall indicate the name of the employee or registrant who performed the inventory.

(b) The following items of personal effects are items determined to present a danger or health hazard when recovered by the licensee and shall be disposed of in the following manner:

(1) Deadly weapons and dangerous drugs shall be turned over to any law enforcement agency for retention. These items shall be entered on the inventory and a notation shall be made as to the date and the time and the place the deadly weapon or dangerous drug was turned over to the law enforcement agency, and a receipt from the law enforcement agency shall be maintained in the records of the repossession agency.

(2) Combustibles shall be inventoried and noted as ''disposed of, dangerous combustible,'' and the item shall be disposed of in a reasonable and safe manner.

(3) Food and other health hazard items shall be inventoried and noted as ''disposed of, health hazard,'' and disposed of in a reasonable and safe manner.

(c) Personal effects may be disposed of after being held for at least 60 days. The inventory, and adequate information as to how, when, and to whom the personal effects were disposed of, shall be filed in the permanent records of the licensee.

(d) The inventory shall include the name, address, business hours, and telephone number of the repossession agency to contact for recovering the personal effects and an itemization of all personal effects removal and storage charges that will be made by the repossession agency. The inventory shall also include the following statement: ''Please be advised that the property listed on this inventory will be disposed of by the repossession agency after being held for 60 days from the date of this notice IF UNCLAIMED.''

(e) The inventory shall be provided to a debtor not later than 48 hours after the recovery of the collateral, except that if:

(1) The 48-hour period encompasses a Saturday, Sunday, or postal holiday, the inventory shall be provided no later than 72 hours after the recovery of the collateral.

(2) The 48-hour period encompasses a Saturday or Sunday and a postal holiday, the inventory shall be provided no later than 96 hours after the recovery of the collateral.

(3) Inventory resulting from repossession of a yacht, motor home, or travel trailer is such that it shall take at least four hours to inventory, then the inventory shall be provided no later than 96 hours after the recovery

of the collateral. When the 96-hour period encompasses a Saturday, Sunday, or postal holiday, the inventory shall be provided no later than 120 hours after the recovery of the collateral.

(f) Environmental, Olympic, special interest, or other license plates issued pursuant to Article 8 (commencing with Section 5000), Article 8.4 (commencing with Section 5060) or Article 8.5 (commencing with Section 5100) of Chapter 1 of Division 3 of the Vehicle Code that remain the personal effects of the debtor shall be removed from the collateral and inventoried pursuant to this section. If the plates are not claimed by the debtor within 60 days, they shall be effectively destroyed and the licensee shall, within 30 days thereafter, notify the Department of Motor Vehicles of their effective destruction on a form promulgated by the chief that has been approved as to form by the Director of the Department of Motor Vehicles.

(g) The notice may be given by regular mail addressed to the last known address of the debtor or by personal service at the option of the repossession agency.

(h) The debtor may waive the preparation and presentation of an inventory if the debtor redeems the personal effects or other personal property not covered by a security interest within the time period for the notices required by this section and signs a statement that he or she has received all the property.

(i) If personal effects or other personal property not covered by a security agreement are to be released to someone other than the debtor, the repossession agency may request written authorization to do so from either the debtor or the legal owner.

(j) The inventory shall be a confidential document. A licensee shall only disclose the contents of the inventory under the following circumstances:

(1) In response to the order of a court having jurisdiction to issue the order.

(2) In compliance with a lawful subpoena issued by a court of competent jurisdiction.

(3) When the debtor has consented in writing to the release and the written consent is signed and dated by the debtor subsequent to the repossession and states the entity or entities to whom the contents of the inventory may be disclosed.

SEC. 8. Section 7507.10 of the Business and Professions Code is amended to read:

7507.10. A licensee shall serve a debtor with a notice of seizure as soon as possible after the recovery of collateral and not later than 48 hours, except that if the 48-hour period encompasses a Saturday, Sunday, or postal holiday, the notice of seizure shall be provided not later than 72 hours or, if the 48-hour period encompasses a Saturday or Sunday and

a postal holiday, the notice of seizure shall be provided not later than 96 hours, after the repossession of collateral. The notice shall include all of the following:

(a) The name, address, and telephone number of the legal owner to be contacted regarding the repossession.

(b) The name, address, and telephone number of the repossession agency to be contacted regarding the repossession.

(c) A statement printed on the notice containing the following: ''Repossessors are regulated by the Bureau of Security and Investigative Services, Department of Consumer Affairs, Sacramento, CA 95814. Repossessors are required to provide you, not later than 48 hours after the recovery of collateral, with an inventory of personal effects or other personal property recovered during repossession unless the 48-hour period encompasses a Saturday, Sunday, or a postal holiday, then the inventory shall be provided no later than 96 hours after the recovery of collateral.''

(d) A disclosure that ''Damage to a vehicle during or subsequent to a repossession and only while the vehicle is in possession of the repossession agency and which is caused by the repossession agency is the liability of the repossession agency. A mechanical or tire failure shall not be the responsibility of the repossession agency unless the failure is due to the negligence of the repossession agency.''

(e) If applicable, a disclosure that ''Environmental, Olympic, special interest, or other license plates issued pursuant to Article 8 (commencing with Section 5000), Article 8.4 (commencing with Section 5060) or Article 8.5 (commencing with Section 5100) of Chapter 1 of Division 3 of the Vehicle Code that remain the personal effects of the debtor will be removed from the collateral and inventoried, and that if the plates are not claimed by the debtor within 60 days, they will be destroyed.''

(f) A disclosure of the charges payable by the debtor to the repossession agency for the storage of the collateral and personal effects from the date of repossession until release of the property from storage.

The notice may be given by regular mail addressed to the last known address of the debtor or by personal service at the option of the repossession agency.

SEC. 9. Section 7508.2 of the Business and Professions Code is amended to read:

7508.2. The director may assess administrative fines for any of the following prohibited acts:

(a) Recovering collateral or making any money demand in lieu thereof, including, but not limited to, collateral registered under the Vehicle Code, that has been sold under a security agreement before a signed or telegraphic authorization has been received from the legal owner, debtor, lienholder, lessor, or repossession agency acting on

behalf of the legal owner, debtor, lienholder, or lessor of the collateral. A telephonic assignment is acceptable if the legal owner, debtor, lienholder, lessor, or repossession agency acting on behalf of the legal owner, debtor, lienholder, or lessor is known to the licensee and a written authorization from the legal owner, debtor, lienholder, lessor, or repossession agency acting on behalf of the legal owner, debtor, lienholder, or lessor is received by the licensee within 10 working days or a request by the licensee for a written authorization from the legal owner, debtor, lienholder, lessor, or repossession agency acting on behalf of the legal owner, debtor, lienholder, or lessor is made in writing within 10 working days. Referrals of assignments from one licensee to another licensee are acceptable. The referral of an assignment shall be made under the same terms and conditions as in the original assignment. The fine shall be twenty-five dollars ($25) for each of the first five violations and one hundred dollars ($100) for each violation thereafter, per audit.

(b) Using collateral or personal effects, which have been recovered, for the personal benefit of a licensee, or officer, partner, manager, registrant, or employee of a licensee. The fine shall be twenty-five dollars ($25) for the first violation and one hundred dollars ($100) for each violation thereafter. This subdivision does not apply to personal effects disposed of pursuant to subdivision (c) of Section 7507.9. Nothing in this subdivision prohibits the using or taking of personal property connected, adjoined, or affixed to the collateral through an unbroken sequence if that use or taking is reasonably necessary to effectuate the recovery in a safe manner or to protect the collateral or personal effects.

(c) Selling collateral recovered under the provisions of this chapter, except with written authorization from the legal owner or mortgagee thereof. The fine shall be one hundred dollars ($100) for the first violation and five hundred dollars ($500) for each violation thereafter, per audit.

(d) Failing to remit all money due clients within 10 working days after finalization of the sale of collateral. The licensee shall deposit all money received in the form of cash or negotiable instruments made payable to the licensee for money due clients from the sale of collateral that has been repossessed in a trust account within five working days, and the money shall be withdrawn only for remittance to the client and for the payment of amounts due the licensee. The fine shall be two hundred fifty dollars ($250) for the first violation and one thousand dollars ($1,000) for each violation thereafter. For purposes of this subdivision, ''finalization of sale'' means the time when the documents of title or ownership which permit transfer of title from the legal owner to the purchaser are received by the repossession agency.

(e) Failing to remit moneys collected in lieu of repossession or redemption to a client within 10 working days after receipt of the moneys. The fine shall be two hundred fifty dollars ($250) for the first violation and one thousand dollars ($1,000) for each violation thereafter.

(f) Failing to deliver to a client any negotiable instrument received by the licensee made payable to the client within 10 working days of receipt of the negotiable instrument. No licensee, manager, registrant, or employee of a licensee shall accept a negotiable instrument made payable to a client unless they have authorization from the client to accept the negotiable instrument. The fine shall be two hundred fifty dollars ($250) for the first violation and one thousand dollars ($1,000) for each violation thereafter.

(g) Unlawfully entering any private building or secured area without the consent of the owner, or of the person in legal possession thereof, at the time of repossession. The fine shall be five hundred dollars ($500) for each violation.

(h) Committing unlawful assault or battery on another person. The fine shall be five hundred dollars ($500) for each violation.

(i) Falsification or alteration of an inventory. The fine shall be twenty-five dollars ($25) for each violation.

(j) Soliciting from the legal owner the recovery of specific collateral registered under the Vehicle Code or under the motor vehicle licensing laws of other states after the collateral has been seen or located on a public street or on public or private property without divulging the location of the vehicle. The fine shall be one hundred dollars ($100) for the first violation and two hundred fifty dollars ($250) for each violation thereafter.

SEC. 10. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 533

An act to amend Sections 31485.7, 31485.8, 31486.2, 31486.6, 31489, 31490, 31494.1, 31494.3, 31495.5, 31499.2, 31499.12, and 54957.1 of, to add Sections 31490.5, 31522.6, and 54956.81 to, and to

repeal and add Sections 31486.3, 31499.3, and 31499.13 of, the Government Code, relating to county employees' retirement.

[Approved by Governor September 15, 2004. Filed with Secretary of State September 15, 2004.]

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

SECTION 1. Section 31485.7 of the Government Code is amended to read:

31485.7. Notwithstanding anything to the contrary in this chapter, a member who elects to purchase retirement service credit under Section 31486.3, 31494.3, 31499.3, 31499.13, 31641.1, 31641.5, 31646, 31652, or 31658, or under the regulations adopted by the board pursuant to Section 31643 or 31644 shall complete that purchase within 120 days after the effective date of his or her retirement.

This section is not operative in any county until the board of supervisors, by resolution, makes this section applicable in the county.

SEC. 2. Section 31485.8 of the Government Code is amended to read:

31485.8. Notwithstanding anything to the contrary in this chapter, a member who elects to purchase retirement service credit under Section 31490.5, 31494.3, 31641.1, 31641.5, 31646, 31652, or 31658, or under the regulations adopted by the board pursuant to Section 31643 or 31644 shall complete that purchase within 120 days after the effective date of his or her retirement.

This section applies only to a county of the first class, as defined by Section 28020, as amended by Chapter 1204 of the Statutes of 1971, and Section 28022, as amended by Chapter 43 of the Statutes of 1961.

SEC. 3. Section 31486.2 of the Government Code is amended to read:

31486.2. (a) (1) Except as otherwise provided in Section 31486.3, there shall be no general members' contributions under the plan created by this article.

(2) A member who transfers to the retirement plan created by this article shall have refunded, within a reasonable period of time, not to exceed nine months from the date of receipt of election to transfer by the board, the member's accumulated contributions, together with interest thereon, which are credited to the member's account. Interest shall be credited to the June 30 or December 31 date, whichever is later, immediately preceding the date of the refund warrant. Any refund under this section shall be payable to the member.

(3) A member who has five or more years of county service as defined in subdivision (g) of Section 31486.1 may elect to leave his or her contributions on deposit for service retirement benefits only.

(b) (1) Except as provided in Sections 31486.3 and 31486.9 and under reciprocal provisions of this article, a member who was in public service prior to becoming a member may not elect to receive credit in this retirement plan for that public service time, and may not receive credit for that prior public service.

(2) Absence from work without pay may not be considered as breaking the continuity of service.

SEC. 4. Section 31486.3 of the Government Code is repealed.

SEC. 5. Section 31486.3 is added to the Government Code, to read:

31486.3. (a) An active member governed by the provisions of this article may elect, by written notice filed with the board, to make contributions and receive credit under this plan for service for which he or she would not otherwise be entitled to receive credit pursuant to this article.

(b) A member who elects to receive service credit pursuant to this section shall have the same purchase rights and shall contribute an amount to the retirement fund calculated in the same manner as prescribed for similar payments under the contributory plan. Payment shall be made by lump-sum payment or by installment payments over a period not to exceed 10 years, prior to the effective date of his or her retirement or, if applicable, prior to the date provided in Section 31485.7.

(c) No member may receive any service credit under this section for which he or she has not completed payment pursuant to subdivision (b) before the effective date of his or her retirement or, if applicable, before the date provided in Section 31485.7. Subject to the limitations of federal law, a member who has elected to make payments in installments may complete payment by lump sum at any time prior to the effective date of his or her retirement.

(d) Any sums paid by a member pursuant to this section shall be considered to be and administered as contributions by the member.

(e) As used in this section, the ''contributory plan'' means that contributory plan otherwise available to new members of the system on the election date.

(f) This section is not operative until the board of supervisors elects, by resolution adopted by a majority vote, to make this section operative in the county.

SEC. 6. Section 31486.6 of the Government Code is amended to read:

31486.6. (a) Upon the death of a retired member, 50 percent of the retirement pension, if not modified in accordance with the optional survivor allowance in subdivision (c), shall be continued during and throughout the life of his or her surviving spouse, if he or she was married to the member at least one year prior to the date of retirement. If there is no surviving spouse entitled to this allowance, or if he or she

dies before every child of the deceased retired member, including stepchild or adopted child, attains the age of 18 years, then the allowance that the surviving spouse would have received had she or he lived, shall be paid to the deceased retired member's child or children under the age of 18 years. If the survivor allowance is to be paid to surviving children, the allowance shall be divided among the children in equal amounts. However, the right of any child to share in the allowance shall cease upon the death or marriage of the child or upon the child attaining the age of 18 years.

Notwithstanding any other provisions of this subdivision, the allowance otherwise payable to the children of the retired member shall be paid to the children through the age of 21 years, if the children remain unmarried and are regularly enrolled as full-time students in any accredited school as determined by the board.

(b) If, upon the death of a retired member, there is no surviving spouse or child entitled to the allowance under this section, and the total retirement allowance income received by the member during his or her lifetime did not exceed his or her accumulated normal contributions, if any, the member's designated beneficiary shall be paid an amount equal to the excess of his or her accumulated normal contributions over his or her total retirement allowance income.

(c) A vested member, or vested former member, in lieu of the normal or early retirement pension for the retired member's life alone, may elect to have the actuarial equivalent of the retired member's pension as of the date of retirement applied to a lesser amount payable throughout the retired member's life, and thereafter to have a survivor allowance as approved by the board, upon the advice of the actuary, continued throughout the life of and paid to the person or persons having an insurable interest in the life of the retired member, as the member or former member nominates by written designation duly executed and filed with the board at the time of retirement.

(d) Designations pursuant to subdivision (c) shall not, in the opinion of the board and the actuary, place any additional burden upon the retirement system.

SEC. 7. Section 31489 of the Government Code is amended to read:

31489. (a) Except as otherwise provided in Section 31490.5, there shall be no general members' contributions under the plan created by this article.

(b) A member who transfers to the retirement plan created by this article shall have refunded, within a reasonable period of time, not to exceed nine months from the date of receipt of election to transfer by the board, the member's accumulated contributions, together with interest thereon, which are credited to the member's account. Interest shall be credited to the June 30 or December 31 date, whichever is later,

immediately preceding the date of the refund warrant. Any refund under this section shall be payable to the member.

SEC. 8. Section 31490 of the Government Code is amended to read:

31490. (a) Except as provided in Sections 31490.5 and 31494, and under reciprocal provisions of this article, a member who was in public service prior to becoming a member may not elect to receive credit in this retirement plan for that public service time, and shall not receive credit for that prior public service.

(b) Absence from work or termination of employment while an eligible employee or disability beneficiary, as defined by a disability plan provided by the employer, shall not be considered as breaking the continuity of service.

(c) For the purposes of subdivision (b) of Section 31491, an unpaid leave of absence of not to exceed one year, or a leave of absence for which an employee receives any benefit that has been approved by the employer, shall not be considered an interruption of service. However, the period of time of unpaid leave in excess of 22 consecutive workdays shall not be considered as service in calculating the benefits otherwise provided under this article.

SEC. 9. Section 31490.5 is added to the Government Code, to read:

31490.5. (a) An active member governed by the provisions of this article may elect, by written notice filed with the board, to make contributions and receive credit under this plan for service for which he or she would not otherwise be entitled to receive credit pursuant to this article.

(b) Any member who elects to receive service credit pursuant to this section shall have the same purchase rights and shall contribute an amount to the retirement fund calculated in the same manner as prescribed under the contributory plan. Payment shall be made by lump-sum payment or by installment payments over a period not to exceed 10 years, prior to the effective date of his or her retirement or, if applicable, prior to the date provided in Section 31485.8.

(c) No member may receive any service credit under this section for which he or she has not completed payment pursuant to subdivision (b) before the effective date of his or her retirement or, if applicable, before the date provided in Section 31485.8. Subject to the limitations of federal law, a member who has elected to make payments in installments may complete payment by lump sum at any time prior to the effective date of his or her retirement.

(d) Any sums paid by a member pursuant to this section shall be considered to be and administered as contributions by the member.

(e) As used in this section, the ''contributory plan'' means that contributory plan otherwise available to new members of the system on the election date.

(f) This section is not operative until the board of supervisors elects, by resolution adopted by a majority vote, to make this section operative in the county.

SEC. 10. Section 31494.1 of the Government Code is amended to read:

31494.1. (a) In accordance with the provisions of this section, general members, whose retirement benefits are governed by the noncontributory plan created by this article, may transfer to the contributory plan. Contributory plan shall mean that contributory plan otherwise available to new members of the retirement system on the election date. Transfer may be made by election upon written application executed by the member and filed with the board on or before the election date and shall be effective on the transfer date, subject to the terms and conditions set forth in this section. The election date shall be that date identified in the resolution adopted by the board of supervisors declaring this section to be operative. The transfer date shall be that date on which the member completes deposit of all contributions required by Section 31494.3. The election is voluntary and may be revoked upon written notice received by the board prior to the transfer date.

(b) The retirement benefits of members electing to transfer and transferred members shall be governed and defined by this section. In the event of conflict, this section shall supersede and prevail over other provisions, or application of provisions, otherwise contained in this article.

(c) Transferred members relinquish, waive, and forfeit any and all vested or accrued benefits available under any other retirement plan provided to members of the retirement system, and shall be entitled only to the benefits available under the contributory plan.

(d) Transferred members shall receive retirement service credit for that period of service with the employer, for which the members were otherwise eligible to receive credit under the plan created by this article. Transferred members shall also receive retirement service credit for that period of service for which the member made contributions pursuant to Section 31490.5.

(e) Transferred members may receive retirement service credit for service other than that with the employer, for which the members were credited or were eligible to receive credit under the plan created by this article, by written application executed by the member and filed with the board on or before the election date.

(f) The employer, the members who have elected to transfer, and transferred members shall make contributions to the retirement fund in accordance with the rates, and in the same manner, as prescribed under the contributory plan. The monthly contributions shall commence for

the month next following the transfer date or that date 120 days after the election date, whichever is earlier.

(g) For purposes of calculating member contributions required under Section 31494.3, the entry age of a transferred member shall be that entry age as reflected in the retirement records maintained on behalf of the board.

(h) Failure of a member to deposit the contributions at the time and in the manner required by subdivision (a) of Section 31494.3 shall result in the cancellation of his or her election to transfer.

(i) Failure of a member to deposit the contributions at the time and in the manner required by subdivision (b) or (c) of Section 31494.3 shall result in the cancellation and forfeiture of his or her right to elect credit for other service under subdivision (e).

(j) Prior to the transfer date, the rights to retirement, disability, survivors, and death benefits of members who have made the election to transfer shall remain the same as defined and governed by this article. If those members die, terminate service, or make application for retirement prior to the transfer date, or fail to deposit all required contributions as required by Section 31494.3, all member contributions and regular interest shall be refunded to the member or member's survivor.

(k) Notwithstanding any other provision contained in this section or Section 31494.3, in the event of the death of a member who has elected to transfer prior to the transfer date, the spouse of the member, or the minor children of the member if no spouse survives the member, may elect to pay the balance of contributions required by Section 31494.3, and if the contributions are deposited in the retirement fund within 120 days after the death of the member, the spouse of the member, or if no spouse survives the member, the minor children of the member, shall be entitled to rights and benefits as if the deceased member had deposited all contributions required by Section 31494.3.

(*l*) Prior to the transfer date, the rights to retirement, disability, survivors, and death benefits of members who have made the election to transfer shall remain the same as defined and governed by this article. If those members die, terminate service, or make application for retirement prior to the transfer date, all member contributions and regular interest shall be refunded to the member or the member's survivor.

(m) This section shall be operative 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.

SEC. 11. Section 31494.3 of the Government Code is amended to read:

31494.3. (a) Members who have elected to transfer under Section 31494.1 shall be provided within 90 days of the election date the cost of contributions required for that period of all creditable service with the employer prior to the month for which monthly contributions are to commence, as prescribed in subdivision (f) of Section 31494.1, and shall deposit in the retirement fund, the amount hereinafter provided in this subdivision, by lump sum, or regular monthly installments, or both, over the period of time determined by a resolution adopted by a majority vote of the board of retirement, but in any event prior to the date of application for retirement or, if applicable, the date provided in Section 31485.8, the date of termination, or the date of death. The amount shall equal the sum of the contributions a member would have made to the retirement fund for that length of time as that for which the member shall receive credit as service, computed in accordance with the rate of contribution applicable to the member under the contributory plan, based upon entry age, and in the same manner as prescribed under the plan as if the plan had been in effect during the entire period of all creditable service, together with regular interest thereon.

(b) All contributions paid by the member pursuant to Section 31490.5, if any, shall be credited toward the amount owed under subdivision (a) and all periods of service credited under the plan created by this article shall be transferred to the contributory plan upon completion of payment of that amount.

(c) Any member who applies for service credit under subdivision (e) of Section 31494.1 relating to federal and military service, shall be provided within 90 days of the election date the cost of contribution required for that service, and shall deposit in the retirement fund the amount hereinafter provided in this subdivision by lump sum, or regular monthly installments, or both, over the period of time determined by a resolution adopted by a majority vote of the board of retirement, but in any event prior to the date of application for retirement, date of termination, or death. The amount shall equal the sum of twice the contributions the member would have made to the retirement fund for the length of time as that for which the member has elected to receive credit as service, computed by applying the rate of contribution applicable to the member under the contributory plan, based upon entry age, to the monthly compensation first earnable by the member as of the most recent date of entry into the retirement system, multiplied by the number of months for which the member has elected to receive credit, together with regular interest thereon.

(d) Any member who applies for service credit under subdivision (e) of Section 31494.1, relating to prior service as defined in the bylaws of

the board, other than qualifying service under Section 31490.5, and public service other than military and federal service, shall be provided within 90 days of the election date the cost of contribution required for that service, and shall deposit in the retirement fund the amount hereinafter provided in this subdivision, by lump sum or regular monthly installments, or both, over the period of time determined by a resolution adopted by a majority vote of the board of retirement, but in any event prior to the date of application for retirement or, if applicable, prior to the date provided in Section 31485.8, the date of termination, or the date of death. The amount shall equal that sum of contributions the member would have made to the retirement fund for the length of time as that for which the member has elected to receive credit as service, calculated in the same manner as prescribed in the bylaws of the board relating to credit for prior service, except that such contribution shall be computed by applying the rate of contribution applicable to the member under the contributory plan, based upon entry age.

(e) This section shall be operative in a county 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.

SEC. 12. Section 31495.5 of the Government Code is amended to read:

31495.5. (a) Notwithstanding any other provision of this article, every retirement allowance or death allowance payable, on or after the operative date of this section, to or on account of any member of Retirement Plan E who retires or dies or who has retired or died shall, as of April 1 each year, be increased or decreased by an amount equal to that member's automatic COLA, as defined in subdivision (f) and as calculated by the board of retirement before April 1 of each year. No decrease in the cost of living shall reduce an allowance below the amount being received by the member or his or her beneficiary on the effective date of the allowance or the operative date of this section, whichever is later.

(b) A Retirement Plan E member may elect to purchase an elective COLA, as defined in subdivision (f), with regard to some portion (designated in whole-month increments) or all of his or her months of Retirement Plan E service earned prior to the operative date of this section. The member may also elect to purchase an elective COLA, as defined in subdivision (f), with regard to some portion (designated in whole-month increments) or all of his or her months of Retirement Plan E service purchased pursuant to Section 31490.5, including service rendered after June 4, 2002, but prior to becoming a member of this system.

(c) The election shall be made upon written application signed by the member and filed with the board pursuant to election procedures and during election periods established by the board. The purchase of the elective COLA shall be effective only when the member has paid contributions necessary to purchase the designated amount of service for which he or she shall receive the elective COLA. The amount of required contributions shall be determined by the board, subject to the following:

(1) The cost of purchasing service for elective COLA purposes shall be determined by the board of retirement such that no elective COLA liability shall be borne by the county and no diminution in the funding ratio of the system shall result.

(2) The cost charged to the member for purchasing the elective COLA service shall be based upon the assumption that the member retires at the age of 65 years.

(3) Members may pay for the elective COLA by lump-sum payment or monthly installments over a period to be determined by a resolution adopted by a majority vote of the board of retirement, or both, but in any event prior to the earlier of his or her death or the date that is 120 days after the effective date of his or her retirement.

(4) If a member fails to timely complete the purchase of his or her elective COLA, he or she shall receive an elective COLA calculated only with regard to that amount of service actually purchased.

(5) If a Retirement Plan E member dies prior to retirement, any contributions made toward the purchase of an elective COLA, and all interest credited thereto, shall be refunded to the deceased member's surviving spouse or, if there is no surviving spouse, to the deceased member's surviving child or children under the age of 18 years, divided among those children in equal amounts, or, if there is no surviving spouse or surviving child or children under the age of 18 years, to the deceased member's estate.

(d) If a Retirement Plan E member elects and purchases an elective COLA, then, notwithstanding any other provision of this article, every Retirement Plan E allowance or postretirement death allowance payable on and after the operative date of this section, to or on account of that member who retires or dies or who has retired or died shall, as of April 1 of each year, be increased or decreased by an amount equal to that member's elective COLA as calculated by the board of retirement before April 1 of each year. No decrease in the cost of living shall reduce an allowance below the amount being received by the member or his or her beneficiary on the effective date of the allowance or this provision, whichever is later.

Notwithstanding any other provisions of this section, if a member retires before attaining the age of 65 years, his or her elective COLA shall be actuarially reduced to reflect that earlier retirement age unless, within

120 days after his or her retirement, he or she contributes by lump-sum the amount necessary to complete the purchase of his or her elective COLA as determined by the board. If, upon a member's retirement, the board of retirement determines that a member has paid more contributions than necessary to purchase his or her elective COLA in accordance with subdivision (b), the member shall receive a refund of those excess contributions and all interest credited thereto. Upon retirement or termination of employment, but before he or she begins receiving his or her elective COLA, a member may revoke his or her election to purchase an elective COLA and receive a refund of any contributions made toward the purchase of the elective COLA and all interest credited thereto.

(e) If a Retirement Plan E member or former member is totally disabled, begins receiving disability benefits, other than state-mandated benefits, under a disability plan provided by the employer on or after the operative date of this section, and, on or after that date, his or her employment terminates, then, for purposes of calculating the member's or former member's final compensation, his or her predisability compensation, as previously adjusted in accordance with this subdivision and paragraph (5) of subdivision (f), shall, as of April 1 of each year after his or her employment terminates and during a period for which he or she both remains totally disabled and earns ''service'' within the meaning of subdivision (g) of Section 31488, be increased or decreased by an amount equal to that member's or former member's predisability compensation adjustment as calculated by the board of retirement before April 1 of each year.

(f) As used in this section:

(1) ''Automatic COLA'' means, with respect to any member of Retirement Plan E, an amount equal to the allowance then being received (including any automatic or elective COLAs previously received), multiplied by a percentage (rounded to the nearest one-tenth of 1 percent) derived by taking the number of months of service the member earned on and after the operative date of this section, dividing by the member's total months of service, and multiplying by a percentage equal to the lesser of 2 percent or the percentage found by the board of retirement to approximate to the nearest one-half of 1 percent the percentage of annual increase or decrease in the cost of living as of January 1 of each year as shown by the then current CPI, as adjusted for the amount applied from a prior year. For purposes of applying this formula, the amount of any annual cost-of-living increase under the CPI in excess of the 2 percent maximum shall be accumulated and applied in future years in which the annual cost-of-living increase under the CPI is less than the 2 percent maximum.

(2) ''CPI'' means the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers for the area in which the county seat is situated.

(3) ''Elective COLA'' means, with respect to any member of Retirement Plan E, an amount equal to the allowance then being received (including any automatic or elective COLAs previously received), multiplied by a percentage (rounded to the nearest one-tenth of 1 percent) derived by taking the number of months of service the member purchased in accordance with subdivision (b), dividing by the member's total months of service, and multiplying by a percentage equal to the lesser of 2 percent or the percentage found by the board of retirement to approximate to the nearest one-half of 1 percent the percentage of annual increase or decrease in the cost of living as of January 1 of each year as shown by the then current CPI, as adjusted for the amount applied from a prior year. For purposes of applying this formula, the amount of any annual cost-of-living increase under the CPI in excess of the 2 percent maximum shall be accumulated and applied in future years in which the annual cost-of-living increase under the CPI is less than the 2 percent maximum.

(4) ''Predisability compensation'' means a member's last 12 months of compensation earnable preceding the date his or her employment terminates while he or she is receiving disability benefits, other than state-mandated benefits, under a disability plan provided by the employer because he or she is totally disabled. The employer shall provide the board of retirement with the information necessary for a member's predisability compensation to be determined.

(5) ''Predisability compensation adjustment'' means, with respect to any member or former member of Retirement Plan E qualifying under subdivision (e), an amount equal to that member's or former member's predisability compensation as previously adjusted under this section, multiplied by a percentage equal to the lesser of 2 percent or the percentage found by the board of retirement to approximate to the nearest one-half of 1 percent the percentage of annual increase or decrease in the cost of living as of January 1, of each year as shown by the then current CPI, as adjusted for the amount applied from a prior year. For the purpose of applying this formula, the amount of any annual cost-of-living increase under the CPI in excess of the 2 percent maximum shall be accumulated and applied in future years in which the annual cost-of-living increase under the CPI is less than the 2 percent maximum.

(g) This section shall only be applicable to Los Angeles County and shall not become operative until the board of supervisors of that county elects, by resolution adopted by a majority vote, to make this section operative in the county.

SEC. 13. Section 31499.2 of the Government Code is amended to read:

31499.2. (a) (1) Except as otherwise provided in Section 31499.3, there shall be no general members' contributions under the plan created by this article.

(2) A member who transfers to the retirement plan created by this article shall have refunded, within a reasonable period of time, not to exceed nine months from the date of receipt of election to transfer by the board, the member's accumulated contributions, together with interest thereon, which are credited to the member's account. Interest shall be credited to the June 30 or December 31 date, whichever is later, immediately preceding the date of the refund warrant. Any refund under this section shall be payable to the member.

(b) (1) Except as provided in Sections 31499.3 and 31499.7 and under reciprocal provisions of this article, a member who was in public service prior to becoming a member may not elect to receive credit in this retirement plan for that public service time, and may not receive credit for that prior public service.

(2) Absence from work or termination of employment while an eligible employee or disability beneficiary, as defined by a disability plan provided by the employer, may not be considered as breaking the continuity of service.

(3) For the purposes of subdivision (b) of Section 31499.4, an unpaid leave of absence of not to exceed one year, or a leave of absence for which an employee receives any benefit which has been approved by the employer, may not be considered an interruption of service. However, the period of time of unpaid leave may not be considered as service in calculating the benefits otherwise provided under this article.

SEC. 14. Section 31499.3 of the Government Code is repealed.

SEC. 15. Section 31499.3 is added to the Government Code, to read:

31499.3. (a) An active member governed by the provisions of this article may elect, by written notice filed with the board, to make contributions and receive credit in this retirement system for service with the county that was rendered prior to his or her current membership in the system and for which he or she would not otherwise be entitled to receive credit pursuant to this article.

(b) Notwithstanding any other provision of this chapter, service credit received by a member pursuant to this section may not be counted to meet the minimum qualifications for service or disability retirement, additional cost-of-living benefits, health care benefits, or any other benefits based on service credit.

(c) Any member who elects to make contributions and receive service credit pursuant to this section shall contribute to the retirement fund, prior to the effective date of his or her retirement or, if applicable, prior

to the date provided in Section 31485.7, by lump-sum payment or by installment payments over a period not to exceed 10 years, an amount that is equal to the present value of the additional liability incurred by the system in crediting the prior service, based upon actuarial assumptions in effect for the retirement system at the time the election is made.

(d) No member may receive any service credit under this section for which he or she has not completed payment pursuant to subdivision (c) before the effective date of his or her retirement or, if applicable, before the date provided in Section 31485.7. Subject to the limitations of federal law, a member who has elected to make payments in installments may complete payment by lump sum at any time prior to the effective date of his or her retirement.

(e) Any sums paid by a member pursuant to this section shall be considered to be and administered as contributions by the member.

(f) This section is not operative until the board of supervisors elects, by resolution adopted by a majority vote, to make this section operative in the county.

SEC. 16. Section 31499.12 of the Government Code is amended to read:

31499.12. (a) (1) Except as otherwise provided in Section 31499.13, there shall be no general members' contributions under the plan created by this article.

(2) A member who transfers to the retirement plan created by this article shall have refunded, within a reasonable period of time, not to exceed nine months from the date of receipt of election to transfer by the board, the member's accumulated contributions, together with interest thereon, which are credited to the member's account. Interest shall be credited to the June 30 or December 31 date, whichever is later, immediately preceding the date of the refund warrant. Any refund under this section shall be payable to the member.

(b) (1) Except as provided in Sections 31499.13 and 31499.17 and under reciprocal provisions of this article, a member who was in public service prior to becoming a member may not elect to receive credit in this retirement plan for the public service time, and may not receive credit for that prior public service.

(2) Absence from work or termination of employment while an eligible employee or disability beneficiary, as defined by a disability plan provided by the employer, may not be considered as breaking the continuity of service.

(3) For the purposes of subdivision (b) of Section 31499.14, an unpaid leave of absence of not to exceed one year, or a leave of absence for which an employee received any benefit that has been approved by the employer, may not be considered an interruption of service.

However, the period of time of unpaid leave may not be considered as service in calculating the benefits otherwise provided under this article.

SEC. 17. Section 31499.13 of the Government Code is repealed.

SEC. 18. Section 31499.13 is added to the Government Code, to read:

31499.13. (a) An active member governed by the provisions of this article may elect, by written notice filed with the board, to make contributions and receive credit in this retirement system for service with the county that was rendered prior to his or her current membership in the system and for which he or she would not otherwise be entitled to receive credit pursuant to this article.

(b) Notwithstanding any other provision of this chapter, service credit received by a member pursuant to this section may not be counted to meet the minimum qualifications for service or disability retirement, additional cost-of-living benefits, health care benefits, or any other benefits based on service credit.

(c) Any member who elects to make contributions and receive service credit pursuant to this section shall contribute to the retirement fund, prior to the effective date of his or her retirement or, if applicable, prior to the date provided in Section 31485.7, by lump-sum payment or by installment payments over a period not to exceed 10 years, an amount that is equal to the present value of the additional liability incurred by the system in crediting the prior service, based upon actuarial assumptions in effect for the retirement system at the time the election is made.

(d) No member may receive any service credit under this section for which he or she has not completed payment pursuant to subdivision (c) before the effective date of his or her retirement or, if applicable, before the date provided in Section 31485.7. Subject to the limitations of federal law, a member who has elected to make payments in installments may complete payment by lump sum at any time prior to the effective date of his or her retirement.

(e) Any sums paid by a member pursuant to this section shall be considered to be and administered as contributions by the member.

(f) This section is not operative until the board of supervisors elects, by resolution adopted by a majority vote, to make this section operative in the county.

SEC. 19. Section 31522.6 is added to the Government Code, to read:

31522.6. The board may contract with a third party to temporarily assume administration of the system if a catastrophic event destroys or severely damages the system's administrative facilities or otherwise prevents or significantly hinders continued local administration of the system. Local administration of the system shall resume as soon as practicable.

The costs of contracting with the third party for temporary administration of the system shall be a charge against the investment earnings of the retirement fund.

SEC. 20. Section 54956.81 is added to the Government Code, to read:

54956.81. Notwithstanding any other provision of this chapter, a legislative body of a local agency that invests pension funds may hold a closed session to consider the purchase or sale of particular, specific pension fund investments. All investment transaction decisions made during the closed session shall be made by rollcall vote entered into the minutes of the closed session as provided in subdivision (a) of Section 54957.2.

SEC. 21. Section 54957.1 of the Government Code is amended to read:

54957.1. (a) The legislative body of any local agency shall publicly report any action taken in closed session and the vote or abstention of every member present thereon, as follows:

(1) Approval of an agreement concluding real estate negotiations pursuant to Section 54956.8 shall be reported after the agreement is final, as specified below:

(A) If its own approval renders the agreement final, the body shall report that approval and the substance of the agreement in open session at the public meeting during which the closed session is held.

(B) If final approval rests with the other party to the negotiations, the local agency shall disclose the fact of that approval and the substance of the agreement upon inquiry by any person, as soon as the other party or its agent has informed the local agency of its approval.

(2) Approval given to its legal counsel to defend, or seek or refrain from seeking appellate review or relief, or to enter as an amicus curiae in any form of litigation as the result of a consultation under Section 54956.9 shall be reported in open session at the public meeting during which the closed session is held. The report shall identify, if known, the adverse party or parties and the substance of the litigation. In the case of approval given to initiate or intervene in an action, the announcement need not identify the action, the defendants, or other particulars, but shall specify that the direction to initiate or intervene in an action has been given and that the action, the defendants, and the other particulars shall, once formally commenced, be disclosed to any person upon inquiry, unless to do so would jeopardize the agency's ability to effectuate service of process on one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.

(3) Approval given to its legal counsel of a settlement of pending litigation, as defined in Section 54956.9, at any stage prior to or during

a judicial or quasi-judicial proceeding shall be reported after the settlement is final, as specified below:

(A) If the legislative body accepts a settlement offer signed by the opposing party, the body shall report its acceptance and identify the substance of the agreement in open session at the public meeting during which the closed session is held.

(B) If final approval rests with some other party to the litigation or with the court, then as soon as the settlement becomes final, and upon inquiry by any person, the local agency shall disclose the fact of that approval, and identify the substance of the agreement.

(4) Disposition reached as to claims discussed in closed session pursuant to Section 54956.95 shall be reported as soon as reached in a manner that identifies the name of the claimant, the name of the local agency claimed against, the substance of the claim, and any monetary amount approved for payment and agreed upon by the claimant.

(5) Action taken to appoint, employ, dismiss, accept the resignation of, or otherwise affect the employment status of a public employee in closed session pursuant to Section 54957 shall be reported at the public meeting during which the closed session is held. Any report required by this paragraph shall identify the title of the position. The general requirement of this paragraph notwithstanding, the report of a dismissal or of the nonrenewal of an employment contract shall be deferred until the first public meeting following the exhaustion of administrative remedies, if any.

(6) Approval of an agreement concluding labor negotiations with represented employees pursuant to Section 54957.6 shall be reported after the agreement is final and has been accepted or ratified by the other party. The report shall identify the item approved and the other party or parties to the negotiation.

(7) Pension fund investment transaction decisions made pursuant to Section 54956.81 shall be disclosed at the first open meeting of the legislative body held after the earlier of the close of the investment transaction or the transfer of pension fund assets for the investment transaction.

(b) Reports that are required to be made pursuant to this section may be made orally or in writing. The legislative body shall provide to any person who has submitted a written request to the legislative body within 24 hours of the posting of the agenda, or to any person who has made a standing request for all documentation as part of a request for notice of meetings pursuant to Section 54954.1 or 54956, if the requester is present at the time the closed session ends, copies of any contracts, settlement agreements, or other documents that were finally approved or adopted in the closed session. If the action taken results in one or more substantive amendments to the related documents requiring retyping,

the documents need not be released until the retyping is completed during normal business hours, provided that the presiding officer of the legislative body or his or her designee orally summarizes the substance of the amendments for the benefit of the document requester or any other person present and requesting the information.

(c) The documentation referred to in paragraph (b) shall be available to any person on the next business day following the meeting in which the action referred to is taken or, in the case of substantial amendments, when any necessary retyping is complete.

(d) Nothing in this section shall be construed to require that the legislative body approve actions not otherwise subject to legislative body approval.

(e) No action for injury to a reputational, liberty, or other personal interest may be commenced by or on behalf of any employee or former employee with respect to whom a disclosure is made by a legislative body in an effort to comply with this section.

CHAPTER 534

An act to amend Sections 71.4, 76.3, and 76.6 of the Harbors and Navigation Code, relating to harbors and ports.

[Approved by Governor September 15, 2004. Filed with Secretary of State September 15, 2004.]

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

SECTION 1. Section 71.4 of the Harbors and Navigation Code is amended to read:

71.4. (a) The department, subject to the approval of the Legislature in accordance with Section 85.2, may make loans to cities, counties, or districts having power to acquire, construct, and operate small craft harbors, for the planning, acquisition, construction, improvement, maintenance, or operation of small craft harbors and facilities in connection therewith, and connecting waterways, if the department finds that the project is feasible.

(b) The department shall establish, by rules and regulations, policies and standards to be followed in making loans pursuant to this section so as to further the proper development and maintenance of a statewide system of small craft harbors and connecting waterways. To the greatest extent possible, the department shall adhere to customary commercial practices to ensure that loans made pursuant to this section are adequately secured and that the loans are repaid consistent with the terms

of the loan agreement. Any rules and regulations shall include policies and standards for restrooms, vessel pumpout facilities, oil recycling facilities, and receptacles for the purpose of separating, reusing, or recycling all solid waste materials.

(c) The department shall develop weighing and ranking criteria to qualify and prioritize the public loans.

(d) Any loan under this section shall be repaid as provided in Section 70.

(e) Rates to be charged for the use of the boating facilities shall be established by the city, county, or district, subject to the approval of the department, in every loan contract. The department shall concern itself with the rates charged only as prescribed in Section 71.8. The rates set shall be based on a monthly berthing charge, and the department shall monitor these rates to ensure that the berthing charges are sufficient to ensure timely and complete repayment of the loan.

(f) The department shall submit any project for which it recommends any loan be made to the Governor for inclusion in the Budget Bill.

(g) No loans shall be made to cities, counties, or districts pursuant to this article from funds appropriated in the Budget Act of 1999 for the purposes of this section until the practices and criteria described in subdivisions (b) and (c) have been reviewed and approved by the Department of Finance. Any subsequent changes to those practices and criteria shall also be approved by the Department of Finance.

SEC. 2. Section 76.3 of the Harbors and Navigation Code is amended to read:

76.3. (a) The department may make loans to private marina owners for construction costs, not including planning, design, and other similar expenses, to develop a recreational marina. Loan funds from the department may be utilized for berthing facilities, dredging, parking, public access facilities, restrooms, vessel pumpout facilities, oil recycling facilities, utilities, landscaping, receptacles for the purpose of separating, reusing, or recycling all solid waste materials, and other incidental boating-related amenities.

(b) No loan made by the department to a private marina owner shall exceed 75 percent of the funds annually budgeted for purposes of this article.

(c) The department shall not make a loan to a recreational marina that restricts access or bars the public other than what is consistent with general commercial business practices.

(d) Any private marina owner who purchases facilities previously developed with a department loan is eligible to apply for a new construction loan from the department.

(e) (1) The department may also make a loan to a recreational marina for the purpose of refinancing an existing loan, subject to the following conditions:

(A) Not more than 70 percent of the proceeds from the loan shall be used to refinance an existing loan.

(B) Not less than 30 percent of the loan proceeds shall be used for construction activity authorized under this section.

(C) The loan applicant shall provide documentation to the department proving to the satisfaction of the department that the existing loan prohibits the addition of a loan in second position.

(D) The loan applicant shall meet all other requirements under law for loan qualification, and any other applicable term or condition of law.

(2) This subdivision does not prohibit a person from applying for a loan under subdivision (a).

SEC. 3. Section 76.6 of the Harbors and Navigation Code is amended to read:

76.6. Loans made under this article shall include, but are not limited to, the following terms and conditions:

(a) The annual rate of interest charged by the department shall be a rate equal to 1 percent per annum plus the prevailing rate of interest existing in the marketplace for lending institutions' most creditworthy borrowers. For purposes of this article, the prevailing rate of interest existing in the marketplace for lending institutions' most creditworthy borrowers means the prime or base rate of interest.

(b) The department shall require collateral in the amount of 110 percent of the loan.

(c) The repayment period of a loan shall not exceed 20 years, or be longer than the length of the borrower's leasehold estate, including renewal options, if the loan is based upon a leasehold estate of the borrower.

(d) All loans shall amortize the principal over the term of the loan. However, a loan shall become due and payable in full if the borrower sells or otherwise transfers the recreational marina developed with departmental funds, unless the transfer is, by reason of the death of the borrower, to the borrower's heirs, or the transfer is to another business entity controlled by the borrower in a transaction that does not result in a material change in control or ownership of the recreational marina.

(e) The department's loans shall not be subordinated to any future loans obtained by a private marina owner, except in those cases involving loans acquired for refinancing previous senior loans.

CHAPTER 535

An act to amend Section 71631.7 of, and to add Section 5009 to, the Water Code, relating to water.

[Approved by Governor September 15, 2004. Filed with Secretary of State September 15, 2004.]

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

SECTION 1. Section 5009 is added to the Water Code, to read:

5009. (a) (1) Notwithstanding any other provision of this part, on and after January 1, 2005, each person who extracts groundwater in a board-designated local area, and who is otherwise subject to this part, shall file the required notice with the appropriate local agency designated pursuant to subdivision (e), instead of the board, in accordance with this part. The notice shall be on a form provided by the local agency and the content of the form shall be determined by the local agency in accordance with Section 5002. To the extent possible, the form shall consolidate the notice required under this section with other reports required by the local agency relating to the extraction of groundwater.

(2) A person who is subject to this section is subject to this part in the same manner and to the same extent as a person who files his or her notice with the board.

(b) Each notice filed with the local agency may include a filing fee determined by the local agency. If the local agency chooses to impose a filing fee, the local agency shall calculate the amount of the fee to pay for administrative expenses incurred in connection with the processing, compiling, and retaining of the notices, but in no event shall the fee amount exceed that amount charged by the board pursuant to Section 5006.

(c) The local agency shall make available to the public the information collected pursuant to this section.

(d) For the purposes of this section:

(1) ''Board-designated local area'' means the area entirely within the jurisdiction of the local agency that the board has determined shall be subject to this section.

(2) ''Local agency'' means the local public agency or court appointed watermaster that has been designated by the board in accordance with subdivision (e).

(e) The board may designate an entity as a local agency for the purposes of this section if the board determines that all of the following apply:

(1) The entity has volunteered to be designated.

(2) The entity has responsibilities relating to the extraction or use of groundwater.

(3) The entity has made satisfactory arrangements with the board to identify which groundwater extractors are within the designated local area and to avoid the submission of notices to both the board and one or more local agencies.

(4) The entity has made satisfactory arrangements with the board to maintain records filed under this part for extractions within the designated local area, and to make those records available to governmental agencies.

SEC. 2. Section 71631.7 of the Water Code is amended to read:

71631.7. (a) Notwithstanding Section 71631, in any improvement district situated within the San Luis Rey Municipal Water District, the standby assessment or availability charge shall not exceed thirty dollars ($30) per acre per year for land on which the charge is levied or thirty dollars ($30) per year for a parcel less than one acre. In the improvement district, the proceeds from any standby assessment or availability charge in excess of ten dollars ($10) per acre per year or ten dollars ($10) per year for a parcel less than one acre shall only be used for the purposes of that improvement district.

(b) This section, applicable only to the San Luis Rey Municipal Water District, is necessary because of the unique and special water management problems of those areas included within that district.

(c) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2015, deletes or extends that date.

SEC. 3. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

CHAPTER 536

An act to add Section 1936.05 to the Civil Code, relating to vehicle rental agreements.

[Approved by Governor September 15, 2004. Filed with Secretary of State September 15, 2004.]

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

SECTION 1. Section 1936.05 is added to the Civil Code, to read:

1936.05. (a) For purposes of this section:

(1) ''Additional charges'' means charges other than a per period base rental rate established by the business program.

(2) ''Business program'' means (A) a contract between a rental company and a business program sponsor that has established the per period base rental rate, and any other material terms relating to additional charges, on which the rental company will rent passenger vehicles to persons authorized by the sponsor, or (B) a plan, program, or other arrangement established by a rental company at the request of, or with the consent of, a business program sponsor under which the rental company offers to rent passenger vehicles to persons authorized by the sponsor at per period base rental rates, and any other material terms relating to additional charges, that are not the same as those generally offered by the rental company to the public.

(3) ''Business program sponsor'' means a legal entity, other than a natural person, that is a corporation, limited liability company, or partnership.

(4) ''Business renter'' means, for any business program sponsor, a person who is authorized by the sponsor, through the use of an identifying number or program name or code, to enter into a rental contract under the sponsor's business program. In no case shall the term ''business renter'' include a person renting as: (A) a nonemployee member of a not-for-profit organization, (B) the purchaser of a voucher or other prepaid rental arrangement from a person, including a tour operator, engaged in the business of reselling those vouchers or prepaid rental arrangements to the general public, (C) an individual whose car rental is eligible for reimbursement in whole or in part as a result of the person being insured or provided coverage under a policy of insurance issued by an insurance company, or (D) an individual whose car rental is eligible for reimbursement in whole or in part as a result of the person purchasing passenger vehicle repair services from a person licensed to perform such services.

(5) ''Qualified business rental'' under a business program established for a business program sponsor by a rental company means the rental of a passenger vehicle under the business program if either (A) in the 12-month period ending on the date of the rental or in the calendar year immediately preceding the year in which the rental occurs, the rentals under all business programs established by the rental company for the business program sponsor and its affiliates produced gross rental revenues in excess of twenty-five thousand dollars ($25,000) or (B) the rental company in good faith estimates that rentals under all the business

programs established by the rental company for the business program sponsor and its affiliates will produce gross rental revenues in excess of twenty-five thousand dollars ($25,000) in the 12-month period commencing with the date of the rental or in the calendar year in which the rental occurs. The rental company has the burden of establishing by objectively verifiable evidence that the rental was a qualified business rental.

(6) ''Quote'' means telephonic, in-person, and computer-transmitted quotations.

(b) Notwithstanding any provision to the contrary contained in paragraph (1) of subdivision (n) of Section 1936, a rental car company may, in connection with the qualified business rental of a passenger vehicle to a business renter of a business program sponsor under the sponsor's business program, do both of the following:

(1) Separately quote additional charges for the rental if, at the time the quote is provided, the person receiving the quote is also provided a good faith estimate of the total of all the charges for the entire rental. The estimate may exclude mileage charges and charges for optional items and services that cannot be determined prior to completing the reservation based upon the information provided by the renter.

(2) Separately impose additional charges for the rental, if the rental contract, or another document provided to the business renter at the time and place the rental commences, clearly and conspicuously discloses the total of all the charges for the entire rental, exclusive of charges that cannot be determined at the time the rental commences.

(c) A renter may bring an action against a rental company for the recovery of damages and appropriate equitable relief for a violation of this section. The prevailing party shall be entitled to recover reasonable attorney's fees and costs.

(d) Any waiver of any of the provisions of this section shall be void and unenforceable as contrary to public policy.

(e) Nothing in this section shall be interpreted to mean that a rental company is not required to comply with the requirements of paragraphs (2) to (6), inclusive, of subdivision (n) of Section 1936.

CHAPTER 537

An act to amend and repeal Section 37252.1, of the Education Code, relating to pupil instruction, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 15, 2004. Filed with Secretary of State September 15, 2004.]

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

SECTION 1. Section 37252.1 of the Education Code is amended to read:

37252.1. (a) (1) (A) Notwithstanding subdivision (g) of Section 37252, the State Board of Education may grant a request from the Fresno Unified School District that Section 37252 be waived to allow that district to receive and use funds made available pursuant to Section 37252 to offer to pupils enrolled at the Cooper Middle School whose performance on the English language arts and mathematics parts of the California Standards Tests is at the below basic or far below basic levels, as those terms are defined by the State Board of Education, an instructional day that is 60 minutes longer than at other middle schools in the district instead of offering at the Cooper Middle School the supplemental instructional programs required pursuant to Section 37252. If the State Board of Education grants the waiver request, the longer instructional day shall be used to provide more instruction in language arts and mathematics.

(B) The additional 60 minutes of instruction shall supplement and not supplant regularly scheduled courses in reading and mathematics.

(C) The Fresno Unified School District shall separately account for, and maintain separate records of, pupil attendance at the additional 60 minutes of instruction.

(2) The Fresno Unified School District may also offer pupils enrolled at the Cooper Middle School whose performance on the English language arts and mathematics parts of the California Standards Tests is at a level better than the below basic or far below basic levels, as those terms are defined by the State Board of Education, an instructional day that is 60 minutes longer than at other middle schools in the district. The district may not use funds made available pursuant to Section 37252 to offer these pupils a longer instructional day.

(3) Before implementing a longer instructional day pursuant to this section, the Fresno Unified School District shall notify the parents and guardians of pupils enrolled in the Cooper Middle School that they may elect not to include their child in the instructional program offered at the Cooper Middle School and have their child placed in a regular program at another middle school maintained by the district.

(b) The Superintendent of Public Instruction shall conduct an evaluation of this alternative use of supplemental instruction funds and submit an evaluative report to the Legislature by December 31, 2004.

(c) This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute, that becomes effective on or before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 2. The Legislature finds and declares that due to special circumstances surrounding the Fresno Unified School District that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution, and the enactment of a special statute is therefore necessary.

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 Cooper Intervention Program to continue to be funded through the 2004–05 and 2005–06 school year without interruption, it is necessary that this act take effect immediately.

CHAPTER 538

An act to amend Section 16461 of the Probate Code, relating to trusts.

[Approved by Governor September 15, 2004. Filed with Secretary of State September 15, 2004.]

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

SECTION 1. Section 16461 of the Probate Code is amended to read:

16461. (a) Except as provided in subdivision (b), (c), or (d), the trustee can be relieved of liability for breach of trust by provisions in the trust instrument.

(b) A provision in the trust instrument is not effective to relieve the trustee of liability (1) for breach of trust committed intentionally, with gross negligence, in bad faith, or with reckless indifference to the interest of the beneficiary, or (2) for any profit that the trustee derives from a breach of trust.

(c) Subject to subdivision (b), a provision in a trust instrument that releases the trustee from liability if a beneficiary fails to object to an item in an interim or final account or other written report within a specified time period is effective only if all of the following conditions are met:

(1) The account or report sets forth the item.

(2) The period specified in the trust instrument for the beneficiary to object is not less than 180 days, or the trustee elects to follow the procedure provided in subdivision (d).

(3) Written notice in 12-point boldface type is provided to a beneficiary with the account or report in the following form:

NOTICE TO BENEFICIARIES

YOU HAVE [insert ''180 days'' or the period specified in the trust instrument, whichever is longer] FROM YOUR RECEIPT OF THIS ACCOUNT OR REPORT TO MAKE AN OBJECTION TO ANY ITEM SET FORTH IN THIS ACCOUNT OR REPORT. ANY OBJECTION YOU MAKE MUST BE IN WRITING; IT MUST BE DELIVERED TO THE TRUSTEE WITHIN THE PERIOD STATED ABOVE; AND IT MUST STATE YOUR OBJECTION. YOUR FAILURE TO DELIVER A WRITTEN OBJECTION TO THE TRUSTEE WITHIN THE PERIOD STATED ABOVE WILL PERMANENTLY PREVENT YOU FROM LATER ASSERTING THIS OBJECTION AGAINST THE TRUSTEE. IF YOU DO MAKE AN OBJECTION TO THE TRUSTEE, THE THREE-YEAR PERIOD PROVIDED IN SECTION 16460 OF THE PROBATE CODE FOR COMMENCEMENT OF LITIGATION WILL APPLY TO CLAIMS BASED ON YOUR OBJECTION AND WILL BEGIN TO RUN ON THE DATE THAT YOU RECEIVE THIS ACCOUNT OR REPORT.

(d) A provision in a trust instrument that provides for a period less than 180 days to object to an item in an account or report shall be ineffective to release the trustee from liability. A trustee of a trust created by an instrument with an ineffective period may elect to be governed by the provisions of subdivision (c) by complying with the requirements of subdivision (c), except that ''180 days'' shall be substituted in the notice form for the ineffective period.

(e) Subject to subdivision (b), a beneficiary who fails to object in writing to an account or report that complies with the requirements of subdivision (c) within the specified, valid period shall be barred from asserting any claim against the trustee regarding an item that is adequately disclosed in the account or report. An item is adequately disclosed if the disclosure regarding the item meets the requirements of paragraph (1) of subdivision (a) of Section 16460.

(f) Except as provided in subdivision (a) of Section 16460, the trustee may not be released from liability as to any claim based on a written objection made by a beneficiary if the objection is delivered to the trustee within the specified, effective period. If a beneficiary has filed a written objection to an account or report that complies with the requirements of subdivision (c) within the specified, valid period that concerns an item that affects any other beneficiary of the trust, any affected beneficiary may join in the objection anytime within the specified, valid period or while the resolution of the objection is pending, whichever is later. This section is not intended to establish a class of beneficiaries for actions on an account and report or provide that the action of one beneficiary is for

the benefit of all beneficiaries. This section does not create a duty for any trustee to notify beneficiaries of objections or resolution of objections.

(g) Provided that a beneficiary has filed a written objection to an account or report that complies with the requirements of subdivision (c) within the specified, valid period, a supplemental written objection may be delivered in the same manner as the objection not later than 180 days after the receipt of the account or report or no later than the period specified in the trust instrument, whichever is longer.

(h) Compliance with subdivision (c) excuses compliance with paragraph (6) of subdivision (a) of Section 16063 for the account or report to which that notice relates.

(i) Subject to subdivision (b), if proper notice has been given and a beneficiary has not made a timely objection, the trustee is not liable for any other claims adequately disclosed by any item in the account or report.

(j) Subdivisions (c) to (i), inclusive, apply to all accounts and reports submitted after the effective date of the act adding these subdivisions.

CHAPTER 539

An act to amend Sections 8201 and 8206 of, and to add Section 8202 to, the Government Code, relating to notaries public.

[Approved by Governor September 15, 2004. Filed with Secretary of State September 15, 2004.]

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

SECTION 1. Section 8201 of the Government Code is amended to read:

8201. (a) Every person appointed as notary public shall meet all of the following requirements:

(1) Be at the time of appointment a legal resident of this state, except as otherwise provided in Section 8203.1.

(2) Be not less than 18 years of age.

(3) For appointments made on or after July 1, 2005, have satisfactorily completed a six-hour course of study approved by the Secretary of State pursuant to Section 8201.2 concerning the functions and duties of a notary public.

(4) Have satisfactorily completed a written examination prescribed by the Secretary of State to determine the fitness of the person to exercise the functions and duties of the office of notary public. All questions shall be based on the law of this state as set forth in the booklet of the laws of

California relating to notaries public distributed by the Secretary of State.

(b) (1) Commencing July 1, 2005, each applicant for notary public shall provide satisfactory proof that he or she has completed the course of study required pursuant to paragraph (3) of subdivision (a) prior to approval of his or her appointment as a notary public by the Secretary of State.

(2) Commencing July 1, 2005, an applicant for notary public who holds a California notary public commission, and who has satisfactorily completed the six-hour course of study required pursuant to paragraph (1) at least one time, shall provide satisfactory proof when applying for reappointment as a notary public that he or she has satisfactorily completed a three-hour refresher course of study prior to reappointment as a notary public by the Secretary of State.

SEC. 2. Section 8202 is added to the Government Code, to read:

8202. (a) When executing a jurat, a notary shall administer an oath or affirmation to the affiant and shall determine, from personal knowledge or satisfactory evidence as described in Section 1185 of the Civil Code, that the affiant is the person executing the document. The affiant shall sign the document in the presence of the notary.

(b) To any affidavit subscribed and sworn to before a notary, there shall be attached a jurat in the following form:

State of California

County of _____

Subscribed and sworn to (or affirmed) before me on this _____ day of _____, 20__, by _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Seal _____

Signature _____

SEC. 3. Section 8206 of the Government Code is amended to read:

8206. (a) (1) A notary public shall keep one active sequential journal at a time, of all official acts performed as a notary public. The journal shall be kept in a locked and secured area, under the direct and exclusive control of the notary. Failure to secure the journal shall be cause for the Secretary of State to take administrative action against the commission held by the notary public pursuant to Section 8214.1.

(2) The journal shall be in addition to and apart from any copies of notarized documents that may be in the possession of the notary public and shall include all of the following:

(A) Date, time, and type of each official act.

(B) Character of every instrument sworn to, affirmed, acknowledged, or proved before the notary.

(C) The signature of each person whose signature is being notarized.

(D) A statement as to whether the identity of a person making an acknowledgment or taking an oath or affirmation was based on personal knowledge or satisfactory evidence. If identity was established by satisfactory evidence pursuant to Section 1185 of the Civil Code, then the journal shall contain the signature of the credible witness swearing or affirming to the identity of the individual or the type of identifying document, the governmental agency issuing the document, the serial or identifying number of the document, and the date of issue or expiration of the document.

(E) If the identity of the person making the acknowledgment or taking the oath or affirmation was established by the oaths or affirmations of two credible witnesses whose identities are proven upon the presentation of satisfactory evidence, the type of identifying documents, the identifying numbers of the documents and the dates of issuance or expiration of the documents presented by the witnesses to establish their identity.

(F) The fee charged for the notarial service.

(G) If the document to be notarized is a deed, quitclaim deed, or deed of trust affecting real property, the notary public shall require the party signing the document to place his or her right thumbprint in the journal. If the right thumbprint is not available, then the notary shall have the party use his or her left thumb, or any available finger and shall so indicate in the journal. If the party signing the document is physically unable to provide a thumbprint or fingerprint, the notary shall so indicate in the journal and shall also provide an explanation of that physical condition. This paragraph shall not apply to a trustee's deed resulting from a decree of foreclosure or a nonjudicial foreclosure pursuant to Section 2924 of the Civil Code, nor to a deed of reconveyance.

(b) If a sequential journal of official acts performed by a notary public is stolen, lost, misplaced, destroyed, damaged, or otherwise rendered unusable as a record of notarial acts and information, the notary public shall immediately notify the Secretary of State by certified or registered mail. The notification shall include the period of the journal entries, the notary public commission number, and the expiration date of the commission, and when applicable, a photocopy of any police report that specifies the theft of the sequential journal of official acts.

(c) Upon written request of any member of the public, which request shall include the name of the parties, the type of document, and the month and year in which notarized, the notary shall supply a photostatic copy of the line item representing the requested transaction at a cost of not more than thirty cents ($0.30) per page.

(d) The journal of notarial acts of a notary public is the exclusive property of that notary public, and shall not be surrendered to an employer upon termination of employment, whether or not the employer paid for the journal, or at any other time. The notary public shall not surrender the journal to any other person, except the county clerk, pursuant to Section 8209, or to a peace officer, as defined in Sections 830.1, 830.2, and 830.3 of the Penal Code, acting in his or her official capacity and within his or her authority, in response to a criminal search warrant signed by a magistrate and served upon the notary public by the peace officer. The notary public shall obtain a receipt for the journal, and shall notify the Secretary of State by certified mail within 10 days that the journal was relinquished to a peace officer. The notification shall include the period of the journal entries, the commission number of the notary public, the expiration date of the commission, and a photocopy of the receipt. The notary public shall obtain a new sequential journal. If the journal relinquished to a peace officer is returned to the notary public and a new journal has been obtained, the notary public shall make no new entries in the returned journal. A notary public who is an employee shall permit inspection and copying of journal transactions by a duly designated auditor or agent of the notary public's employer, provided that the inspection and copying is done in the presence of the notary public and the transactions are directly associated with the business purposes of the employer. The notary public, upon the request of the employer, shall regularly provide copies of all transactions that are directly associated with the business purposes of the employer, but shall not be required to provide copies of any transaction that is unrelated to the employer's business. Confidentiality and safekeeping of any copies of the journal provided to the employer shall be the responsibility of that employer.

(e) The notary public shall provide the journal for examination and copying in the presence of the notary public upon receipt of a subpoena duces tecum or a court order, and shall certify those copies if requested.

CHAPTER 540

An act to amend Section 21193 of, and to add Sections 21190.5 and 21193.5 to, the Public Resources Code, and to amend Sections 5106 and

5108 of, and to add Section 5112 to, the Vehicle Code, relating to natural resources.

[Approved by Governor September 15, 2004. Filed with Secretary of State September 15, 2004.]

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

SECTION 1. Section 21190.5 is added to the Public Resources Code, to read:

21190.5. (a) In addition to, and in furtherance of, the purposes specified in subdivisions (a), (b), (d), and (e) of Section 21190, money in the California Environmental License Plate Fund may be expended, upon appropriation by the Legislature, pursuant to the California Ocean Protection Act (Division 26.5 (commencing with Section 35500)).

(b) This section shall become operative only if the California Ocean Protection Act is enacted during the 2003–04 Regular Session.

SEC. 2. Section 21193 of the Public Resources Code is amended to read:

21193. (a) The program established by this division shall be administered by the Secretary of the Resources Agency.

(b) On or before November 1 of each year, the secretary shall forward those projects and programs recommended for funding to the Governor for inclusion in the Governor's Budget, together with a statement of the purpose of each project and program, the benefits to be realized, and the secretary's comments thereon.

(c) The section of the Governor's Budget for the California Environmental Protection Program shall include a display of expenditures that includes a statement of the purpose and benefits to be realized for each project or program proposed for funding.

SEC. 3. Section 21193.5 is added to the Public Resources Code, to read:

21193.5. Concurrently with the submittal of the Governor's Budget for the 2006–07 fiscal year and every third fiscal year thereafter, the Secretary of the Resources Agency shall report to the Governor and the Legislature on how the particular mix of funding sources, from the California Environmental License Plate Fund and other funds, is appropriate for each project or program in relationship to the benefits realized from the project or program.

SEC. 4. Section 5106 of the Vehicle Code is amended to read:

5106. (a) Except as provided in Section 5101.7, in addition to the regular registration fee or a permanent trailer identification fee, the applicant shall be charged a fee of forty dollars ($40) for issuance of environmental license plates.

(b) In addition to the regular renewal fee or a permanent trailer identification fee for the vehicle to which the plates are assigned, the applicant for a renewal of environmental license plates shall be charged an additional fee of thirty dollars ($30). An applicant with a permanent trailer identification plate shall be charged an annual fee of thirty dollars ($30) for renewal of environmental license plates. However, applicants for renewal of prisoner-of-war special license plates issued under Section 5101.5 shall not be charged the additional renewal fee under this subdivision.

(c) When payment of renewal fees is not required as specified in Section 4000, the holder of any environmental license plate may retain the plate upon payment of an annual fee of thirty dollars ($30). The fee shall be due at the expiration of the registration year of the vehicle to which the environmental license plate was last assigned. However, applicants for retention of prisoner-of-war special license plates issued under Section 5101.5 shall not be charged the additional retention fee under this subdivision.

(d) Notwithstanding Section 9265, the applicant for a duplicate environmental license plate or a duplicate, replacement commemorative 1984 Olympic reflectorized license plate shall be charged a fee of thirty dollars ($30).

SEC. 5. Section 5108 of the Vehicle Code is amended to read:

5108. Whenever any person who has been issued environmental license plates applies to the department for transfer of the plates to another passenger vehicle, commercial motor vehicle, trailer, or semitrailer a transfer fee of thirty dollars ($30) shall be charged in addition to all other appropriate fees.

SEC. 6. Section 5112 is added to the Vehicle Code, to read:

5112. (a) The department shall revise its Internet Web site to provide a direct link on the homepage to information on ordering environmental license plates.

(b) The department may provide links on its Internet Web site to other Internet Web sites that have information regarding the protection and management of ocean and coastal resources and other programs that are supported with funds from the Environmental License Plate Fund.

(c) When existing supplies of forms, publications, and signs have been depleted, or if those forms, publications, and signs are required to be revised in the normal course of operations, the department shall include in the replenishing supplies or the revised forms, publications, and signs, information regarding environmental license plates and the procedures for applying for those plates. This subdivision applies only

to forms, publications, and signs, that advertise, facilitate the application for, or are an application for environmental license plates.

CHAPTER 541

An act relating to the payment of judgments and settlement claims against the state, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 15, 2004. Filed with Secretary of State September 15, 2004.]

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

SECTION 1. The sum of one million dollars ($1,000,000) is hereby appropriated from the General Fund to the Department of the Youth Authority to pay for the settlement in the case of Tiffany Baker, et al. v. California Youth Authority, et al. (U.S.D.C., C.D., Case No. ED 997-0177 RT (SGL)).

Any funds appropriated in excess of the amounts actually required for the payment of this settlement claim shall revert to the General Fund on June 30 of the fiscal year in which the final payment is made.

SEC. 2. The sum of two hundred fifty-three thousand one hundred fifty-three dollars and twenty-one cents ($253,153.21) is hereby appropriated from the General Fund to the Board of Prison Terms to pay for the judgment in the case of John Armstrong, et al. v. Davis, et al. (U.S.D.C., N.D., Case No. CV 94-2307 CW).

Any funds appropriated pursuant to this section in excess of the amounts actually required for the payment of the settlement and interest claims specified in this section shall revert to the fund from which it is appropriated on June 30 of the fiscal year in which the final payment is made.

SEC. 3. The sum of seven million nine hundred thousand dollars ($7,900,000) is hereby appropriated from the General Fund to the office of the Attorney General to pay for the settlement in the case of Kenneth Cavender, et al. v. P.G. & E. et al. (Fresno County Superior Court, Case No. 03 CE CG 00987 DBS).

Any funds appropriated pursuant to this section in excess of the amounts actually required for the payment of the settlement and interest claims specified in this section shall revert to the General Fund on June 30 of the fiscal year in which the final payment is made.

SEC. 4. The sum of three hundred twelve thousand five hundred dollars ($312,500) is hereby appropriated from the General Fund to the

Department of General Services to pay for the settlement in the case of Oakview Construction, Inc. v. Department of General Services (Los Angeles Superior Court, Case No. 273163).

Any funds appropriated pursuant to this section in excess of the amounts actually required for the payment of the settlement and interest claims specified in this section shall revert to the fund from which it is appropriated on June 30 of the fiscal year in which the final payment is made.

SEC. 5. The sum of three million six hundred sixty thousand seven hundred fifty-four dollars ($3,660,754) is hereby appropriated from the General Fund to the office of the Attorney General to pay for the judgment in the case of County of San Diego v. Commission on State Mandates, et al. (San Diego Superior Court Case #GIC 762953).

Any funds appropriated pursuant to this section in excess of the amounts actually required for the payment of the judgment claim specified in this section shall revert to the fund from which it is appropriated on June 30 of the fiscal year in which the final payment is made.

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 pay judgments and settlement claims against the state and end hardship to claimants as quickly as possible, it is necessary for this act to take effect immediately.

CHAPTER 542

An act relating to the Oakland Estuary.

[Approved by Governor September 15, 2004. Filed with Secretary of State September 15, 2004.]

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

SECTION 1. This act shall be known, and may be cited, as the Oak Street to 9th Avenue District Exchange Act.

SEC. 2. For purposes of this act, the following definitions apply unless the context requires otherwise.

(a) ''1911 grant'' means Chapter 654 of the Statutes of 1911, as amended by Chapter 146 of the Statutes of 1939, Chapter 1737 of the Statutes of 1965, and Chapter 1016 of the Statutes of 1981.

(b) ''1960 grant'' means Chapter 15 of the Statutes of 1960, First Extraordinary Session.

(c) ''After-acquired trust lands'' means all or any portion of the Oak Street to 9th Avenue property that is not historic tide and submerged lands, whose title is not derived from the legislative grants and that was acquired with public trust funds derived from port operations.

(d) ''Area of the estuary plan'' means those lands encompassed within that area between Adeline Street on the west, Interstate 880 on the north, the south bank of Damon Slough on the east, and the estuary shoreline on the south.

(e) ''BCDC'' means the San Francisco Bay Conservation and Development Commission.

(f) ''Charter'' means the Charter of the City of Oakland, as amended.

(g) ''City'' means the City of Oakland or the Town of Oakland, as applicable.

(h) ''Commission'' means the State Lands Commission.

(i) ''Estuary'' means that arm of San Francisco Bay being a body of tidal water lying between the city on the east and north, the City of Alameda on the west and south and including both the Middle and Outer Harbor of the port encompassed within the legislative grants.

(j) ''Estuary plan'' means the estuary policy plan of the city and the port, accepted by the Board of Port Commissioners on February 10, 1999, and adopted by the city on June 8, 1999, including any subsequent amendment.

(k) ''Final trust lands'' means those lands within the Oak Street to 9th Avenue property that will be confirmed as subject to the public trust and to the Oak Street to 9th Avenue legislative grants upon the completion of the sale and exchange authorized by this act and are generally depicted in the diagram referenced in Section 12.

(*l*) ''Granted lands'' means the portion of the Oak Street to 9th Avenue property that is historic tide and submerged lands held by the city pursuant to the Oak Street to 9th Avenue legislative grants and that is managed or controlled by the port pursuant to the charter.

(m) ''Implementation measures'' means protective measures intended to ensure the completion of investigation and remediation of hazardous materials at, on, or under the Oak Street to 9th Avenue property pursuant to the remedial plan. Implementation measures may include, without limitation, letters of credit, surety bonds, or other guaranteed funds, set-aside letters issued by financial institutions, or insurance policies.

(n) ''Legislative grants'' means those certain grants of salt marsh, tidelands, and submerged lands by the Legislature to the city for public trust purposes. The Oak Street to 9th Avenue legislative grants are such grants.

(o) ''Liability measures'' means protective measures intended to protect the commission, the state, and public trust funds from increased responsibility or liability associated with hazardous materials at, on, or under the Oak Street to 9th Avenue property. Liability measures may include, without limitation, the commission's right to approve the remedial plan, applicable indemnities, or insurance policies.

(p) ''Middle Harbor'' means those lands lying south and west of Middle Harbor Road and consisting of berths 55 through 63, inclusive, as well as those lands encompassed within berths 67 and 68 that are part of what is currently known as the Inner Harbor.

(q) ''Oak Street to 9th Avenue exchange lands'' means those portions of the granted lands that are, subject to the findings of the commission required by this act, no longer needed or required for the promotion of the public trust or the purposes set forth in the Oak Street to 9th Avenue legislative grants.

(r) ''Oak Street to 9th Avenue legislative grants'' means the 1911 grant and the 1960 grant to the city by the Legislature of salt marsh, tidelands, and submerged lands for public trust purposes and encompassing all or a part of the Oak Street to 9th Avenue property.

(s) ''Oak Street to 9th Avenue property'' or the ''property'' is generally shown in the diagram in Section 12, and includes that certain land lying in the city whose perimeter description follows:

BEGINNING at the intersection of the northwesterly line of Homewood Suites Lease Boundary as said boundary is described in that certain lease between the Port of Oakland and JBN Lodging, a California limited liability company, recorded on January 2, 1997, as Document Number 97000487, Alameda County Recorder, and the southerly boundary of the Embarcadero; thence along the northwesterly boundary of said lease and the southwesterly prolongation thereof, South 65°32′30″ West, 365.14 feet; thence South 26°30′11″ West, 208.87 feet to a point on a line perpendicular to the southerly line of the Oakland city limits; thence southerly along said line, South 24°28′12″ East, 316.71 feet more or less to a point on the southerly line of the Oakland city limits; thence southwesterly along said city limits line to a point on the southeasterly prolongation of the easterly 1960 Grant Line, Chapter 15, Statutes of 1960; thence northwesterly along said southeasterly prolongation along said line, and along the northwesterly prolongation of said line, to a point on the southwesterly prolongation of the southeasterly line of Tract 4391, as said tract is shown on that certain map entitled ''Tract 4391 FOR CONDOMINIUM PURPOSES'', filed for record on October 30, 1980, in Book 122 of Maps at pages 60 and 61; thence northeasterly along said southwesterly prolongation and said southeasterly line, to a point on the southerly line of the Embarcadero; thence easterly and southeasterly along the southerly line of the

Embarcadero to the TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM:

All of the lands of Silveira, as said lands are described in that certain Grant Deed recorded on November 3, 1967, in Reel 2068 at image 141, Alameda County Records.

EXCEPTING THEREFROM:

All of the lands of Schultz, as said lands are described in that certain Grant Deed filed for record on December 13, 1979, as Document Number 79-252704, Alameda County Records.

The Bearing South 65°21′44″ East between the two found Monuments ''SHIP'', as said monument is shown on that certain Record of Survey No. 990 filed for record on July 19, 1994, in Book 18 of Survey at pages 50 through 60, inclusive in the Office of the Recorder of Alameda County and Monument ''H130'', as said monument and said monument ''SHIP'' are shown on that certain unrecorded Record of Survey, entitled ''Monument and Plan lines of the Embarcadero between 5th and 19th Avenue, an undedicated Street within the Port Area of the City of Oakland, California'', was taken as the basis of bearings for this description.

All bearings in this description are based upon the North American Datum of 1983, California Coordinate System of 1983 (CCS83), Zone III. All distances are ground distances, to obtain grid distances, multiply ground distances by 0.9999293.

(t) ''Outer Harbor'' means the lands encompassing berths 8 through 38, inclusive, the former Oakland Army Base, and lands adjacent thereto.

(u) ''Oversight agency'' means the state, regional, or local agency exercising primary jurisdiction over the investigation and remediation of hazardous materials at, on, or under the Oak Street to 9th Avenue property.

(v) ''Port'' means, as the context requires, the port department of the city, or all of the lands granted to the city by the legislative grants and all after-acquired trust lands, together with the improvements to those lands.

(w) ''Port improvement plans'' means those capital projects or plans adopted or implemented by the Board of Port Commissioners of the port that are in furtherance of the legislative grants or the public trust and will be located within or adjacent to the Middle Harbor or Outer Harbor.

(x) ''Public trust'' or ''trust'' means the public trust for commerce, navigation, and fisheries.

(y) ''Remedial plan'' means the written plan approved by the oversight agency for investigation and remediation of hazardous materials at, on, or under the Oak Street to 9th Avenue property, including the establishment of screening and remediation goals therefor.

(z) ''Trust exchange parcel'' means a parcel or parcels of land selected by the port and approved by the commission that meet the criteria set forth in subdivision (b) of Section 4.

SEC. 3. The Legislature finds and declares all of the following:

(a) The purpose of this act is to authorize reconfiguration of certain public trust lands within one area of the estuary plan, specifically the Oak Street to 9th Avenue district. The authorization will effectuate the principles and objectives contained in regional and local land use plans, especially the estuary plan, the San Francisco Bay Plan and the San Francisco Bay Area Seaport Plan (both adopted by BCDC), and the port improvement plans, to the extent that they are consistent with the public trust. The completion of the reconfiguration of public trust lands will further the purposes of the public trust and the Oak Street to 9th Avenue legislative grants, and, if the trust exchange parcels lie outside of the lands encompassed within the Oak Street to 9th Avenue legislative grants or the area of the estuary plan, the legislative grants. To achieve these purposes, this act approves and authorizes the port to carry out and the commission to approve and to effectuate a sale and an exchange of lands, provided that the commission makes the necessary findings supporting the sale and exchange. Through the sale and exchange, certain lands within the Oak Street to 9th Avenue property presently subject to the public trust and the Oak Street to 9th Avenue legislative grants and no longer useful for public trust purposes will be freed from public trust ownership and use restrictions. Through a sale, significant funds will be generated for the port to apply to public trust purposes. Through an exchange, the trust exchange parcel will be brought into public trust ownership and made subject to the public trust and the Oak Street to 9th Avenue legislative grants or the legislative grants, as applicable, and the title to the final trust lands will be confirmed.

(b) Commencing in 1852, the city received a series of grants of public trust lands from the Legislature.

(c) Certain of the legislative grants, including the Oak Street to 9th Avenue legislative grants, purport to encompass the entirety of the Oak Street to 9th Avenue property. In addition, some or all of the Oak Street to 9th Avenue property was included within the perimeter description of Tideland Survey No. 22, which may have been invalid. Other parts of the property may have been included within Rancho San Antonio, parts of which were confirmed and patented to Antonio Maria Peralta in June 1874, and other parts of which were confirmed and patented to Domingo and Vincente Peralta in February 1877. Because of these and possibly

other factors related to the land title history of portions of the Oak Street to 9th Avenue property, there is uncertainty as to land titles within the property and the actual location of the boundaries of the granted lands and the after-acquired trust lands.

(d) The Oak Street to 9th Avenue property abuts the estuary on either side of the arm of the estuary which continues on to Lake Merritt. It has historically been used for industrial purposes, including shipping. The Oak Street to 9th Avenue property includes both granted lands and after-acquired trust lands. The title to, and boundary between, the granted lands and the after-acquired trust lands are uncertain, and will be settled by the port and the commission in connection with the exchange authorized by this act.

(e) In connection with a highly beneficial program of harbor development, the majority of the Oak Street to 9th Avenue property has been filled and reclaimed. As described below, the Oak Street to 9th Avenue exchange lands are, subject to the findings of the commission required by this act, no longer needed or required for the promotion of the public trust or any of the purposes set forth in the Oak Street to 9th Avenue legislative grants. Other portions of the property, the final trust lands, not now available for certain public trust uses, are or will be made or improved to be useful for other public trust purposes that may include, but are not limited to, open space, public access, water-related recreation, such as a marina and boat launch, commercial services to visitors as necessary, such as food service, plant and animal habitat, such as wetlands, circulation to and along the waterfront, or similar uses. In addition, through the settlement and exchange authorized by this act, any uncertain title within the final trust lands thereof will be settled as sovereign lands subject to the public trust and the Oak Street to 9th Avenue legislative grants.

(f) In 1927, the port was established by amendment to the charter. According to the charter, the purpose of the port is to promote and ensure the comprehensive and adequate development of the Port of Oakland through continuity of control, management, and operation, including the lands held by the city pursuant to the legislative grants. The Board of Port Commissioners, in whom the charter vests control of the port, has the complete and exclusive power, and the duty, on behalf of the city, to manage the port, including the Oak Street to 9th Avenue property. The port controls and manages more than 17,000 acres of land on which it operates, among other public trust functions, marine cargo terminals, and an international airport.

(g) In response to, among other matters, regional and local environmental concerns, the increasing size of container vessels and containers, and need for greater efficiency in moving containers to their destinations with the least relative environmental impact, the port is in

the process of consolidating, reconfiguring, or expanding its existing marine terminals pursuant to port improvement plans. Port improvement plans are intended to result in port maritime terminal facilities that will allow the port to achieve the year 2020 cargo throughput demand forecasts set forth in the BCDC's San Francisco Bay Area Seaport Plan.

(h) BCDC's San Francisco Bay Area Seaport Plan projected cargo handling requirements within the Oak Street to 9th Avenue property are supported by an analysis of cargo needs and facilities throughout the San Francisco Bay area. Prior to 2003, BCDC's San Francisco Bay Area Seaport Plan designated certain areas of the port for port priority use, including a portion of the Oak Street to 9th Avenue property, the 9th Avenue Terminal, which was used to handle break bulk cargo. In 2003, BCDC removed the port priority use designation from the 9th Avenue Terminal, finding that the regional demand for handling break bulk cargo was adequately met by the remaining regionwide capacity. In addition, in recognition of the improved efficiencies and increased maritime cargo capability proposed in port improvement plans and to ensure the availability of adequate land for port ancillary uses, BCDC amended the San Francisco Bay Plan and the San Francisco Bay Area Seaport Plan in 2001 to add certain lands to its designated port priority use area, retain the port priority use designation over other areas of the port, and remove the designation from other port lands.

(i) With respect to the Oak Street to 9th Avenue property, a portion of the property was a break bulk cargo terminal until the terminal ceased operation in about 1998. There are dredging depth limits beginning to the west of the property as a result of the Posey and Webster Tubes which provide vehicular access to the City of Alameda. The dredging depth limits the size of break bulk or container carriers that can access any terminal lying within the property. Further, the break bulk terminal that had existed would have required extensive repairs and remediation of pollution if it were to continue to accept cargo. The port concluded that break bulk cargo deliveries would not generate sufficient revenue to support costs of remediation and renovation of the terminal. Other regional ports with less container capability have absorbed the shipments that previously took place at the terminal on the property.

(j) The only currently operating industrial facility within the Oak Street to 9th Avenue property is a sand and gravel operation, which the port has leased to the sand and gravel operator through 2015. The continued operation of this facility beyond its current lease term is incompatible with contemplated public uses set forth in the estuary plan, including visitor access and shoreline improvement and circulation within the Oak Street to 9th Avenue property.

(k) When the break bulk and other industrial uses were active within the Oak Street to 9th Avenue property, they cut off or prevented public access, closed or narrowed view corridors, and prohibited or made impossible open-space amenities that would draw and permit the public to use and enjoy the estuary. The public, local and regional agencies, and national groups voiced significant concerns about the condition, use of, and access to the estuary and its shoreline. These concerns instigated public examination and reconsideration of land uses and facility operations along the estuary and made concrete the regional desire to revive the estuary waterfront. The estuary plan was the result and sets forth standards regarding protection and promotion of public uses along the estuary within and beyond the Oak Street to 9th Avenue property.

(*l*) The estuary plan recognizes that the estuary is a public resource of city, regional, and statewide significance. The estuary plan is intended to promote and strengthen a sense of community, to bring people to the waterfront to revitalize the estuary shoreline and to make it an inviting and vibrant part of the bay area. That this is a shared regional goal is evidenced by the adoption of City Measure DD, a nearly $200,000,000 bond issue to, among other matters, restore and help provide access to the estuary.

(m) The estuary plan also recognizes that continued siting of new heavy industrial facilities using, handling, storing, or generating pollutants next to a sensitive, publicly visible waterway is no longer appropriate for certain portions of the estuary shoreline, including the shoreline of the Oak Street to 9th Avenue property.

(n) The Oak Street to 9th Avenue property, as currently configured and in its present state, is constrained by conditions that make it difficult for redevelopment and require either a public or private entity to assume the considerable costs necessary to make any redevelopment possible. These present constraints include poor freeway and public transportation access, site contamination, unstable soils, and relatively poor infrastructure.

(o) While significant changes in container vessels, container shipping and processing, and land use plans have made portions of the Oak Street to 9th Avenue property no longer useful for shipping purposes, other portions of the property, the final trust lands, remain valuable to the public trust for, among other matters, open space, public access, water-related recreation, such as a marina and boat launch, commercial services to visitors as necessary, such as food service, plant and animal habitat, such as wetlands, circulation to and along the waterfront, or similar uses. These portions of the property are not now accessible to the public and require improvement and remediation.

(p) There are other public trust uses for which the Oak Street to 9th Avenue property is not currently needed or useful: oil and gas

development; airports; vehicular bridges and other water-dependent or water-related commercial transportation facilities (other than possible ferry service or boat landings); warehousing and storage of commercial goods related to port and airport use (because of the distance from existing large rail and container storage and movement yards at the port and inadequate truck access to I-880); maritime offices (because there is no market for new maritime office space within the property due to the existence of existing or planned maritime office space closer to downtown Oakland and to existing maritime and airport facilities); and hotels (because of the location of the property between other port sites with substantial numbers of hotel rooms and plans for future expansion).

(q) The port has encouraged development of significant public access and open space along the Oak Street to 9th Avenue property shoreline by removing defunct and dilapidated industrial uses, and then soliciting proposals for redevelopment that would include access and open-space opportunities. A mixed-use development has been proposed for the property. That improvement is part of the port's efforts to redevelop and to transform the shoreline in the Oak Street to 9th Avenue property area by converting the property into a vital waterfront district. The redevelopment of the property will revitalize, remediate, renew, and make accessible a now inaccessible and decayed waterfront area. This development will create trails, paths, view corridors, and significant public spaces enhancing public trust lands remaining following a sale and exchange, and will provide new public access and circulation to an area long cut off from the region.

(r) Although a substantial portion of the Oak Street to 9th Avenue property is now no longer needed or required for the promotion of the public trust, other portions of the property, the final trust lands, are of value to the public trust, and are needed and required for public trust uses, such as open space, public access, water-related recreation, such as a marina and boat launch, commercial services to visitors as necessary, such as food service, plant and animal habitat, such as wetlands, circulation to and along the waterfront, or similar uses. Absent a trust exchange and sale, certain interior lands not useful for trust purposes would be restricted to trust-consistent uses and could not be used for residential or other nontrust uses as a part of a mixed-use project that establishes, promotes, and maintains public trust uses on the waterfront and near-shoreline portions of the property and facilitates public trust purposes and goals including those set forth in the estuary plan, other applicable land use plans, to the extent they are consistent with the public trust, and the legislative grants, including the Oak Street to 9th Avenue legislative grants.

(s) A trust exchange of the Oak Street to 9th Avenue exchange lands and sale of after-acquired trust lands resulting in the geographic

configuration and extent of the final trust lands substantially as shown on the diagram contained in Section 12 maximizes the overall benefits to the trust, without interfering with trust uses or purposes. Following an exchange and sale, all lands within the Oak Street to 9th Avenue property adjacent to the waterfront, as well as interior lands determined by the port and the commission to retain public trust value, will remain subject to the public trust. The lands that will be removed from the trust pursuant to the exchange and sale, subject to approval of the commission, are landward of navigable waters and are no longer needed or required for the promotion of the public trust. The Oak Street to 9th Avenue exchange lands to be freed of the public trust constitute a relatively small portion of the lands granted to the city by the legislative grants. This act requires that the commission ensure that the trust exchange parcel added to the trust pursuant to the exchange is of equal or greater value than the Oak Street to 9th Avenue exchange lands taken out of the trust. The trust exchange parcel shall be selected by the port, subject to commission approval. The trust exchange parcel shall be owned as a public trust asset and be subject to the public trust and to either the legislative grants, including the Oak Street to 9th Avenue legislative grants, or to the legislative grants applicable to the remainder of the port, according to the location of the trust exchange parcel.

(t) The completion of the sale and exchange authorized by this act will have numerous benefits to the public trust. These benefits include, but are not limited to, all of the following:

(1) The repair and enhancement of the shoreline within the Oak Street to 9th Avenue property through the creation or improvement of a wide variety of open-space areas, bike trails, walking and jogging paths, marinas, an aquatic/sailing center, a maritime museum, restaurants, and small-scale, visitor-serving retail.

(2) Access to more than a mile of now inaccessible shoreline across the entirety of the waterfront of the property.

(3) In conjunction with the redevelopment of the property, remediation of soil contamination to improve water quality in the estuary.

(4) A significant deposit of money to the port fund, generated from the sale of the after-acquired trust lands, to be used for public trust purposes.

(5) Acquisition of the trust exchange parcel useful to, in support of, and consistent with the public trust and the purposes or objectives of the estuary plan, or the port improvement plans, as applicable, to the extent they are consistent with the public trust.

(6) Settlement of title issues.

(u) The completion of the authorized exchange and acquisition of the trust exchange parcel and the sale of after-acquired trust lands will

produce or support revenue generation by the port for port operations by, among other means, increasing visitor activities within the port and by assisting remediation of the Oak Street to 9th Avenue property.

(v) It is, therefore, the intent of the Legislature, on and subject to the terms and conditions set forth in this act, to authorize, ratify, and confirm any agreement between the commission and the port to enter into and effectuate an exchange of lands within the Oak Street to 9th Avenue property and a sale of after-acquired trust lands, as the port may propose and the commission may approve pursuant to this act and to terminate the public trust and the Oak Street to 9th Avenue legislative grants over the Oak Street to 9th Avenue exchange lands consistent with the findings and declarations stated in this act.

(w) The Legislature reaffirms and adopts those findings contained in Section 8602 of the Public Resources Code.

(x) The findings made in this act are applicable only to the transactions authorized and approved by Section 4.

SEC. 4. The Legislature hereby approves the following transactions within the Oak Street to 9th Avenue property: a land exchange of the Oak Street to 9th Avenue exchange lands and a sale for fair market value of after-acquired trust lands. Through the exchange and sale, certain lands within the property that meet the criteria set forth in this act and therefore are not now useful for public trust purposes will be freed from the public trust and may be conveyed into private ownership, certain other lands that are useful for public trust purposes and are not now subject to the public trust or the legislative grants will be made subject to the public trust and to the Oak Street to 9th Avenue legislative grants or to the legislative grants, as applicable, and the title to the final trust lands will be confirmed as being subject to the public trust and to the Oak Street to 9th Avenue legislative grants provided all of the following conditions are met, including approval by the commission:

(a) The lands or interests in lands to be exchanged or sold by the port and over which the public trust and the Oak Street to 9th Avenue legislative grants are to be terminated have been filled and reclaimed and consist entirely of dry lands lying landward of the present line of mean high water which are no longer needed or required for the purposes of the public trust or the Oak Street to 9th Avenue legislative grants.

(b) The consideration for exchange of the Oak Street to 9th Avenue exchange lands shall be the conveyance into public trust ownership of the trust exchange parcel which shall become public trust land subject to the legislative grants, including the Oak Street to 9th Avenue legislative grants or to the legislative grants, applicable to the remainder of the port, as appropriate, and shall meet all of the following criteria:

(1) The value of the trust exchange parcel shall be equal to or in excess of the value of the Oak Street to 9th Avenue exchange lands in which the

public trust and the Oak Street to 9th Avenue legislative grants are terminated.

(2) The trust exchange parcel shall be selected by the port and approved by the commission according to the following criteria and order of priority:

(A) First priority shall be for land that lies within the area of the estuary plan.

(B) Second priority shall be for land contiguous to the area of the estuary plan.

(C) Third priority shall be for land that lies within or adjacent to the Middle Harbor.

(D) Fourth priority shall be for land that lies within or adjacent to the Outer Harbor provided, however, that any first or second priority land acquired in accordance with this section shall support or relate to the purposes or objectives of the estuary plan to the extent these purposes or objectives are consistent with the public trust. If the only land available within the first priority has been designated in the estuary plan for a use that is not consistent with the public trust, then that land may be acquired by the port, but its acquisition shall support or relate to the purposes or objectives of the public trust and the legislative grants. It is further provided that any third or fourth priority land acquired in accordance with this section shall be for land that supports the purposes or objectives of the port improvement plans to the extent that their purposes and objectives are consistent with the public trust and the legislative grants.

(c) The port shall demonstrate to the commission that the trust exchange parcel selected by the port complies with the criteria of this section. If the commission, when considering an exchange, does not approve the trust exchange parcel and the commission determines that the port has made all reasonable efforts to locate a trust exchange parcel, an exchange agreement entered into consistent with Section 7 may provide that the port may deposit and the commission accept on behalf of the port the funds to be used to acquire a trust exchange parcel and sequester those funds in the Land Bank Fund established pursuant to Section 8610 of the Public Resources Code to be held solely for acquisition of a trust exchange parcel on which the port and the commission both agree according to the priorities in this section.

(d) All moneys resulting from the sale of after-acquired trust lands authorized in this act shall be retained by the port, and shall be used only for purposes consistent with the public trust and the legislative grants and this act, and shall be accounted for in compliance with Section 6306 of the Public Resources Code.

(e) Any sale of after-acquired trust lands shall occur only in conjunction with an exchange of the state's sovereign title in the Oak Street to 9th Avenue exchange lands pursuant to Section 7.

(f) Upon the completion of any sale of after-acquired trust lands authorized in this act by the recording of a deed from the port to a private party for the after-acquired trust lands authorized to be sold, any right, title, or interests sold therein shall be free from the public trust.

(g) Following the exchange and sale, the final trust lands shall be preserved, improved, or enhanced for public trust uses, such as open space, public access, water-related recreation, such as a marina and boat launch, commercial services to visitors as necessary, such as food service, plant and animal habitat, such as wetlands, circulation to and along the waterfront, or similar uses.

(h) The final trust lands will provide vertical access from public streets to the shoreline and continuous lateral public access consistent with policies OAK-9, OAK-10, OAK-11, and OAK-12 of the estuary plan in effect on June 1, 2004, for the Oak Street to 9th Avenue property to the water along the entirety of the Oak Street to 9th Avenue property.

(i) The Oak Street to 9th Avenue exchange lands exchanged into private ownership and over which the public trust and the Oak Street to 9th Avenue legislative grants will be terminated constitute a relatively small parcel of granted tide and submerged lands within the city.

(j) Upon completion of the exchange and sale contemplated by this section, the final trust lands shall meet all of the following criteria:

(1) The geographic configuration and extent of the final trust lands shall substantially conform to the geographic configuration and extent of the trust lands shown in the diagram in Section 12; provided that in no event shall the geographic configuration and extent, including depth as measured perpendicularly from the shoreline, length as measured laterally along the shoreline, and total square footage, of these lands be less than the geographic configuration and extent of these lands shown in the diagram in Section 12. However, the port, subject to the approval of the commission, may make minor changes in the geographic configuration and extent of final trust lands if the port and the commission both find that this change would better further public trust purposes. Any increase in the geographic configuration and extent of the final trust lands shall be as required by the commission, considering needs for public uses in walkways, parks, marinas and boat launch, habitat areas, and visitor-serving commercial facilities including, but not limited to, food service; provided, however, that in determining whether any increase in geographic configuration and extent of the final trust lands is required, the commission shall take into account the determinations of the port and the city to meet reasonable needs for the

above-described public trust uses as reflected in local entitlements for any development on the Oak Street to 9th Avenue property.

(2) No uses shall be allowed on the final trust lands other than open space, public access, water-related recreation, such as a marina and boat launch, commercial services to visitors as necessary, such as food service, plant and animal habitat, such as wetlands, circulation to and along the waterfront, or similar uses, as the port and the commission determine may be required to support the activities and goals of the estuary plan or the Oak Street to 9th Avenue legislative grants.

(3) Streets and other transportation facilities located on public trust lands shall be designed to be compatible with the public trust, and to serve primarily public trust purposes of access to shoreline improvements and shoreline circulation rather than serving nontrust purposes.

(4) Any surveys or legal descriptions required for the parcels in conjunction with the exchange and sale shall be approved by the commission.

SEC. 5. Any exchange or sale made or accomplished pursuant to this act is hereby found to be of statewide significance, and, therefore, any ordinance, charter provision, or other provision of local law inconsistent with this act shall not be applicable to the exchange or sale.

SEC. 6. Any lands or interests in lands exchanged or confirmed in public trust ownership following an exchange and sale, including the trust exchange parcel and the final trust lands, shall be held by the city as sovereign lands of the state and subject to the public trust and to either the Oak Street to 9th Avenue legislative grants, or to the legislative grants applicable to the remainder of the port according to the location of the lands or interests in lands.

SEC. 7. (a) The commission may approve an exchange of public trust lands that meets the requirements of this act and enter into an exchange agreement. Pursuant to this authority, the commission shall establish appropriate procedures for effectuating the exchange including, but not limited to, the following:

(1) Procedures for ensuring that lands or interests in lands are not exchanged or confirmed into the trust until all remedial action necessary to protect human health and the environment with respect to hazardous substances has been completed as determined by the oversight agency. However, the commission may approve an exchange and sale that calls for lands to be exchanged or confirmed into the trust prior to the completion of remedial action if the commission finds that sufficient liability measures and implementation measures will be in place upon the completion of the exchange. With respect to the commission's right to approve the remedial plan, the Legislature recognizes that the remedial plan shall first be approved by the oversight agency and that the

oversight agency has special expertise in evaluating and supervising the investigation and remediation of hazardous materials. Therefore, the commission shall consider and give reasonable weight to the oversight agency's approval of the remedial plan, including any supplements or amendments thereto. The commission may delegate to the executive officer of the commission the authority to approve or disapprove supplements or amendments to the remedial plan, subject to such terms and conditions as the commission may deem appropriate.

(2) Procedures for reviewing the port's selection of the trust exchange parcel and for ensuring that all reasonable efforts have been made to locate a trust exchange parcel.

(b) The commission may not approve the exchange and sale of any trust lands unless it finds all of the following:

(1) The configuration of trust lands within the Oak Street to 9th Avenue property upon completion of the exchange and sale meets the requirements of subdivision (j) of Section 4 and includes all lands within the Oak Street to 9th Avenue property that are presently waterward of the mean high water line.

(2) The final layout of streets in the property will provide access to the public trust lands and be consistent with the beneficial use of the remaining public trust lands.

(3) The trust exchange parcel will promote the purposes or objectives of the estuary plan, legislative grants, or the port improvement plans, as applicable, to the extent these purposes or objectives are consistent with the public trust.

(4) The trust exchange parcel has been selected according to the criteria in paragraph (2) of subdivision (b) of Section 4.

(5) With respect to the exchange as finally configured, the value of the trust exchange parcel to be exchanged into the trust is equal to or greater than the value of the Oak Street to 9th Avenue exchange lands.

(6) The Oak Street to 9th Avenue exchange lands over which the public trust will be terminated have been filled and reclaimed, those parcels consisting entirely of dry land lying landward of the present line of mean high water, and are no longer needed or required for the purposes of the public trust and constitute a relatively small portion of the lands originally granted to the city, and that the exchange will not result in substantial interference with public trust uses and purposes, nor with the Oak Street to 9th Avenue legislative grants.

(7) The proposed exchange is consistent with this act.

(8) Vertical access from public streets to the shoreline and continuous lateral public access to the water along the entirety of the Oak Street to 9th Avenue property consistent with policies OAK-9, OAK-10, OAK-11, and OAK-12 of the estuary plan in effect on June 1, 2004, for the Oak Street to 9th Avenue property will be provided.

(9) The trust exchange parcel and final trust lands shall be held subject to the public trust and the terms of this act.

(10) No substantial interference with public trust uses and purposes shall ensue by virtue of the proposed exchange.

(11) The exchange is in the best interests of the statewide public.

(12) The port has approved the exchange after holding at least one public hearing.

(c) For purposes of effectuating the exchange authorized by this act, the commission may do all of the following:

(1) Receive and accept on behalf of the state the trust exchange parcel to be brought into the public trust as an exchange parcel in exchange for the Oak Street to 9th Avenue exchange lands in which the public trust and the Oak Street to 9th Avenue legislative grants are terminated.

(2) Receive and accept on behalf of the state a conveyance from the port of interests held by virtue of the Oak Street to 9th Avenue legislative grants or as after-acquired trust lands as part of an exchange or sale of public trust lands as approved, including the final trust lands.

(3) Convey to the port or to its designee by patent all of the right, title, and interest of the state in lands that are to be free of the public trust and the Oak Street to 9th Avenue legislative grants upon completion of the exchange of the Oak Street to 9th Avenue exchange lands as authorized by this act and as approved by the commission.

(4) Convey to the city or port by patent all of the right, title, and interest of the state in sovereign lands subject to the public trust and the terms of this act and the Oak Street to 9th Avenue legislative grants or the legislative grants, as applicable, upon completion of the exchange and sale of lands authorized by this act and as approved by the commission, subject to the terms, conditions, and reservations as the commission may determine are necessary to meet the requirements of this act.

(5) Determine or settle through an exchange the title to, or location of, the boundaries of the granted or after-acquired trust lands or any other boundary lines that the commission deems necessary to effectuate the exchange or the purposes of this act.

(d) In any case where the state, pursuant to this act, conveys filled tidelands and submerged lands transferred to the port or the city pursuant to the Oak Street to 9th Avenue legislative grants, the state shall reserve all minerals and all mineral rights in the lands of every kind and character now known to exist or hereafter discovered, including, but not limited to, oil and gas and rights thereto, together with the sole, exclusive, and perpetual right to explore for, remove, and dispose of those minerals by any means or methods suitable to the state or to its successors and assignees, except that, notwithstanding the legislative grants, or Section 6401 of the Public Resources Code, any such reservation shall not

include the right of the state or its successors or assignees in connection with any mineral exploration, removal, or disposal activity, to do either of the following:

(1) Enter upon, use, or damage the surface of the lands or interfere with the use of the surface by any grantee or by the grantee's successors or assignees.

(2) Conduct any mining activities of any nature whatsoever above a plane located 500 feet below the surface of the lands without the prior written permission of any grantee of the lands or the grantee's successors or assignees.

(e) The requirement to reserve minerals and mineral rights described in subdivision (d) shall not apply if the state receives and retains minerals and mineral rights in the trust exchange parcel.

SEC. 8. In any case where the state, pursuant to this act, conveys filled tidelands and submerged lands transferred to the city pursuant to the 1911 grant or the 1960 grant, the state shall reserve the right to fish in the waters on which these lands may front with right of convenient access to the waters over these lands for that purpose.

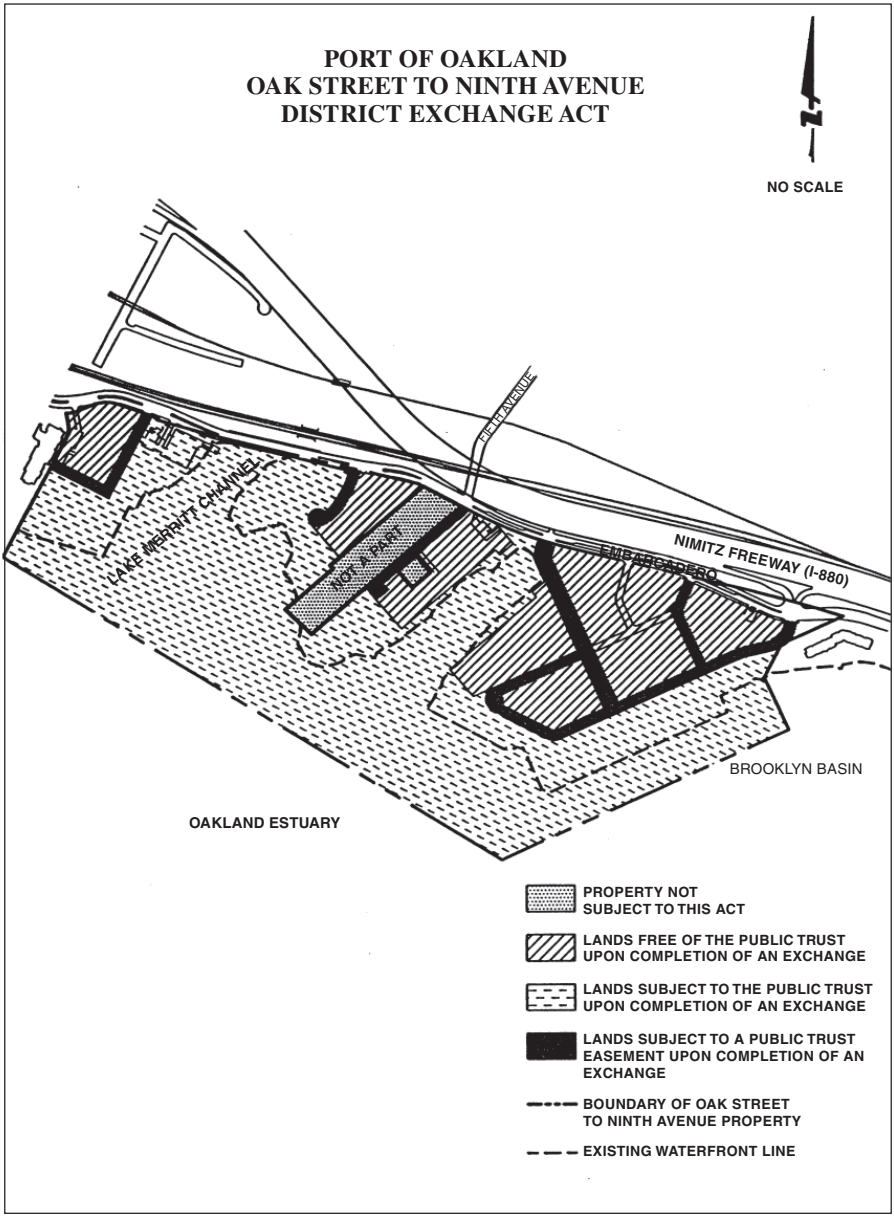
SEC. 9. The commission and the port shall work expeditiously toward completing the exchange authorized by this act.

SEC. 10. Any agreement for the exchange of, or trust termination over, granted tidelands, or to establish boundary lines, entered into pursuant to this act, shall be conclusively presumed to be valid unless held to be invalid in an appropriate proceeding in a court of competent jurisdiction to determine the validity of the agreement commenced within 60 days after the recording of the agreement.

SEC. 11. (a) An action may be brought under Chapter 4 (commencing with Section 760.010) of Title 10 of Part 2 of the Code of Civil Procedure by the parties to any agreement entered into pursuant to this act to confirm the validity of the agreement. Notwithstanding any provision of Section 764.080 of the Code of Civil Procedure, the statement of decision in the action shall include a recitation of the underlying facts and a determination whether the agreement meets the requirements of this act, Sections 3 and 4 of Article X of the California Constitution, and any other law applicable to the validity of the agreement.

(b) For purposes of Section 764.080 of the Code of Civil Procedure and unless otherwise agreed in writing, any settlement or exchange agreement entered into pursuant to this act shall be deemed to be entered into on the date it is executed by the executive officer of the commission, who shall be the last of the parties to sign prior to the signature of the Governor. The effective date of the agreement shall be deemed to be the date on which it is executed by the Governor pursuant to Section 6107 of the Public Resources Code.

SEC. 12. The following diagram is a part of this act:


PORT OF OAKLAND
OAK STREET TO NINTH AVENUE
DISTRICT EXCHANGE ACT
NO SCALE
FIFTH AVENUE
LAKE MERRITT CHANNEL
NOT A PART
NIMITZ FREEWAY (I-880)
EMBARCADERO
BROOKLYN BASIN
OAKLAND ESTUARY
PROPERTY NOT SUBJECT TO THIS ACT
LANDS FREE OF THE PUBLIC TRUST UPON COMPLETION OF AN EXCHANGE
LANDS SUBJECT TO THE PUBLIC TRUST UPON COMPLETION OF AN EXCHANGE
LANDS SUBJECT TO A PUBLIC TRUST EASEMENT UPON COMPLETION OF AN EXCHANGE
BOUNDARY OF OAK STREET TO NINTH AVENUE PROPERTY
EXISTING WATERFRONT LINE

SEC. 13. The Legislature finds and declares that, because of the unique circumstances applicable only to the lands within the port described in this act, a statute of general applicability cannot be enacted within the meaning of subdivision (b) of Section 16 of Article IV of the California Constitution. Therefore, this special statute is necessary.

CHAPTER 543

An act to amend Section 8 of Chapter 898 of the Statutes of 1997, relating to Treasure Island.

[Approved by Governor September 15, 2004. Filed with Secretary of State September 15, 2004.]

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

SECTION 1. This act shall be known, and may be cited, as the Treasure Island Public Trust Exchange Act.

SEC. 2. The following definitions apply for purposes of this act:

(a) ''Authority'' or ''TIDA'' means the Treasure Island Development Authority, a nonprofit public benefit corporation established by the legislative body of the City and County of San Francisco and the conversion act, or, if TIDA is dissolved, the City and County of San Francisco, acting by and through its Port Commission.

(b) ''City'' means the City and County of San Francisco.

(c) ''Commission'' means the State Lands Commission.

(d) ''Conversion act'' means the Treasure Island Conversion Act of 1997 (Chapter 898 of the Statutes of 1997).

(e) ''Public trust'' or ''trust'' means the public trust for commerce, navigation, and fisheries.

(f) ''Statutory trust'' means those requirements for and limitations on the use, management, and disposition of trust lands imposed by Sections 6 through 11, inclusive, of the conversion act.

(g) ''TIDA property'' means that property comprised of portions of the lands commonly known as Treasure Island and Yerba Buena Island lying within the City and County of San Francisco, State of California and more particularly described as follows:

That portion of the lands described in that certain Presidential Reservation of Goat Island (now Yerba Buena Island), dated November 6, 1850, lying northwesterly of Parcel 57935-1 as described in that certain Quitclaim Deed, recorded October 26, 2000, as Document Number 2000G855531, in the office of the Recorder of the said City and

County of San Francisco (hereinafter referred to as Doc. 2000G855531), together with all of the underlying fee to Parcel 57935-5 as described in said Quitclaim Deed (Doc. 2000G855531), and also together with all of the underlying fee to Parcel 57935-6 as described in said Quitclaim Deed (Doc. 2000G855531), and also together with that portion of the tide and submerged lands in San Francisco Bay, relinquished to the United States of America by that certain act of the Legislature of the State of California by Statutes of the State of California of 1897, Chapter 81 (hereinafter referred to as Stat. 1897, Ch. 81), and also together with all of the Tidelands and Submerged Lands in San Francisco Bay known as Treasure Island, together with all improvements thereon and appurtenances thereto, as described in that certain Final Judgment of Condemnation, filed April 3, 1944, in the District Court of the United States in and for the Northern District of California, Southern Division, Case Number 22164-G (hereinafter referred to as Case 22164-G), excepting therefrom, that portion of the said Tidelands and Submerged Lands in San Francisco Bay known as Treasure Island (Case 22164-G), commonly referred to as the Job Corps Center, Treasure Island, which was transferred to the United States Department of Labor by that certain document entitled ''Transfer and Acceptance of Military Real Property'', Dated March 3, 1998, and also excepting therefrom, that portion of the said Tide and Submerged Lands in San Francisco Bay, relinquished to the United States of America (Stat. 1897, Ch. 81), within the ''Army Reservation, Occupied by U.S. Light House Service under Permit from Secretary of War dated May 27, 1872'' as shown and described upon that certain map entitled ''Plat of Army and Navy reservations on Yerba Buena (Goat) Island, San Francisco Bay, California'', and also excepting therefrom, that portion of the Tide and Submerged Lands in San Francisco Bay, relinquished to the United States of America (Stat. 1897, Ch. 81) which were transferred to the United States Coast Guard by that certain document entitled ''Transfer and Acceptance of Military Real Property'', Dated November 26, 2002.

(h) ''Tidelands'' means lands below the mean high tide line and includes submerged lands.

(i) ''Trust exchange'' or ''exchange'' means the exchange of trust lands on Treasure Island for lands on Yerba Buena Island not presently subject to the trust, as authorized by this act.

(j) ''Trust lands'' means all lands, including, but not limited to, tidelands, within the TIDA property that are presently subject to the public trust or will be subject to the trust upon conveyance out of federal ownership or following a trust exchange.

(k) ''Trustee'' means the authority and any successor agency authorized under the conversion act and this act to administer the trust over any or all of the trust lands.

SEC. 3. The Legislature finds and declares all of the following:

(a) The purpose of this act is to facilitate the productive reuse of the TIDA property in a manner that will further the purposes of the public trust and the statutory trust. To effectuate this purpose, this act approves and authorizes the commission to carry out an exchange of lands under which certain nontrust lands on Yerba Buena Island with substantial value for the public trust would become subject to the public trust and statutory trust, and certain trust lands on Treasure Island that are no longer useful for trust purposes would be freed from public trust and statutory trust restrictions.

(b) Treasure Island includes lands that were historically tidelands subject to the public trust. In 1933, the Legislature granted the tidelands that would become Treasure Island to the city for construction of an airport (Chapter 912 of the Statutes of 1933), and amended the grant in 1935 to authorize use of the lands for the Golden Gate International Exposition (Chapter 162 of the Statutes of 1935). The city built Treasure Island between 1936 and 1939 by depositing sand and gravel on shoals north of Yerba Buena Island and surrounding that fill with a rock retaining wall.

(c) Yerba Buena Island was acquired by the United States Navy in 1898. In 1941, the city leased Treasure Island to the United States, and Treasure Island and Yerba Buena Island became a military base known as Naval Station Treasure Island. In 1942, the Navy initiated federal court proceedings to condemn Treasure Island and portions of the surrounding tidelands. In 1944, the Navy took title to Treasure Island and certain adjacent tidelands pursuant to a consent judgment in the condemnation action.

(d) Pursuant to a decision of the federal Base Realignment and Closure Commission in 1993, Naval Station Treasure Island was officially closed on September 30, 1997. That same year, the Legislature enacted the conversion act, empowering the authority to serve as redevelopment authority for the TIDA property upon its conveyance to the city from the Navy. Under the conversion act, the authority is the only entity that may lawfully accept from the federal government title to trust lands on the TIDA property. The Navy is presently in negotiations with the city and the authority for the transfer of the TIDA property, or portions thereof, to the authority.

(e) Redevelopment will require substantial investment in seismic improvements on Treasure Island, including seismic reinforcement of the perimeter of the island, to reduce the risk that buildings and other facilities on the island will experience structural failure caused by liquefaction and lateral spreading during a severe earthquake. Redevelopment will also require replacement or upgrading of all of the infrastructure and utility systems on the islands. In addition, several

historic buildings, including those commonly known as Buildings 1, 2, and 3, the Nimitz Mansion (Quarters 1), and Quarters 2 to 7, inclusive, and 10, will require substantial renovation to preserve their integrity and historic character. Redevelopment must generate sufficient revenue to render the needed seismic and infrastructure improvements and historic renovations financially feasible.

(f) The conversion act grants in trust to the authority the state's sovereign interest in former and existing tidelands within the TIDA property and establishes the authority as the trust administrator for those lands. These lands are subject to the public trust upon their transfer from federal ownership.

(g) The federal government has asserted that the fact and manner of its acquisition and ownership of the TIDA property have created uncertainty as to the nature and extent of the state's sovereign interest in the TIDA property. It is in the best interests of the people of this state to resolve this alleged uncertainty in a manner that furthers trust purposes.

(h) The existing configuration of trust and nontrust lands within the TIDA property is such that the purposes of the public trust cannot be fully realized. Certain uplands on Yerba Buena Island of high value to the public trust due to their existing or potential recreational, scenic, and habitat uses are currently not subject to the public trust. Specifically, upper portions of the island afford dramatic views of the bay and its environs, including Mount Tamalpais and the Marin Headlands, Alcatraz, Angel, and Treasure Islands, downtown San Francisco, the cities of the south bay and east bay, and all five of the bay's bridges. The island provides habitat for a variety of special status bird species, such as the American peregrine falcon, black-crowned night heron, black oystercatcher, Brandt's cormorant, and California brown pelican, and parts of the lower reaches of the island provide haulout sites for the harbor seal. In addition, there are lower areas of Yerba Buena Island developed with structures, including the Nimitz Mansion, that are useful for service to visitors.

(i) A substantial portion of the trust lands on Treasure Island are lands that have been cut off from access to navigable waters and are not useful for public trust purposes. Other lands, due to their location and attributes, remain useful to the trust for future open space and other trust uses, including the following: a wetland restoration site; a major visual and pedestrian corridor that traverses the island, linked with a proposed waterfront park; a proposed ferry terminal and plaza, a marina, and other public waterfront amenities; and other public ways that will provide waterfront access and enhance water views across the island. The remaining lands that are cut off from water access do not have these capabilities and are no longer needed or useful for trust purposes. Development of those lands for nontrust uses that are consistent with the

redevelopment goals of the conversion act and state redevelopment law will not interfere with trust purposes and will provide revenues needed to improve the trust lands in a manner that will maximize their value to the trust.

(j) Absent a trust exchange, the uncertainties alleged by the federal government regarding the sovereign trust title of lands within Treasure Island would remain, and most of the lands on Yerba Buena Island that are of high value to the public trust would remain free of the public trust, and could thereby be cut off from public access and developed for nontrust uses. In addition, the interior lands on Treasure Island not useful for trust purposes could not be used for residential or other nontrust uses essential for the economic redevelopment of the island and for the financial feasibility of needed seismic upgrades, historic preservation, and the development of the Treasure Island waterfront and adjacent open space for public purposes in furtherance of the trust. An exchange will render redevelopment of Treasure Island economically feasible and will allow the trust lands within the TIDA property to be successfully transferred out of federal ownership and to be used to the greatest benefit of the people of the state.

(k) A trust exchange resulting in the configuration of trust lands substantially similar to that depicted on the diagram in Section 12 of this act maximizes the overall benefits to the trust, and does not interfere with trust uses or purposes. Following the exchange, all lands within the TIDA property adjacent to the waterfront, as well as certain lands on Yerba Buena Island that have high trust values, will be subject to the public trust and the statutory trust. The lands that will be removed from the trust and the statutory trust pursuant to the exchange have been filled and cut off from navigable waters and are no longer needed or required for the promotion of the public trust. These lands constitute a relatively small portion of the granted tidelands within the city. This act requires that the commission ensure that the lands added to the trust pursuant to the exchange have a value equal to or greater than the value of the lands taken out of the trust.

(*l*) This act advances the purposes of the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code) and the public trust, and is in the best interests of the people of this state.

SEC. 4. The Legislature hereby approves an exchange of trust lands, as approved by the commission under Section 7 of this act, between Treasure Island and Yerba Buena Island, whereby certain Treasure Island trust lands that meet the criteria set forth in this act and therefore are not now useful for public trust purposes will be freed from the public trust and the statutory trust and may be conveyed into private ownership, and certain other lands on Yerba Buena Island that are not now subject to the

public trust and that are useful for public trust purposes will be made subject to the public trust and the statutory trust, provided all of the following conditions are met:

(a) The exchange results in a configuration of trust lands substantially similar to that shown on the diagram in Section 12 of this act, except as provided in paragraph (1) of subdivision (b) of Section 7 of this act.

(b) The lands to be subject to the public trust are configured so as to be accessible from the streets as finally configured within the TIDA property.

(c) The exchange otherwise complies with the requirements of this act.

(d) The exchange is consistent with and furthers the purposes of the public trust.

SEC. 5. All lands exchanged into the trust under this act shall be held by the trustee subject to the public trust and the statutory trust, and all lands exchanged out of the trust under this section shall be free of the public trust and the statutory trust.

SEC. 6. The precise boundaries of the lands to be taken out of the trust and the lands to be put into the trust pursuant to the exchange, including the proper locations and dimensions of streets that should be subject to the trust, shall be determined by the trustee, subject to the approval of the commission. The commission is authorized to settle by agreement with the trustee and the city any disputes as to the location of the mean high tide line in its last natural state, and any other boundary lines which the commission deems necessary to effectuate the exchange.

SEC. 7. (a) The commission is authorized to approve an exchange of trust lands between Treasure Island and Yerba Buena Island that meets the requirements of this act. Pursuant to this authority, the commission shall establish appropriate procedures for effectuating the exchange. The procedures shall include provisions for ensuring that lands are not exchanged into the trust until either of the following have occurred:

(1) All remedial action necessary to protect human health and the environment with respect to hazardous substances on the land has been completed as determined by the United States Environmental Protection Agency, the California Department of Toxics Substances Control, and the Regional Water Quality Control Board, pursuant to the Federal Facilities Agreement for the Naval Station Treasure Island dated September 29, 1992, as amended, and the United States has provided a warranty in accordance with Section 9620(h)(3)(A) of Title 42 of the United States Code.

(2) The United States has obtained a warranty deferral, approved by the Governor in accordance with Section 9620(h)(3)(C) of Title 42 of the United States Code, involving land for which the commission has determined to execute a certificate of acceptance of title. Prior to

approving a warranty deferral, the Governor, the California Department of Toxics Substances Control, and the Regional Water Quality Control Board shall confer and consult with the commission to reasonably ensure that the terms of the warranty deferral and underlying documents and agreements provide sufficient standards and financial assurances to ensure that the remediation of any affected trust lands will be completed in a manner consistent with the intended public trust use of these lands and in a reasonable period of time.

(b) The commission shall not approve an exchange of trust lands pursuant to this act unless it finds all of the following:

(1) The configuration of trust lands upon completion of the exchange will do all of the following:

(A) Not differ significantly from the configuration shown on the diagram in Section 12 of this act, except as provided in this paragraph.

(B) Include all lands within the TIDA property that are presently below the line of mean high tide and subject to tidal action.

(C) Consist of lands suitable to be impressed with the public trust. In order to ensure consistency of the configuration with the final redevelopment plan for the property, the configuration may be revised to include additional land in the trust along the western shore of Treasure Island in exchange for additional land removed from the trust in a location within Treasure Island mutually agreed upon by the trustee and the commission, provided that all of the following occur.

(i) The additional acreage added to the trust configuration is equal to or greater in size and value than the additional acreage removed.

(ii) The commission, at a public hearing, determines that public trust lands as reconfigured are as useful for trust purposes as the configuration shown in the diagram in Section 12.

(iii) The commission, at a public hearing, makes all other necessary findings in relation to the public trust as reconfigured, including the findings in this paragraph.

(2) The final layout of streets within the TIDA property will provide access to the public trust lands and be consistent with the beneficial use of the public trust lands, including, but not limited to, roadway access to serve the public along the western shoreline of Treasure Island.

(3) The value of the lands to be exchanged into the trust is equal to or greater than the value of the lands to be exchanged out of the trust, as the exchange is finally configured and phased. The commission may take into consideration any uncertainties concerning whether the lands to be exchanged are currently subject to the public trust.

(4) The lands to be taken out of the trust have been filled and reclaimed, are cut off from access to navigable waters, are no longer needed or required for the promotion of the public trust, and constitute a relatively small portion of the tidelands granted by the state within the

city, and the exchange will not result in substantial interference with trust uses and purposes.

(5) Sufficient building height limitations are in place to ensure that views from public areas at Yerba Buena Island are not obstructed.

(6) The trustee has approved the exchange.

(c) The commission shall impose additional conditions on its approval of the exchange if the commission determines that these conditions are necessary for the protection of the public trust. These conditions may include a contribution to the Land Bank Fund, established pursuant to Division 7 (commencing with Section 8600) of the Public Resource Code, if the value of the land brought into the public trust does not equal or exceed the value of the land removed from the public trust.

(d) For purposes of effectuating the exchange authorized by this act, the commission is authorized to do all of the following:

(1) Receive and accept on behalf of the state any lands or interest in lands conveyed to the state by the trustee, including lands that are now and that will remain subject to the public trust and the statutory trust.

(2) Convey to the trustee by patent all of the right, title, and interest of the state in lands that are to be free of the public trust and the statutory trust upon completion of the exchange.

(3) Convey to the trustee by patent all of the right, title, and interest of the state in lands that are to be subject to the public trust and the statutory trust and the terms of this act upon completion of the trust exchange, subject to the terms, conditions, and reservations as the commission may determine are necessary to meet the requirements of this act.

(e) The configuration of trust lands within the TIDA property after completion of the trust exchange shall constitute the ''trust property'' for purposes of the conversion act, notwithstanding subdivision (b) of Section 4 of that act.

SEC. 8. This act shall not be construed as limiting the authority of the commission to approve additional land exchanges or to enter into boundary settlements involving the TIDA property pursuant to the conversion act or any other provision of law.

SEC. 9. In any case where the state, pursuant to this act, conveys tidelands and submerged lands, the state shall reserve all minerals and all mineral rights in the lands of every kind and character now known to exist or hereafter discovered, including, but not limited to, oil and gas, and rights thereto, together with the sole, exclusive, and perpetual right to explore for, remove, and dispose of those minerals by any means or methods suitable to the state or to its successors and assignees, except that, notwithstanding the conversion act, or Section 6401 of the Public Resources Code, any reservation shall not include the right of the state

or its successors or assignees in connection with any mineral exploration, removal, or disposal activity, to do either of the following:

(1) Enter upon, use, or damage the surface of the lands or interfere with the use of the surface by any grantee or by the grantee's successors or assignees.

(2) Conduct any mining activity of any nature whatsoever above a plane located 500 feet below the surface of the lands without the prior written permission of any grantee of the lands or the grantee's successors or assignees.

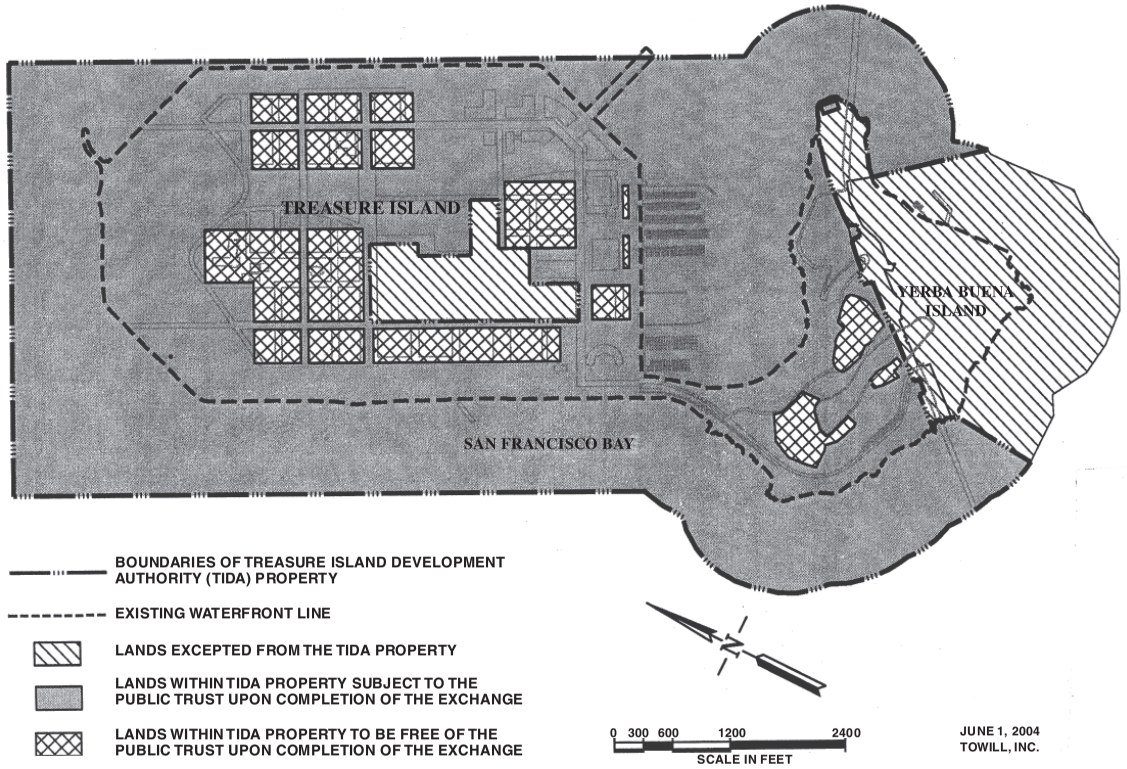
SEC. 10. Any agreement for the exchange of, or termination of the public trust and the statutory trust in, granted tidelands, or to establish boundary lines, entered into pursuant to this act, shall be conclusively presumed to be valid unless held to be invalid in an appropriate proceeding in a court of competent jurisdiction to determine the validity of the agreement commenced within 60 days after the recording of the agreement.

SEC. 11. (a) An action may be brought under Chapter 4 (commencing with Section 760.010) of Title 10 of Part 2 of the Code of Civil Procedure by the parties to any agreement entered into pursuant to this act to confirm the validity of the agreement. Notwithstanding any provision of Section 764.080 of the Code of Civil Procedure, the statement of decision in the action shall include a recitation of the underlying facts and a determination whether the agreement meets the requirements of this act, Sections 3 and 4 of Article X of the California Constitution, and any other law applicable to the validity of the agreement.

(b) For purposes of Section 764.080 of the Code of Civil Procedure and unless the parties agree otherwise in writing, any settlement and exchange agreement entered into pursuant to this act shall be deemed to be entered into on the date it is executed by the executive officer of the commission, who shall be the last of the parties to sign prior to the signature of the Governor. The effective date of the agreement shall be deemed to be the date on which it is executed by the Governor pursuant to Section 6107 of the Public Resources Code.

SEC. 12. The following diagram is a part of this act:

TREASURE ISLAND
PUBLIC TRUST EXCHANGE ACT



SEC. 13. Nothing in this act may be construed to nullify the trustee's obligations for increasing, improving, and preserving the community's supply of low- and moderate-income housing imposed by the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code), including, but not limited to, the requirements of Sections 33334.2 and 33413 of the Health and Safety Code.

SEC. 14. Nothing in this act may be construed to authorize the development of housing on trust lands.

SEC. 15. Notwithstanding any other provision of this act or the conversion act, portions of the interior space of the buildings commonly known as Buildings 1, 2, and 3, the Nimitz Mansion (Quarters 1), and Quarters 2 to 7, inclusive, and 10, may be used for nontrust purposes as may be approved by the commission or its executive officer as part of the rehabilitation of federally listed historic maritime structures, if the use allows for public access to view historic architectural amenities and is part of an overall program that furthers trust purposes. Nothing in this section may be construed as limiting or restricting any uses of these buildings that may be authorized under any other provision of law, including, but not limited to, uses that may be authorized by Section 8 or 9 of the conversion act. Nothing in subdivision (b) of Section 8 of the conversion act, as amended by Section 16 of this act, may be construed as limiting the uses authorized in this section.

SEC. 16. Section 8 of Chapter 898 of the Statutes of 1997 is amended to read:

Sec. 8. (a) The Authority shall not at any time grant, convey, give, or alienate the Trust Property, or any part thereof, to any individual, firm, or corporation, except that the Authority may grant franchises, permits, privileges, licenses, easements, or leasehold interests (collectively referred to as ''leases'' hereinafter) thereon for limited periods, not to exceed 66 years.

(b) Any leases for use of the Trust Property shall be solely for uses that are consistent with or ancillary to the purposes of the public trust for commerce, navigation and fisheries, provided that leases may be granted for other uses where the Authority makes the following determinations:

(1) There is no immediate trust related need for the property proposed to be leased.

(2) The proposed lease is of a duration of no more than five years and can be terminated in favor of trust uses as they arise; except that the existing hangars, or portions thereof, may be leased for up to five years, or for up to 15 years for film, video, or audio production, without a right of termination in favor of trust uses.

(3) The proposed lease prohibits the construction of new structures or improvements on the subject property that could, as a practical matter, prevent or inhibit the property from being converted to any permissible trust use should the property become necessary therefore.

(4) The proposed use of the leased property would not interfere with commerce, navigation, fisheries, or any other existing trust uses or purposes.

SEC. 17. The Legislature finds and declares that, because of the unique circumstances applicable only to the trust lands described in this act and relating to the transfer of the TIDA property out of federal ownership, a statute of general applicability cannot be enacted within the meaning of subdivision (b) of Section 16 of Article IV of the California Constitution. Therefore, this special statute is necessary.

CHAPTER 544

An act to amend Section 205.5 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 16, 2004. Filed with Secretary of State September 16, 2004.]

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

SECTION 1. Section 205.5 of the Revenue and Taxation Code is amended to read:

205.5. (a) Property that constitutes the principal place of residence of a veteran, that is owned by the veteran, the veteran's spouse, or the veteran and the veteran's spouse jointly, is exempted from taxation on that part of the full value of the residence that does not exceed one hundred thousand dollars ($100,000), as adjusted for the relevant assessment year as provided in subdivision (h), if the veteran is blind in both eyes, has lost the use of two or more limbs, or if the veteran is totally disabled as a result of injury or disease incurred in military service. The one hundred thousand dollar ($100,000) exemption shall be one hundred fifty thousand dollars ($150,000), as adjusted for the relevant assessment year as provided in subdivision (h), in the case of an eligible veteran whose household income does not exceed the amount of forty thousand dollars ($40,000), as adjusted for the relevant assessment year as provided in subdivision (g).

(b) (1) For purposes of this section, ''veteran'' means either of the following:

(A) A veteran as specified in subdivision (o) of Section 3 of Article XIII of the California Constitution without regard to any limitation contained therein on the value of property owned by the veteran or the veteran's spouse.

(B) 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 United States Department of Veterans Affairs shall determine whether an injury or disease is service connected.

(2) For purposes of this section, property is deemed to be the principal place of residence of a veteran, disabled as described in subdivision (a), who is confined to a hospital or other care facility, if that property would be that veteran's principal place of residence were it not for his or her confinement to a hospital or other care facility, provided that the residence is not rented or leased to a third party. A family member that resides at the residence is not considered to be a third party.

(c) (1) Property that is owned by, and that constitutes the principal place of residence of, the unmarried surviving spouse of a deceased veteran is exempt from taxation on that part of the full value of the residence that does not exceed one hundred thousand dollars ($100,000), as adjusted for the relevant assessment year as provided in subdivision (h), in the case of a veteran who was blind in both eyes, had lost the use of two or more limbs, or was totally disabled provided that either of the following conditions is met:

(A) 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.

(B) The veteran died from a disease that was service connected as determined by the United States Department of Veterans Affairs.

The one hundred thousand dollar ($100,000) exemption shall be one hundred fifty thousand dollars ($150,000), as adjusted for the relevant assessment year as provided in subdivision (h), in the case of an eligible unmarried surviving spouse whose household income does not exceed the amount of forty thousand dollars ($40,000), as adjusted for the relevant assessment year as provided in subdivision (g).

(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), as adjusted for the relevant assessment year as provided in subdivision (h). The one hundred thousand dollar ($100,000) exemption shall be one hundred fifty thousand dollars ($150,000), as adjusted for

the relevant assessment year as provided in subdivision (h), in the case of an eligible unmarried surviving spouse whose household income does not exceed the amount of forty thousand dollars ($40,000), as adjusted for the relevant assessment year as provided in subdivision (g).

(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, or concentric contraction of the visual field to 5 degrees 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 Department of Veterans Affairs 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 California 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 coown a property in which they reside, each is entitled to the exemption to the extent of his or her interest.

(g) Commencing on January 1, 2002, and for each assessment year thereafter, the household income limit shall be compounded annually by an inflation factor that is the annual percentage change, measured from February to February of the two previous assessment years, rounded to the nearest one-thousandth of 1 percent, in the California Consumer Price Index for all items, as determined by the California Department of Industrial Relations.

(h) Commencing on January 1, 2006, and for each assessment year thereafter, the exemption amounts set forth in subdivisions (a) and (c) shall be compounded annually by an inflation factor that is the annual percentage change, measured from February to February of the two previous assessment years, rounded to the nearest one-thousandth of 1 percent, in the California Consumer Price Index for all items, as determined by the California Department of Industrial Relations.

SEC. 2. Notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made by this act and the state may not reimburse any local agency for any property tax revenues lost by it pursuant to this act.

SEC. 3. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

SEC. 4. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 545

An act to amend Sections 5093.52, 5093.55, 5093.56, 5093.61, and 5093.68 of the Public Resources Code, relating to wild and scenic rivers.

[Approved by Governor September 16, 2004. Filed with Secretary of State September 16, 2004.]

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

SECTION 1. Section 5093.52 of the Public Resources Code is amended to read:

5093.52. As used in this chapter, the following terms have the following meaning:

(a) ''Secretary'' means the Secretary of the Resources Agency.

(b) ''Resources Agency'' means the Secretary of the Resources Agency and any constituent units of the Resources Agency that the secretary determines to be necessary to accomplish the purposes of this chapter.

(c) ''River'' means the water, bed, and shoreline of rivers, streams, channels, lakes, bays, estuaries, marshes, wetlands, and lagoons, up to the first line of permanently established riparian vegetation.

(d) ''Free-flowing'' means existing or flowing without artificial impoundment, diversion, or other modification of the river. The presence of low dams, diversion works, and other minor structures does not automatically bar a river's inclusion within the system. However, this subdivision does not authorize or encourage future construction of those structures on any component of the system.

(e) ''System'' means the California Wild and Scenic Rivers System.

(f) ''Land use regulation'' means the regulation by any state or local governmental entity, agency, or official of any activities that take place other than directly on the waters of the segments of the rivers designated in Section 5093.54.

(g) ''Director'' means the Director of Fish and Game.

(h) ''Immediate environments'' means the land immediately adjacent to the segments of the rivers designated in Section 5093.54.

(i) ''Special treatment areas'' means, for purposes of this chapter, those areas defined as special treatment areas in Section 895.1 of Title 14 of the California Code of Regulations, as in effect on January 1, 2004, as that definition applies to wild and scenic river segments designated from time to time in Section 5093.54, and also includes areas within 200 feet of the watercourse transition line of a state-designated recreational river segment designated in Section 5093.54 that may be at risk during timber operations.

(j) ''Board'' means the State Board of Forestry and Fire Protection.

SEC. 2. Section 5093.55 of the Public Resources Code is amended to read:

5093.55. Other than temporary flood storage facilities permitted pursuant to Section 5093.57, no dam, reservoir, diversion, or other water impoundment facility may be constructed on any river and segment thereof designated in Section 5093.54; nor may a water diversion facility be constructed on the river and segment unless and until the secretary

determines that the facility is needed to supply domestic water to the residents of the county or counties through which the river and segment flows, and unless and until the secretary determines that the facility will not adversely affect the free-flowing condition and natural character of the river and segment.

SEC. 3. Section 5093.56 of the Public Resources Code is amended to read:

5093.56. No department or agency of the state may assist or cooperate, whether by loan, grant, license, or otherwise, with any department or agency of the federal, state, or local government, in the planning or construction of a dam, reservoir, diversion, or other water impoundment facility that could have an adverse effect on the free-flowing condition and natural character of the river and segments thereof designated in Section 5093.54 as included in the system.

SEC. 4. Section 5093.61 of the Public Resources Code is amended to read:

5093.61. All departments and agencies of the state shall exercise their powers granted under any other provision of law in a manner that protects the free-flowing state of each component of the system and the extraordinary values for which each component was included in the system. All local government agencies shall exercise their powers granted under any other provision of law in a manner consistent with the policy and provisions of this chapter.

SEC. 5. Section 5093.68 of the Public Resources Code is amended to read:

5093.68. (a) Within the boundaries of special treatment areas adjacent to wild, scenic, or recreational river segments, all of the following provisions apply, in addition to any other applicable provision under this chapter or generally, whether by statute or regulation:

(1) A timber operator, whether licensed or not, is responsible for the actions of his or her employees. The registered professional forester who prepares and signs a timber harvesting plan, a timber management plan, or a notice of timber operations is responsible for its contents, but is not responsible for the implementation or execution of the plan or notice unless employed for that purpose.

(2) A registered professional forester preparing a timber harvesting plan shall certify that he or she or a qualified representative has personally inspected the plan area on the ground.

(3) A person operating within the special treatment area who willfully violates any provision of Chapter 8 (commencing with Section 4511) of Part 2 of Division 4, or any rule or regulation of the board adopted pursuant thereto, that results in significant environmental damage is guilty of a misdemeanor punishable by a fine of not less than five hundred dollars ($500) or more than five thousand dollars ($5,000), or

by imprisonment for not more than one year in the county jail, or by both that fine and imprisonment. The person is also subject to civil damages to the state not to exceed ten thousand dollars ($10,000) for each misdemeanor violation.

(4) The Director of Forestry and Fire Protection may require a bond or other evidence of financial responsibility from a timber operator whose ability to pay the civil damages provided for in this section is reasonably determined to be uncertain.

(b) In order to temporarily suspend timber operations that are being conducted within special treatment areas adjacent to wild, scenic, or recreational rivers designated pursuant to Section 5093.54, while judicial remedies are pursued pursuant to this section, an inspecting forest officer of the Department of Forestry and Fire Protection may issue a written timber operations stop order if, upon reasonable cause, the officer determines that a timber operation is being conducted, or is about to be conducted, in violation of Chapter 8 (commencing with Section 4511) of Part 2 of Division 4, or of rules and regulations adopted pursuant to those provisions, and that the violation or threatened violation would result in imminent and substantial damage to soil, water, or timber resources or to fish and wildlife habitat. A stop order shall apply only to those acts or omissions that are the proximate cause of the violation or that are reasonably foreseen to be the proximate cause of a violation. The stop order shall be effective immediately and throughout the next day.

(c) A supervising forest officer may, after an onsite investigation, extend a stop order issued pursuant to subdivision (b) for up to five days, excluding Saturday and Sunday, if the forest officer finds that the original stop order was issued upon reasonable cause. A stop order may not be issued or extended for the same act or omission more than one time.

(d) Each stop order shall identify the specific act or omission that constitutes a violation or that, if foreseen, would constitute a violation, the specific timber operation that is to be stopped, and any corrective or mitigative actions that may be required.

(e) The Department of Forestry and Fire Protection may terminate the stop order if the timber operator enters into a written agreement with the department assuring that the timber operator will resume operations in compliance with the provisions of Chapter 8 (commencing with Section 4511) of Part 2 of Division 4, and with the rules and regulations adopted pursuant to those provisions, and will correct any violation. The department may require a reasonable cash deposit or bond payable to the department as a condition of compliance with the agreement.

(f) Notice of the issuance of a stop order or an extension of a stop order shall be deemed to have been made to all persons working on the timber

operation when a copy of the written order is delivered to the person in charge of operations at the time that the order is issued or, if no persons are present at that time, by posting a copy of the order conspicuously on the yarder or log loading equipment at a currently active landing on the timber operations site. If no person is present at the site when the order is issued, the issuing forest officer shall deliver a copy of the order to the timber operator either in person or to the operator's address of record prior to the commencement of the next working day.

(g) As used in this section, ''forest officer'' means a registered professional forester employed by the Department of Forestry and Fire Protection in a civil service classification of forester II or higher grade.

(h) (1) Failure of the timber operator or an employee of the timber operator, after receiving notice pursuant to this section, to comply with a validly issued stop order is a violation of this section and is punishable as provided in paragraph (3) of subdivision (a). However, in all cases, the timber operator, and not an employee of the operator or any other person, shall be charged with that violation. Each day or portion thereof that the violation continues shall constitute a new and separate offense.

(2) In determining the penalty for a timber operator guilty of violating a validly issued stop order, the court shall take into consideration all relevant circumstances, including, but not limited to, the following:

(A) The extent of harm to soil, water, or timber resources or to fish and wildlife habitat.

(B) Corrective action, if any, taken by the defendant.

(i) Nothing in this section prevents a timber operator from seeking an alternative writ as prescribed in Chapter 2 (commencing with Section 1084) of Title 1 of Part 3 of the Code of Civil Procedure, or as provided by any other provision of law.

(j) (1) If a timber operator believes that a forest officer lacked reasonable cause to issue or extend a stop order pursuant to this section, the timber operator may present a claim to the Victim Compensation and Government Claims Board pursuant to Part 3 (commencing with Section 900) of Division 3.6 of Title 1 of the Government Code for compensation and damages resulting from the stopping of timber operations.

(2) If the Victim Compensation and Government Claims Board finds that the forest officer lacked reasonable cause to issue or extend the stop order, the board shall award a sum of not less than one hundred dollars ($100), nor more than one thousand dollars ($1,000), per day for each day the order was in effect.

SEC. 5.5. Section 5093.68 of the Public Resources Code is amended to read:

5093.68. (a) Within the boundaries of special treatment areas adjacent to wild, scenic, or recreational river segments, all of the

following provisions apply, in addition to any other applicable provision under this chapter or generally, whether by statute or regulation:

(1) A timber operator, whether licensed or not, is responsible for the actions of his or her employees. The registered professional forester who prepares and signs a timber harvesting plan, a timber management plan, or a notice of timber operations is responsible for its contents, but is not responsible for the implementation or execution of the plan or notice unless employed for that purpose.

(2) A registered professional forester preparing a timber harvesting plan shall certify that he or she or a qualified representative has personally inspected the plan area on the ground.

(b) In order to temporarily suspend timber operations that are being conducted within special treatment areas adjacent to wild, scenic, or recreational rivers designated pursuant to Section 5093.54, while judicial remedies are pursued pursuant to this section, an inspecting forest officer of the Department of Forestry and Fire Protection may issue a written timber operations stop order if, upon reasonable cause, the officer determines that a timber operation is being conducted, or is about to be conducted, in violation of Chapter 8 (commencing with Section 4511) of Part 2 of Division 4, or of rules and regulations adopted pursuant to those provisions, and that the violation or threatened violation would result in imminent and substantial damage to soil, water, or timber resources or to fish and wildlife habitat. A stop order shall apply only to those acts or omissions that are the proximate cause of the violation or that are reasonably foreseen would be the proximate cause of a violation. The stop order shall be effective immediately and throughout the next day.

(c) A supervising forest officer may, after an onsite investigation, extend a stop order issued pursuant to subdivision (b) for up to five days, excluding Saturday and Sunday, if the forest officer finds that the original stop order was issued upon reasonable cause. A stop order shall not be issued or extended for the same act or omission more than one time.

(d) Each stop order shall identify the specific act or omission that constitutes a violation or that, if foreseen, would constitute a violation, the specific timber operation that is to be stopped, and any corrective or mitigative actions that may be required.

(e) The Department of Forestry and Fire Protection may terminate the stop order if the timber operator enters into a written agreement with the department assuring that the timber operator will resume operations in compliance with the provisions of Chapter 8 (commencing with Section 4511) of Part 2 of Division 4, and with the rules and regulations adopted pursuant to those provisions, and will correct any violation. The

department may require a reasonable cash deposit or bond payable to the department as a condition of compliance with the agreement.

(f) Notice of the issuance of a stop order or an extension of a stop order shall be deemed to have been made to all persons working on the timber operation when a copy of the written order is delivered to the person in charge of operations at the time that the order is issued or, if no persons are present at that time, by posting a copy of the order conspicuously on the yarder or log loading equipment at a currently active landing on the timber operations site. If no person is present at the site when the order is issued, the issuing forest officer shall deliver a copy of the order to the timber operator either in person or to the operator's address of record prior to the commencement of the next working day.

(g) As used in this section, ''forest officer'' means a registered professional forester employed by the Department of Forestry and Fire Protection in a civil service classification of forester II or higher grade.

(h) (1) Failure of the timber operator or an employee of the timber operator, after receiving notice pursuant to this section, to comply with a validly issued stop order is a violation of this section and a misdemeanor punishable by a fine of not less than five hundred dollars ($500) or more than five thousand dollars ($5,000), or by imprisonment for not more than one year in the county jail, or by both that fine and imprisonment. The person shall also be subject to civil damages to the state not to exceed ten thousand dollars ($10,000) for each misdemeanor violation. However, in all cases, the timber operator, and not an employee of the operator or any other person, shall be charged with that violation. Each day or portion thereof that the violation continues shall constitute a new and separate offense.

(2) In determining the penalty for a timber operator guilty of violating a validly issued stop order, the court shall take into consideration all relevant circumstances, including, but not limited to, the following:

(A) The extent of harm to soil, water, or timber resources or to fish and wildlife habitat.

(B) Corrective action, if any, taken by the defendant.

(i) Nothing in this section prevents a timber operator from seeking an alternative writ as prescribed in Chapter 2 (commencing with Section 1084) of Title 1 of Part 3 of the Code of Civil Procedure, or as provided by any other provision of law.

(j) (1) If a timber operator believes that a forest officer lacked reasonable cause to issue or extend a stop order pursuant to this section, the timber operator may present a claim to the Victim Compensation and Government Claims Board pursuant to Part 3 (commencing with Section 900) of Division 3.6 of Title 1 of the Government Code for compensation and damages resulting from the stopping of timber operations.

(2) If the Victim Compensation and Government Claims Board finds that the forest officer lacked reasonable cause to issue or extend the stop order, the board shall award a sum of not less than one hundred dollars ($100), nor more than one thousand dollars ($1,000), per day for each day the order was in effect.

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 that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 7. Section 5.5 of this bill incorporates amendments to Section 5093.68 of the Public Resources Code proposed by both this bill and SB 1482. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 5093.68 of the Public Resources Code, and (3) this bill is enacted after SB 1482, in which case Section 5 of this bill shall not become operative.

CHAPTER 546

An act to add and repeal Article 1.5 (commencing with Section 18705) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 16, 2004. Filed with Secretary of State September 16, 2004.]

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

SECTION 1. Article 1.5 (commencing with Section 18705) is added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, to read:

Article 1.5. California Military Family Relief Fund

18705. (a) Any taxpayer may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the California Military Family Relief Fund, established by Section 18706. That designation is to be used as a voluntary checkoff on the tax return.

(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 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 taxpayer'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 administration of funds under this article.

(d) In the event a taxpayer designates a contribution to more than one account or fund listed on the tax return, and the amount available for designation 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 Military Family Relief Fund'' to allow for the designation permitted.

(1) The forms shall 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 provide financial aid grants to members of the California National Guard who are California residents, who have been called to active duty.

(2) The forms shall also include in the instructions information that additional contributions may be made at any time to the California Military Family Relief Fund, from sources other than the tax form.

(f) Notwithstanding any other provision of law, a voluntary contribution designation for the California Military Family Relief Fund may not be added to the tax return until another voluntary contribution designation is removed.

(g) A deduction shall be allowed under Article 6 (commencing with Section 17201) of Chapter 3 for any contribution made pursuant to subdivision (a).

18706. There is in the State Treasury the California Military Family Relief Fund to receive contributions made pursuant to Section 18705. 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 that taxpayers have designated pursuant to Section 18705 to be transferred to the California Military Family Relief Fund. The Controller shall transfer from the Personal Income Tax Fund to the California Military Family Relief Fund an amount not in excess of the sum of the amounts designated by individuals pursuant to Section 18705 for payment into that fund. The California Military Family Relief Fund

shall also accept contributions from sources other than the tax form, at anytime.

18707. All money transferred to the California Military Family Relief 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) (1) To the Military Department for the establishment of financial aid grants to members of the California National Guard who are California residents, who have been called to active duty. The Military Department shall establish eligibility criteria for the grants.

(2) In addition to criteria established by the Military Department pursuant to paragraph (1), members of the California National Guard who are California residents shall show proof of all of the following to be eligible to receive a grant:

(A) Membership in the California National Guard.

(B) Residency in California.

(C) Deployment to active duty for at least 100 consecutive days.

(D) The military salary of the member has decreased by 30 percent or more from the member's civilian salary.

(3) Grants awarded pursuant to this article may only be used for any of the following: food, housing, child care, utilities, medical services, medical prescriptions, insurance, and vehicle payments.

(4) Members of the California National Guard who are California residents may not be eligible to receive a grant if the member receives a punitive discharge or an administrative discharge with service characterized as under other than honorable conditions.

18708. The Legislature finds and declares all of the following:

(a) Due to the extended war in Iraq, deployment of California's National Guard averages a year or more.

(b) Private companies do not generally offset the difference in their employees' reduced salaries while serving overseas. Military families are losing as much as 70 percent of their household income when a primary income producer serves on active duty.

(c) It is the intent of the Legislature, in enacting this article, to establish a fund for the granting of relief aid to persons who are members of the California National Guard who are California residents, who have been called to active duty.

18709. (a) This article shall, subject to subdivision (b), remain in effect only until January 1 of the fifth taxable year following the first appearance of the California Military Family Relief Fund on the tax return, and as of that date is repealed, unless a later enacted statute, that is enacted before the applicable date, deletes or extends that date.

(b) If, in the second calendar year after the first taxable year the California Military Family Relief Fund appears on the tax return, or in any subsequent calendar year, as applicable, 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) for subsequent taxable years, as may be applicable, then this article is repealed with respect to taxable years beginning on or after January 1 of that calendar year. 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 contribution.

(c) For each calendar year, beginning with the third calendar year that the California Military Family Relief Fund appears on the tax return, 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 547

An act to add Chapter 3.5 (commencing with Section 850) to Division 4 of the Military and Veterans Code, and to add Section 17132.4 to the Revenue and Taxation Code, relating to veterans.

[Approved by Governor September 16, 2004. Filed with Secretary of State September 16, 2004.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) The California National Guard, the State Military Reserve, and Naval Militia are military organizations in California that serve essential public safety purposes during periods of great danger, routinely support local authorities in protecting the lives and property of the people of the state during periods of natural disaster and civil disturbance, and provide homeland security.

(b) The California National Guard is routinely tasked by the President to perform dangerous duties in armed conflicts, contingency operations, mobilizations, war, and other emergencies of national significance.

(c) The families of the members of the California National Guard, State Military Reserve, and Naval Militia play a primary role in maintaining the morale and welfare of these organizations and are essential in recruitment and retention of personnel to serve and continue serving.

(d) The families of the members of the California National Guard, State Military Reserve, and Naval Militia endure extraordinary hardships when the member is called to duty by the Governor or the President, and also suffer irreparable harm when the member dies or is killed in the performance of duty.

(e) The Legislature finds and declares that providing relief to surviving spouses and orphans of members of the California National Guard, State Military Reserve, and Naval Militia who die or are killed in the performance of duty furthers a necessary public purpose.

SEC. 2. Chapter 3.5 (commencing with Section 850) is added to Division 4 of the Military and Veterans Code, to read:

CHAPTER 3.5. CALIFORNIA NATIONAL GUARD SURVIVING SPOUSES AND CHILDREN RELIEF ACT OF 2004

850. (a) The state shall pay a ten thousand dollar ($10,000) death benefit to the surviving spouse of, or a beneficiary designated by, any member of the California National Guard, State Military Reserve, or Naval Militia who dies or is killed after March 1, 2003, in the performance of duty.

(b) The Military Department shall determine if the death occurred in the performance of the member's duty, and shall issue a certificate of benefit eligibility under this section within 20 days of application by the surviving spouse or a designated beneficiary.

(c) The state shall pay the death benefit within 10 days of the receipt of the certificate of benefit eligibility from the surviving spouse or a beneficiary designated by the service member.

851. This chapter shall become operative upon the operative date of an appropriation by the Legislature for the purpose of funding the payments of military benefits, as required by this chapter.

SEC. 3. Section 17132.4 is added to the Revenue and Taxation Code, to read:

17132.4. (a) For taxable years beginning on or after January 1, 2005, gross income does not include the death benefits received by an eligible individual.

(b) For purposes of this section:

(1) ''Death benefit'' means the entire amount of the death benefit payment made pursuant to Chapter 3.5 (commencing with Section 850) of Division 4 of the Military and Veterans Code.

(2) ''Eligible individual'' means the surviving spouse of, or a beneficiary designated by, any member of the California National Guard, State Military Reserve, or Naval Militia who dies or is killed in the performance of duty, as provided in Section 850 of the Military and Veterans Code.

CHAPTER 548

An act to amend Sections 2850, 2851, and 2854 of the Probate Code, relating to trustees.

[Approved by Governor September 16, 2004. Filed with Secretary of State September 16, 2004.]

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

SECTION 1. Section 2850 of the Probate Code is amended to read:

2850. (a) (1) The Department of Justice shall maintain a Statewide Registry and shall make all information in the registry available to the court for any purpose, but shall otherwise keep this information confidential, except as provided in this section.

(2) (A) On request, the registry shall disclose to the public the following:

(i) Whether an individual is or is not registered with the Statewide Registry.

(ii) Whether the Statewide Registry contains any information filed pursuant to subdivision (d) for a specific individual regarding his or her duties as a conservator, guardian, or trustee.

(iii) The educational background and professional experience of an individual registered with the Statewide Registry.

(B) Upon written request by a member of the public, the registry shall provide access to any information filed with the registry pursuant to subdivision (d) regarding a conservator, guardian, or trustee.

(3) Except as otherwise provided in Section 2854, all persons who wish to serve as a conservator, guardian, or trustee or who are currently serving as a conservator, guardian, or trustee shall register with the Statewide Registry and shall reregister every three years thereafter. ''Registration'' means the filing of a declaration pursuant to subdivision (b).

(b) All conservators, guardians, and trustees required to file information with the clerk of the court pursuant to Section 2340 or required to register pursuant to this chapter shall file a signed declaration with the Statewide Registry. A person who signs a declaration pursuant to this subdivision asserting the truth of any material matter which he or she knows to be false is guilty of a misdemeanor punishable by imprisonment for up to one year in a county jail, or a fine of not more than two thousand dollars ($2,000), or both that fine and imprisonment. The declaration shall contain the following information:

(1) Full name.

(2) Professional name, if different from paragraph (1).

(3) Business address.

(4) Business telephone number or numbers.

(5) His or her educational background and professional experience, including verification of any college or graduate degree claimed.

(6) The names of the conservator's current conservatees, the guardian's current wards, or the current trusts administered by the trustee.

(7) The aggregate dollar value of all assets currently under the conservator's, guardian's, or trustee's supervision.

(8) Whether he or she has ever been removed for cause or resigned as conservator, guardian, or trustee in a specific case, the circumstances of that removal or resignation, and the case names, court locations, and case numbers.

(c) The Department of Justice may charge a reasonable fee to persons registering and reregistering with the Statewide Registry for the cost of that registration. The Department of Justice shall issue a certificate of registration to each registrant.

(d) If a court makes a finding that a conservator, guardian, or trustee has not properly performed the duties of a conservator, guardian, or trustee, and that finding results in an order for a surcharge for other than nominal damages or for removal of the conservator, guardian, or trustee, the court clerk shall forward a copy of the court's finding and order to the Statewide Registry, which shall include this information in the file of that conservator, guardian, or trustee.

SEC. 1.5. Section 2850 of the Probate Code is amended to read:

2850. (a) (1) The Department of Justice shall maintain a Statewide Registry and shall make all information in the registry available to the

court for any purpose, but shall otherwise keep this information confidential, except as provided in this section.

(2) (A) On request, the registry shall disclose to the public the following:

(i) Whether an individual is or is not registered with the Statewide Registry.

(ii) Whether the Statewide Registry contains any information filed pursuant to subdivision (d) for a specific individual regarding his or her duties as a conservator, guardian, or trustee.

(iii) The educational background and professional experience of an individual registered with the Statewide Registry.

(B) Upon written request by a member of the public, the registry shall provide access to any information filed with the registry pursuant to subdivision (d) regarding a conservator, guardian, or trustee.

(3) Except as otherwise provided in Section 2854, all persons who wish to serve as a conservator, guardian, or trustee or who are currently serving as a conservator, guardian, or trustee shall register with the Statewide Registry and shall reregister every three years thereafter. ''Registration'' means the filing of a declaration pursuant to subdivision (b).

(b) All conservators, guardians, and trustees required to file information with the clerk of the court pursuant to Section 2340 or required to register pursuant to this chapter shall file a signed declaration with the Statewide Registry. A person who signs a declaration pursuant to this subdivision asserting the truth of any material matter which he or she knows to be false is guilty of a misdemeanor punishable by imprisonment for up to one year in a county jail, or a fine of not more than two thousand dollars ($2,000), or both that fine and imprisonment. The declaration shall contain the following information:

(1) Full name.

(2) Professional name, if different from paragraph (1).

(3) Business address.

(4) Business telephone number or numbers.

(5) His or her educational background and professional experience, including verification of any college or graduate degree claimed.

(6) The names of the conservator's current conservatees, the guardian's current wards, or the current trusts administered by the trustee.

(7) The aggregate dollar value of all assets currently under the conservator's, guardian's, or trustee's supervision.

(8) Whether he or she has ever been removed for cause or resigned as conservator, guardian, or trustee in a specific case, the circumstances of that removal or resignation, and the case names, court locations, and case numbers.

(9) In the case of a private professional conservator or a private professional guardian, compliance with the educational requirements established by the Judicial Council for private professional conservators and private professional guardians.

(c) The Department of Justice may charge a reasonable fee to persons registering and reregistering with the Statewide Registry for the cost of that registration. The Department of Justice shall issue a certificate of registration to each registrant.

(d) If a court makes a finding that a conservator, guardian, or trustee has not properly performed the duties of a conservator, guardian, or trustee, and that finding results in an order for a surcharge for other than nominal damages or for removal of the conservator, guardian, or trustee, the court clerk shall forward a copy of the court's finding and order to the Statewide Registry, which shall include this information in the file of that conservator, guardian, or trustee.

SEC. 2. Section 2851 of the Probate Code is amended to read:

2851. (a) A court may not appoint a person as a conservator, guardian, or trustee unless that person, if required to register under Section 2850, is registered with the Statewide Registry.

(b) Any person serving as a conservator or guardian prior to January 1, 2000, who does not register with the Statewide Registry by either January 1, 2001, or by the date of the next required review pursuant to Section 1850, whichever is sooner, shall be removed as a conservator or guardian by the court. A trustee required to register under Section 2850 who has not registered with the Statewide Registry on or before January 1, 2005, shall be removed as a trustee by the court, unless the court finds reasonable grounds not to do so. If the court finds reasonable grounds exist for not removing the trustee for failing to register on or before January 1, 2005, the court shall order the trustee to register with the Statewide Registry within 90 days of the court's order and shall remove the trustee if the trustee has failed to register at the end of the 90-day period.

(c) In appointing, continuing the appointment, or removing a person as conservator, guardian, or trustee, the court shall examine and consider the information contained in the Statewide Registry for that person. The information contained in the Statewide Registry shall be made available to the court for this purpose, but shall otherwise be kept confidential, except as provided by law.

SEC. 3. Section 2854 of the Probate Code is amended to read:

2854. (a) This chapter does not apply to any public conservator or public guardian with regard to his or her official acts in that capacity.

(b) This chapter does not apply to any conservator, guardian, or trustee when the person is related to the conservatee, ward, or trustor by blood, marriage, adoption, registered domestic partnership, or a

relationship that satisfies the requirements of subdivision (a) and paragraphs (1) to (4), inclusive, and paragraph (6) of subdivision (b) of Section 297 of the Family Code.

(c) This chapter does not apply to any trustee who is serving for the benefit of not more than three people or not more than three families, or a combination of people or families that does not total more than three. The number of trust beneficiaries does not count for the purposes of calculating if a trustee falls within this exclusion. A trust excluded under subdivision (a) or (b) does not count for the purpose of calculating if a trustee falls within this exclusion. For the purposes of this subdivision, family means people who are related by blood, marriage, adoption, registered domestic partnership, or a relationship that satisfies the requirements of subdivision (a) and paragraphs (1) to (4), inclusive, and paragraph (6) of subdivision (b) of Section 297 of the Family Code.

(d) This chapter does not apply to any conservator or guardian who is not required to file information with the clerk of the court pursuant to Section 2340, to any person or entity subject to the oversight of a local government, including an employee of a city, county, or city and county, or to any person or entity subject to the oversight of the state or federal government, including an attorney licensed to practice law in the State of California who acts as trustee of only attorney client trust accounts, as defined in Section 6211 of the Business and Professions Code.

(e) This chapter does not apply to any conservator who resided in the same home with the conservatee immediately prior to the condition or event that gave rise to the necessity of a conservatorship. This subdivision does not create any order or preference of appointment, but simply exempts a conservator described by this subdivision from registration.

(f) This chapter does not apply to a nonrelated guardian of the person of a minor appointed by the court as the result of the selection of a permanency plan for a dependent child or ward pursuant to Section 366.26 of the Welfare and Institutions Code. It also does not include a nonrelated guardian of the person of a minor appointed pursuant to Section 1514 if that child is in receipt of AFDC-FC payments and case management services from the county welfare department, as evidenced by a Notice of Action of AFDC-FC eligibility.

(g) This chapter does not apply to a trustee who is any of the following:

(1) Trust companies, as defined in Section 83.

(2) FDIC insured institutions, their holding companies, subsidiaries or affiliates. For the purposes of this paragraph, ''affiliate'' means any entity that shares an ownership interest with or that is under the common control of, the FDIC insured institution.

(3) Employees of any entity listed in paragraph (1) or (2) while serving as trustees in the scope of their duties.

SEC. 4. Section 1.5 of this bill incorporates amendments to Section 2850 of the Probate Code proposed by both this bill and AB 1155. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 2850 of the Probate Code, and (3) this bill is enacted after AB 1155, in which case Section 1 of this bill shall not become operative.

CHAPTER 549

An act to amend Sections 66025.6, 69750, 69750.3, 69750.5, and 69751 of, to add Sections 69751.2 and 69751.8 to, and to repeal and add Section 69751.3 of, the Education Code, relating to postsecondary education.

[Approved by Governor September 16, 2004. Filed with Secretary of State September 16, 2004.]

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

SECTION 1. Section 66025.6 of the Education Code is amended to read:

66025.6. (a) As used in this section, the following terms have the following meanings:

(1) ''Active duty'' means either of the following:

(A) Active federal service or full-time national guard duty on behalf of the United States of America either voluntarily, or when involuntarily ordered to duty by appropriate authorities under Title 10 or Title 32 of the United States Code during a period of armed conflict, mobilization, contingency operations, or other crisis.

(B) (i) Active military duty in the service of the state when the Governor has issued a proclamation of a state of insurrection pursuant to Section 143 of the Military and Veterans Code or a proclamation of a state of emergency; or

(ii) When the National Guard is on active duty pursuant to Section 146 of the Military and Veterans Code, or is called to active service or duty under Chapter 7.5 (commencing with Section 400) of Part 1 of Division 2 of the Military and Veterans Code, and a certificate of satisfactory service, or an equivalent thereof, is issued by the Military Department.

(2) ''Qualifying member'' means a person who:

(A) Is a resident, as defined in Section 68017.

(B) Is currently an active member of, and has satisfactorily served for at least one year in, the California National Guard, the State Military Reserve, or the Naval Militia, and maintains satisfactory service throughout the period that he or she receives consideration pursuant to this section, or throughout the period that his or her student loan payments are assumed under Article 12.5 (commencing with Section 69750) of Chapter 2 of Part 42, whichever is longer.

(C) Has completed a baccalaureate degree, or is currently enrolled, and in good standing, in an undergraduate program of instruction, or has been admitted to a program in which he or she will be enrolled, on at least a half-time basis, at an institution of higher education in this state.

(b) (1) (A) Any qualifying member who undertakes active duty is entitled to an academic leave of absence for any academic session that the qualifying member is unable to attend or complete because he or she is on active duty.

(B) It is the intent of the Legislature that a graduate or undergraduate student who is called to active military duty as a member of the California National Guard, the State Military Reserve, or the Naval Militia not suffer any academic penalty as a result of any academic leave of absence that he or she takes in accordance with this paragraph.

(2) To the extent feasible, the graduation requirements for a qualifying member who, within one year of returning from active duty, resumes his or her studies at the same postsecondary educational institution shall be the same as the graduation requirements at the time the qualifying member initially enrolled.

(c) The Military Department shall determine whether an individual meets the requirements of ''active duty'' and ''qualifying member,'' as they are set forth in subdivision (a). The department shall issue a certificate to individuals who meet those requirements.

(d) This section shall remain in effect only until January 1, 2007, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2007, deletes or extends that date.

SEC. 1.5. Section 66025.6 of the Education Code is amended to read:

66025.6. (a) As used in this section, the following terms have the following meanings:

(1) ''Active duty'' means either of the following:

(A) Active federal service or full-time national guard duty on behalf of the United States of America either voluntarily, or when involuntarily ordered to duty by appropriate authorities under Title 10 or Title 32 of the United States Code during a period of armed conflict, mobilization, contingency operations, or other crisis.

(B) (i) Active military duty in the service of the state when the Governor has issued a proclamation of a state of insurrection pursuant

to Section 143 of the Military and Veterans Code or a proclamation of a state of emergency; or

(ii) When the National Guard is on active duty pursuant to Section 146 of the Military and Veterans Code, or is called to active service or duty under Chapter 7.5 (commencing with Section 400) of Part 1 of Division 2 of the Military and Veterans Code, and a certificate of satisfactory service, or an equivalent thereof, is issued by the Military Department.

(2) ''Qualifying member'' means a person who:

(A) Is a resident, as defined in Section 68017.

(B) Is currently an active member of, and has satisfactorily served for at least one year in, the California National Guard, the State Military Reserve, or the Naval Militia, and maintains satisfactory service throughout the period that he or she receives consideration pursuant to this section, or throughout the period that his or her student loan payments are assumed under Article 12.5 (commencing with Section 69750) of Chapter 2 of Part 42, whichever is longer.

(C) Has completed a baccalaureate degree, or is currently enrolled, and in good standing, in an undergraduate program of instruction, or has been admitted to a program in which he or she will be enrolled, on at least a half-time basis, at an institution of higher education in this state, or is enrolled in or has completed a program of instruction in a vocational diploma program as defined in Section 94746 where enrollment qualifies a student for participation in the Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.) or any loan program approved by the Student Aid Commission.

(b) (1) (A) Any qualifying member, and any member of the California National Guard, the State Military Reserve, or the Naval Militia who meets the qualifications of subparagraphs (A) and (B) of paragraph (2) of subdivision (a) and who is enrolled, and in good standing in a graduate program of instruction, who undertakes active duty is entitled to an academic leave of absence for any academic session that the person is unable to attend or complete because he or she is on active duty.

(B) It is the intent of the Legislature that a graduate or undergraduate student who is called to active military duty as a member of the California National Guard, the State Military Reserve, or the Naval Militia not be academically penalized as a result of any academic leave of absence that he or she takes in accordance with this paragraph.

(2) To the extent that it is feasible, graduation requirements for a qualifying member who, within one year of returning from active duty, resumes his or her studies at the same postsecondary educational institution shall be the same as the graduation requirements at the time the qualifying member initially enrolled.

(c) The Military Department shall determine whether an individual meets the requirements of ''active duty'' and ''qualifying member,'' as they are set forth in subdivision (a). The department shall issue a certificate to individuals who meet those requirements.

(d) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2012, deletes or extends that date.

SEC. 2. Section 69750 of the Education Code is amended to read:

69750. Commencing with the 2004–05 fiscal year, the National Guard Assumption Program of Loans for Education is established to provide an incentive for persons to enlist or reenlist in the National Guard, the State Military Reserve, or the Naval Militia within the meaning of Section 66025.6 who seek, or who have completed, baccalaureate degrees at institutions of higher education within this state.

SEC. 2.5. Section 69750 of the Education Code is amended to read:

69750. Commencing with the 2004–05 fiscal year, the National Guard Assumption Program of Loans for Education is established to provide an incentive for persons to enlist or reenlist in the National Guard, the State Military Reserve, or the Naval Militia within the meaning of Section 66025.6 who seek, or who have completed, degrees at institutions of higher education within this state, or who are enrolled in or have completed a program of instruction in a vocational diploma program, as defined in Section 94746, where enrollment qualifies a student for participation in the Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.) or any loan program approved by the Student Aid Commission for this purpose.

SEC. 3. Section 69750.3 of the Education Code is amended to read:

69750.3. (a) A person who meets all of the following conditions is eligible to apply to enter into an agreement for loan assumption, to be redeemed pursuant to Section 69750.5:

(1) The person agrees to enlist, or reenlist, in the National Guard, the State Military Reserve, or the Naval Militia.

(2) The person is enrolled in an institution of higher education that participates in the loan assumption program set forth in this article.

(3) In order to meet the costs associated with obtaining a baccalaureate degree, the applicant has received, or is approved to receive, a loan under one or more of the following designated loan programs:

(A) The Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.).

(B) Any loan program approved by the Student Aid Commission.

(b) A person participating in the program pursuant to this article shall not be eligible to enter into more than one agreement under this article.

SEC. 3.5. Section 69750.3 of the Education Code is amended to read:

69750.3. (a) A person who meets all of the following requirements is eligible to apply to enter into an agreement for loan assumption, to be redeemed pursuant to Section 69750.5:

(1) The person agrees to enlist, or reenlist, in the National Guard, the State Military Reserve, or the Naval Militia.

(2) The person is enrolled in an institution of higher education or a vocational program, as defined in Section 94746, that participates in the loan assumption program set forth in this article.

(3) In order to meet the costs associated with obtaining a degree or associated with enrollment in a qualified vocational diploma program, as defined in Section 94746, the applicant has received, or is approved to receive, a loan under one or more of the following designated loan programs:

(A) The Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.).

(B) Any loan program approved by the Student Aid Commission.

(b) A person participating in the program pursuant to this article shall not be eligible to enter into more than one agreement under this article.

SEC. 4. Section 69750.5 of the Education Code is amended to read:

69750.5. The Student Aid Commission shall commence loan assumption payments, as required by Section 69750.7, upon receipt of a certificate from the Military Department verifying that the applicant has completed the enlistment and military service requirements, and upon determination that the applicant has otherwise met the requirements of the loan assumption agreement and all other conditions of this article.

SEC. 5. Section 69751 of the Education Code is amended to read:

69751. (a) The Student Aid Commission shall administer this article, and, in consultation with the Military Department, shall adopt rules and regulations for that purpose. The rules and regulations shall include, but need not be limited to, provisions regarding the period of time for which a loan assumption agreement shall remain valid, the reallocation of funds that are not utilized, and the development of projections for funding purposes. The commission shall solicit the advice of representatives from postsecondary educational institutions regarding the proposed rules and regulations. The commission shall adopt initial regulations for the program within six months of the effective date of the initial appropriation funding the program.

(b) The Student Aid Commission shall work in conjunction with lenders participating in federal loan programs to develop a streamlined application process for participation in the program set forth in this article.

SEC. 6. Section 69751.2 is added to the Education Code, to read:

69751.2. In any fiscal year in which the commission determines that funding for this article is insufficient to fully support this program, the commission shall, to the extent feasible, grant the following applicants priority for participation in the program:

(a) Individuals who are financially needy, as indicated by a household income and asset level that is at or below the maximum set for participants in the Cal Grant A program under Section 69432.7.

(b) Individuals who have been called to full-time active military duty.

SEC. 7. Section 69751.3 of the Education Code is repealed.

SEC. 8. Section 69751.3 is added to the Education Code, to read:

69751.3. (a) The Student Aid Commission shall report annually to the Legislature regarding program participation, including, but not necessarily limited to, both of the following, as categorized on the basis of age, ethnicity, and gender:

(1) The total number of participants in the program established by this article.

(2) The number of participants who receive a loan assumption benefit, classified by payment year.

(b) The Legislative Analyst's Office, in consultation with the Military Department and the Student Aid Commission, shall evaluate the operation of the benefits and programs established pursuant to this article, as well as those benefits established pursuant to Section 66025.6. This evaluation shall be submitted, in writing, to the Director of Finance and the Legislature no later than July 1, 2006.

SEC. 9. Section 69751.8 is added to the Education Code, to read:

69751.8. Notwithstanding any other provision of law, in any fiscal year, the Student Aid Commission may issue no more than the number of warrants that are authorized by the Governor and the Legislature in the annual Budget Act for that year for the assumption of loans pursuant to this article.

SEC. 10. Section 1.5 of this bill incorporates amendments to Section 66025.6 of the Education Code proposed by both this bill and SB 1322. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 66025.6 of the Education Code, and (3) this bill is enacted after SB 1322, in which case Section 1 of this bill shall not become operative.

SEC. 11. Section 2.5 of this bill incorporates amendments to Section 69750 of the Education Code proposed by both this bill and SB 1322. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 69750 of the Education Code, and (3) this bill is enacted after SB 1322, in which case Section 2 of this bill shall not become operative.

SEC. 12. Section 3.5 of this bill incorporates amendments to Section 69570.3 of the Education Code proposed by both this bill and SB 1322. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 69750.3 of the Education Code, and (3) this bill is enacted after SB 1322, in which case Section 3 of this bill shall not become operative.

CHAPTER 550

An act to amend Section 68152 of the Government Code, and to amend Sections 1808, 13352, 13352.6, 13353, 13353.1, 13353.3, 13353.7, 13353.8, 23217, 23502, 23540, 23546, 23550, 23560, 23566, 23575, 23612, 23622, and 23646 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 16, 2004. Filed with Secretary of State September 16, 2004.]

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

SECTION 1. The Legislature finds and declares the following:

(a) Driving under the influence of alcohol or drugs, or both, (DUI) continues to be a significant threat to the public health and safety.

(b) Despite significant progress and declining rates of DUI in the last two decades, fatalities associated with this conduct have increased for the past several years.

(c) Two hundred thirty-six more people died from DUI conduct in 2001 than did in 1998.

(d) Nearly 180,000 people were arrested for DUI offenses in 2001, including 25 percent of whom were repeat offenders.

SEC. 2. Section 68152 of the Government Code is amended to read:

68152. The trial court clerk may destroy court records under Section 68153 after notice of destruction and if there is no request and order for transfer of the records, except the comprehensive historical and sample superior court records preserved for research under the California Rules of Court, when the following times have expired after final disposition of the case in the categories listed:

(a) Adoption: retain permanently.

(b) Change of name: retain permanently.

(c) Other civil actions and proceedings, as follows:

(1) Except as otherwise specified: 10 years.

(2) Where a party appears by a guardian ad litem: 10 years after termination of the court's jurisdiction.

(3) Domestic violence: same period as duration of the restraining or other orders and any renewals, then retain the restraining or other orders as a judgment; 60 days after expiration of the temporary protective or temporary restraining order.

(4) Eminent domain: retain permanently.

(5) Family law, except as otherwise specified: 30 years.

(6) Harassment: same period as duration of the injunction and any renewals, then retain the injunction as a judgment; 60 days after expiration of the temporary restraining order.

(7) Mental health (Lanterman Developmental Disabilities Services Act and Lanterman-Petris-Short Act): 30 years.

(8) Paternity: retain permanently.

(9) Petition, except as otherwise specified: 10 years.

(10) Real property other than unlawful detainer: retain permanently if the action affects title or an interest in real property.

(11) Small claims: 10 years.

(12) Unlawful detainer: one year if judgment is for possession of the premises; 10 years if judgment is for money.

(d) Notwithstanding subdivision (c), any civil or small claims case in the trial court:

(1) Involuntarily dismissed by the court for delay in prosecution or failure to comply with state or local rules: one year.

(2) Voluntarily dismissed by a party without entry of judgment: one year.

Notation of the dismissal shall be made on the civil index of cases or on a separate dismissal index.

(e) Criminal.

(1) Capital felony (murder with special circumstances where the prosecution seeks the death penalty): retain permanently. If the charge is disposed of by acquittal or a sentence less than death, the case shall be reclassified.

(2) Felony, except as otherwise specified: 75 years.

(3) Felony, except capital felony, with court records from the initial complaint through the preliminary hearing or plea and for which the case file does not include final sentencing or other final disposition of the case because the case was bound over to the superior court: five years.

(4) Misdemeanor, except as otherwise specified: five years.

(5) Misdemeanor alleging a violation of the Vehicle Code, except as otherwise specified: three years.

(6) Misdemeanor alleging a violation of Section 23103, 23152, or 23153 of the Vehicle Code: 10 years.

(7) Misdemeanor alleging a violation of Section 14601, 14601.1, 20002, 23104, or 23109 of the Vehicle Code: five years.

(8) Misdemeanor alleging a marijuana violation under subdivision (b), (c), (d), or (e) of Section 11357 of the Health and Safety Code, or subdivision (b) of Section 11360 of the Health and Safety Code in accordance with the procedure set forth in Section 11361.5 of the Health and Safety Code: records shall be destroyed two years from the date of conviction or from the date of arrest if no conviction.

(9) Misdemeanor, infraction, or civil action alleging a violation of the regulation and licensing of dogs under Sections 30951 to 30956, inclusive, of the Food and Agricultural Code or violation of any other local ordinance: three years.

(10) Infraction, except as otherwise specified: three years.

(11) Parking infractions, including alleged violations under the stopping, standing, and parking provisions set forth in Chapter 9 (commencing with Section 22500) of Division 11 of the Vehicle Code: two years.

(f) Habeas corpus: same period as period for retention of the records in the underlying case category.

(g) Juvenile.

(1) Dependent (Section 300 of the Welfare and Institutions Code): upon reaching age 28 or on written request shall be released to the juvenile five years after jurisdiction over the person has terminated under subdivision (a) of Section 826 of the Welfare and Institutions Code. Sealed records shall be destroyed upon court order five years after the records have been sealed pursuant to subdivision (c) of Section 389 of the Welfare and Institutions Code.

(2) Ward (Section 601 of the Welfare and Institutions Code): upon reaching age 21 or on written request shall be released to the juvenile five years after jurisdiction over the person has terminated under subdivision (a) of Section 826 of the Welfare and Institutions Code. Sealed records shall be destroyed upon court order five years after the records have been sealed under subdivision (d) of Section 781 of the Welfare and Institutions Code.

(3) Ward (Section 602 of the Welfare and Institutions Code): upon reaching age 38 under subdivision (a) of Section 826 of the Welfare and Institutions Code. Sealed records shall be destroyed upon court order when the subject of the record reaches the age of 38 under subdivision (d) of Section 781 of the Welfare and Institutions Code.

(4) Traffic and some nontraffic misdemeanors and infractions (Section 601 of the Welfare and Institutions Code): upon reaching age 21 or five years after jurisdiction over the person has terminated under subdivision (c) of Section 826 of the Welfare and Institutions Code. May be microfilmed or photocopied.

(5) Marijuana misdemeanor under subdivision (e) of Section 11357 of the Health and Safety Code in accordance with procedures specified

in subdivision (a) of Section 11361.5 of the Health and Safety Code: upon reaching age 18 the records shall be destroyed.

(h) Probate.

(1) Conservatorship: 10 years after decree of termination.

(2) Guardianship: 10 years after the age of 18.

(3) Probate, including probated wills, except as otherwise specified: retain permanently.

(i) Court records of the appellate division of the superior court: five years.

(j) Other records.

(1) Applications in forma pauperis: any time after the disposition of the underlying case.

(2) Arrest warrant: same period as period for retention of the records in the underlying case category.

(3) Bench warrant: same period as period for retention of the records in the underlying case category.

(4) Bond: three years after exoneration and release.

(5) Coroner's inquest report: same period as period for retention of the records in the underlying case category; if no case, then permanent.

(6) Court orders not associated with an underlying case, such as orders for destruction of court records for telephone taps, or to destroy drugs, and other miscellaneous court orders: three years.

(7) Court reporter notes: 10 years after the notes have been taken in criminal and juvenile proceedings and five years after the notes have been taken in all other proceedings, except notes reporting proceedings in capital felony cases (murder with special circumstances where the prosecution seeks the death penalty and the sentence is death), including notes reporting the preliminary hearing, which shall be retained permanently, unless the Supreme Court on request of the court clerk authorizes the destruction.

(8) Electronic recordings made as the official record of the oral proceedings under the California Rules of Court: any time after final disposition of the case in infraction and misdemeanor proceedings, 10 years in all other criminal proceedings, and five years in all other proceedings.

(9) Electronic recordings not made as the official record of the oral proceedings under the California Rules of Court: any time either before or after final disposition of the case.

(10) Index, except as otherwise specified: retain permanently.

(11) Index for cases alleging traffic violations: same period as period for retention of the records in the underlying case category.

(12) Judgments within the jurisdiction of the superior court other than in a limited civil case, misdemeanor case, or infraction case: retain permanently.

(13) Judgments in misdemeanor cases, infraction cases, and limited civil cases: same period as period for retention of the records in the underlying case category.

(14) Minutes: same period as period for retention of the records in the underlying case category.

(15) Naturalization index: retain permanently.

(16) Ninety-day evaluation (under Section 1203.03 of the Penal Code): same period as period for retention of the records in the underlying case category, or period for completion or termination of probation, whichever is longer.

(17) Register of actions or docket: same period as period for retention of the records in the underlying case category, but in no event less than 10 years for civil and small claims cases.

(18) Search warrant: 10 years, except search warrants issued in connection with a capital felony case defined in paragraph (7), which shall be retained permanently.

(k) Retention of any of the court records under this section shall be extended as follows:

(1) By order of the court on its own motion, or on application of a party or any interested member of the public for good cause shown and on those terms as are just. A fee shall not be charged for making the application.

(2) Upon application and order for renewal of the judgment to the extended time for enforcing the judgment.

SEC. 3. Section 1808 of the Vehicle Code is amended to read:

1808. (a) Except where a specific provision of law prohibits the disclosure of records or information or provides for confidentiality, all records of the department relating to the registration of vehicles, other information contained on an application for a driver's license, abstracts of convictions, and abstracts of accident reports required to be sent to the department in Sacramento, except for abstracts of accidents where, in the opinion of a reporting officer, another individual was at fault, shall be open to public inspection during office hours. All abstracts of accident reports shall be available to law enforcement agencies and courts of competent jurisdiction.

(b) The department shall make available or disclose abstracts of convictions and abstracts of accident reports required to be sent to the department in Sacramento, as described in subdivision (a), if the date of the occurrence is not later than the following:

(1) Seven years for any violation designated as two points pursuant to Section 12810.

(2) Three years for accidents and all other violations.

(c) The department shall make available or disclose suspensions and revocations of the driving privilege while the suspension or revocation

is in effect and for three years following termination of the action or reinstatement of the privilege, except that driver's license suspension actions taken pursuant to Sections 13202.6 and 13202.7, or Section 256 or 11350.6 of the Welfare and Institutions Code shall be disclosed only during the actual time period in which the suspension is in effect.

(d) The department shall not make available or disclose any suspension or revocation that has been judicially set aside or stayed.

(e) The department shall not make available or disclose personal information about any person unless the disclosure is in compliance with the Driver's Privacy Protection Act of 1994 (18 U.S.C. Sec. 2721 et seq.). However, any disclosure is subject to the prohibition in paragraph (2) of subdivision (a) of Section 12800.5.

(f) The department shall make available or disclose to the courts and law enforcement agencies any conviction of Section 23103, as specified in Section 23103.5, or any conviction of Section 23140, 23152, or 23153, or Section 655 of the Harbors and Navigation Code, or paragraph (1) of subdivision (c) of Section 192 of the Penal Code for a period of 10 years from the date of the offense for the purpose of imposing penalties mandated by this code, or by any other applicable provisions of California law.

(g) The department shall make available or disclose to the courts and law enforcement agencies any conviction of Section 191.5, or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, punished as a felony, for the purpose of imposing penalties mandated by Section 23550.5, or by any other applicable provisions of California law.

SEC. 4. 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 a person to operate a motor vehicle upon the receipt of an 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 the receipt of a report of a judge of the juvenile court, a juvenile 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. If any offense specified in this section occurs in a vehicle defined in Section 15210, the suspension or revocation specified below shall apply to the noncommercial driving privilege. The commercial driving privilege shall be disqualified as specified in Sections 15300 to 15302, inclusive. For the 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 23536, the privilege shall be suspended for a period of six months. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the

department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code described in subdivision (b) of Section 23538. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate and complete either program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in subdivision (b) of Section 23538.

Instead of suspending the person's driving privilege, the department shall issue a restricted license upon receipt of an abstract of record from the court certifying that the court has granted probation to the person based on the conditions specified in paragraph (2) of subdivision (a) of, and subdivision (b) of, Section 23538.

(2) Upon a conviction or finding of a violation of Section 23153 punishable under Section 23554, the privilege shall be suspended for a period of one year. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23556. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate, and complete either program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in Section 23556.

(3) Except as provided in Section 13352.5, upon a conviction or finding of a violation of Section 23152 punishable under Section 23540, the privilege shall be suspended for two years. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23542. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 12 months of the suspension period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily provided, subsequent to the current underlying conviction, either of the following:

(i) Proof of enrollment in an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) Proof of enrollment in a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment.

(B) The person agrees, as a condition of the restriction, to continue satisfactory participation in the program described in subparagraph (A).

(C) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(D) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(E) The person provides proof of financial responsibility, as defined in Section 16430.

(F) The person pays all administrative fees or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(4) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23560, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person gives proof of financial responsibility, and the person gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23562. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. No credit shall be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 18 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in that 30-month program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(F) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(5) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23546, the privilege shall be revoked for a period of three years. The privilege shall not be reinstated until the person files proof of financial responsibility and gives proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 18 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23546 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the

person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(6) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23566, the privilege shall be revoked for a period of five years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 30 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(ii) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if a 30-month program is unavailable in the person's county of residence or employment.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23153 punishable under Section 23566 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(7) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23550 or 23550.5, or Section 23153 punishable under Section 23550.5 the privilege shall be revoked for a period of four years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 24 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23550 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(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 may not be reinstated until the person gives proof of financial responsibility.

(b) For the purpose of paragraphs (2) to (9), inclusive, of subdivision (a), the finding of the juvenile court judge, the juvenile 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 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 that, 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 that, 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) For the purposes of the restriction conditions specified in paragraphs (3) to (7), inclusive, of subdivision (a), the department shall terminate the restriction imposed pursuant to this section and shall suspend or revoke the person's driving privilege upon receipt of

notification from the program that the person has failed to comply with the program requirements. The person's driving privilege shall remain suspended or revoked for the remaining period of the originating suspension or revocation and until all reinstatement requirements described in this section are met.

(f) For the purposes of this section, completion of a program is the following:

(1) Satisfactory completion of all program requirements approved pursuant to program licensure, as evidenced by a certificate of completion issued, under penalty of perjury, by the licensed program.

(2) Certification, under penalty of perjury, by the director of a program specified in Section 8001 of the Penal Code, that the person has completed a program specified in Section 8001 of the Penal Code.

SEC. 4.1. 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 a person to operate a motor vehicle upon the receipt of an 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 the receipt of a report of a judge of the juvenile court, a juvenile 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. If any offense specified in this section occurs in a vehicle defined in Section 15210, the suspension or revocation specified below shall apply to the noncommercial driving privilege. The commercial driving privilege shall be disqualified as specified in Sections 15300 to 15302, inclusive. For the 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 23536, the privilege shall be suspended for a period of six months. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code described in subdivision (b) of Section 23538. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate and complete either program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in subdivision (b) of Section 23538.

Instead of suspending the person's driving privilege, the department shall issue a restricted license upon receipt of an abstract of record from the court certifying that the court has granted probation to the person

based on the conditions specified in paragraph (2) of subdivision (a) of, and subdivision (b) of, Section 23538.

(2) Upon a conviction or finding of a violation of Section 23153 punishable under Section 23554, the privilege shall be suspended for a period of one year. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23556. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate, and complete either program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in Section 23556.

(3) Except as provided in Section 13352.5, upon a conviction or finding of a violation of Section 23152 punishable under Section 23540, the privilege shall be suspended for two years. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23542. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 12 months of the suspension period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily provided, subsequent to the current underlying conviction, either of the following:

(i) Proof of enrollment in an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) Proof of enrollment in a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment.

(B) The person agrees, as a condition of the restriction, to continue satisfactory participation in the program described in subparagraph (A).

(C) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(D) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(E) The person provides proof of financial responsibility, as defined in Section 16430.

(F) The person pays all administrative fees or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(4) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23560, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person gives proof of financial responsibility, and the person gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23562. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 18 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in that 30-month program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(F) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(5) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23546, the privilege shall be revoked for a period of three years. The privilege shall not be reinstated until the person files proof of financial responsibility and gives proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section

11836 of the Health and Safety Code or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 18 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23546 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(6) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23566, the privilege shall be revoked for a period of five years. The privilege may

not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 30 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(ii) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if a 30-month program is unavailable in the person's county of residence or employment.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23153 punishable under Section 23566 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(7) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23550 or 23550.5, or Section 23153 punishable under Section 23550.5 the privilege shall be revoked for a period of four years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 24 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23550 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section

11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(8) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (e) of that section, the privilege shall be suspended for a period of 90 days to six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(9) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (f) of that section, the privilege shall be suspended for a period of six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(b) For the purpose of paragraphs (2) to (9), inclusive, of subdivision (a), the finding of the juvenile court judge, the juvenile 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) A judge of a juvenile court, juvenile 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 that, 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 that, 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.

SEC. 4.2. 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 a person to operate a motor vehicle upon the receipt of an 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 the receipt of a report of a judge of the juvenile court, a juvenile 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. If any offense specified in this

section occurs in a vehicle defined in Section 15210, the suspension or revocation specified below shall apply to the noncommercial driving privilege. The commercial driving privilege shall be disqualified as specified in Sections 15300 to 15302, inclusive. For the 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 23536, the privilege shall be suspended for a period of six months. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code described in subdivision (b) of Section 23538. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate and complete either program described in paragraph (4) of subdivision (h) of Section 23542, the department shall require that program in lieu of the program described in subdivision (b) of Section 23538.

Instead of suspending the person's driving privilege, the department shall issue a restricted license upon receipt of an abstract of record from the court certifying that the court has granted probation to the person based on the conditions specified in paragraph (2) of subdivision (a) of, and subdivision (b) of, Section 23538.

(2) Upon a conviction or finding of a violation of Section 23153 punishable under Section 23554, the privilege shall be suspended for a period of one year. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23556. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate, and complete either program described in paragraph (4) of subdivision (h) of Section 23542, the department shall require that program in lieu of the program described in Section 23556.

(3) Except as provided in Section 13352.5, upon a conviction or finding of a violation of Section 23152 punishable under Section 23540, the privilege shall be suspended for two years. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23542. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall

advise the person that after completion of 12 months of the suspension period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily provided, subsequent to the current underlying conviction, either of the following:

(i) Proof of enrollment in an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) Proof of enrollment in a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment.

(B) The person agrees, as a condition of the restriction, to continue satisfactory participation in the program described in subparagraph (A).

(C) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(D) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(E) The person provides proof of financial responsibility, as defined in Section 16430.

(F) The person pays all administrative fees or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(4) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23560, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person gives proof of financial responsibility, and the person gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23562. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. No credit shall be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 18 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment,

and the person agrees, as a condition of the restriction, to continue satisfactory participation in that 30-month program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(F) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(5) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23546, the privilege shall be revoked for a period of three years. The privilege shall not be reinstated until the person files proof of financial responsibility and gives proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 18 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23546 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(6) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23566, the privilege shall be revoked for a period of five years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 30 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(ii) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if a 30-month program is unavailable in the person's county of residence or employment.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23153 punishable under Section 23566 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(7) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23550 or 23550.5, or Section 23153 punishable under Section 23550.5 the privilege shall be revoked for a period of four years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 24 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23550 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(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 may not be reinstated until the person gives proof of financial responsibility.

(b) For the purpose of paragraphs (2) to (9), inclusive, of subdivision (a), the finding of the juvenile court judge, the juvenile 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 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 that, 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 that, 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) For the purposes of the restriction conditions specified in paragraphs (3) to (7), inclusive, of subdivision (a), the department shall terminate the restriction imposed pursuant to this section and shall suspend or revoke the person's driving privilege upon receipt of notification from the program that the person has failed to comply with the program requirements. The person's driving privilege shall remain suspended or revoked for the remaining period of the originating suspension or revocation and until all reinstatement requirements described in this section are met.

(f) For the purposes of this section, completion of a program is the following:

(1) Satisfactory completion of all program requirements approved pursuant to program licensure, as evidenced by a certificate of completion issued, under penalty of perjury, by the licensed program.

(2) Certification, under penalty of perjury, by the director of a program specified in Section 8001 of the Penal Code, that the person has completed a program specified in Section 8001 of the Penal Code.

(g) This section shall become inoperative on September 20, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2006, delete or extends the dates on which it becomes inoperative and is repealed.

SEC. 4.3. Section 13352 is added to the Vehicle Code, to read:

13352. (a) The department shall immediately suspend or revoke, the privilege of a person to operate a motor vehicle upon the receipt of an 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 the 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. If any offense specified in this section occurs in a vehicle defined in Section 15210, the suspension or revocation specified below shall apply to the noncommercial driving privilege. The commercial driving privilege shall be disqualified as specified in Sections 15300 to 15302, inclusive. For the purposes of this section, suspension or revocation shall be as follows:

(1) Except as required under Section 13352.4, upon a conviction or finding of a violation of Section 23152 punishable under Section 23536,

the privilege shall be suspended for a period of six months. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code described in subdivision (b) of Section 23538. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate, and complete either program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in subdivision (b) of Section 23538. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation.

(2) Upon a conviction or finding of a violation of Section 23153 punishable under Section 23554, the privilege shall be suspended for a period of one year. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23556. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate, and complete either program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in Section 23556. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation.

(3) Except as provided in Section 13352.5, upon a conviction or finding of a violation of Section 23152 punishable under Section 23540, the privilege shall be suspended for two years. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) of Section 23542. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 12 months of the suspension period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the

person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily provided, subsequent to the violation date of the current underlying conviction, either of the following:

(i) Proof of enrollment in an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) Proof of enrollment in a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment.

(B) The person agrees, as a condition of the restriction, to continue satisfactory participation in the program described in subparagraph (A).

(C) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(D) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(E) The person provides proof of financial responsibility, as defined in Section 16430.

(F) The person pays all administrative fees or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(4) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23560, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person gives proof of financial responsibility, and the person gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) of Section 23562. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit may not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 18 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in that 30-month program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(F) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(5) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23546, the privilege shall be revoked for a period of three years. The privilege shall not be reinstated until the person files proof of financial responsibility and gives proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) or (c) of Section 23548 or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 18 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment,

and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23546 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) or (c) of Section 23548, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(6) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23550.5 or 23566, the privilege shall be revoked for a period of five years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as described in subdivision (b) of Section 23568 or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 30 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(ii) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if a 30-month program is unavailable in the person's county of residence or employment.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23153 punishable under Section 23566 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(7) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23550 or 23550.5, or Section 23153 punishable under Section 23550.5 the privilege shall be revoked for a period of four years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit

shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 24 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23550 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(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 may not be reinstated until the person gives proof of financial responsibility.

(b) For the purpose of paragraphs (2) to (9), inclusive, of subdivision (a), the finding of the juvenile court judge, the juvenile 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 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 that, 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 that, 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) For the purposes of the restriction conditions specified in paragraphs (3) to (7), inclusive, of subdivision (a), the department shall terminate the restriction imposed pursuant to this section and shall suspend or revoke the person's driving privilege upon receipt of notification from the driving-under-the-influence program that the person has failed to comply with the program requirements. The person's driving privilege shall remain suspended or revoked for the remaining period of the original suspension or revocation imposed under this section and until all reinstatement requirements described in this section are met.

(f) For the purposes of this section, completion of a program is the following:

(1) Satisfactory completion of all program requirements approved pursuant to program licensure, as evidenced by a certificate of completion issued, under penalty of perjury, by the licensed program.

(2) Certification, under penalty of perjury, by the director of a program specified in Section 8001 of the Penal Code, that the person has completed a program specified in Section 8001 of the Penal Code.

(g) The holder of a commercial driver's license who was operating a commercial motor vehicle, as defined in Section 15210, at the time of a violation that resulted in a suspension or revocation of the person's noncommercial driving privilege under this section is not eligible for the restricted driver's license authorized under paragraphs (3) to (7), inclusive, of subdivision (a).

(h) This section shall become operative on September 20, 2005.

SEC. 4.4. 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 a person to operate a motor vehicle upon the receipt of an 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 the receipt of a report of a judge of the juvenile court, a juvenile 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. If any offense specified in this section occurs in a vehicle defined in Section 15210, the suspension or revocation specified below shall apply to the noncommercial driving privilege. The commercial driving privilege shall be disqualified as specified in Sections 15300 to 15302, inclusive. For the 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 23536, the privilege shall be suspended for a period of six months. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code described in subdivision (b) of Section 23538. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate and complete either program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in subdivision (b) of Section 23538.

Instead of suspending the person's driving privilege, the department shall issue a restricted license upon receipt of an abstract of record from the court certifying that the court has granted probation to the person based on the conditions specified in paragraph (2) of subdivision (a) of, and subdivision (b) of, Section 23538.

(2) Upon a conviction or finding of a violation of Section 23153 punishable under Section 23554, the privilege shall be suspended for a period of one year. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) Section 23556. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate, and complete either program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in Section 23556.

(3) Except as provided in Section 13352.5, upon a conviction or finding of a violation of Section 23152 punishable under Section 23540, the privilege shall be suspended for two years. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23542. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 12 months of the suspension period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily provided, subsequent to the current underlying conviction, either of the following:

(i) Proof of enrollment in an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) Proof of enrollment in a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment.

(B) The person agrees, as a condition of the restriction, to continue satisfactory participation in the program described in subparagraph (A).

(C) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(D) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(E) The person provides proof of financial responsibility, as defined in Section 16430.

(F) The person pays all administrative fees or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(4) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23560, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person gives proof of financial responsibility, and the person gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23562. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities

completed prior to the date of the current violation. The department shall advise the person that after the completion of 18 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in that 30-month program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(F) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(5) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23546, the privilege shall be revoked for a period of three years. The privilege shall not be reinstated until the person files proof of financial responsibility and gives proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 18 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23546 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(6) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23566, the privilege shall be revoked for a period of five years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 30 months of the revocation period, the person may

apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(ii) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if a 30-month program is unavailable in the person's county of residence or employment.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23153 punishable under Section 23566 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(7) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23550 or 23550.5, or Section 23153 punishable under Section 23550.5 the privilege shall be revoked for a period of four years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this

paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 24 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23550 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(8) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (e) of that section, the privilege shall be suspended for a period of 90 days to six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(9) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (f) of that section, the privilege shall be suspended for a period of six months, if ordered by the

court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(b) For the purpose of paragraphs (2) to (9), inclusive, of subdivision (a), the finding of the juvenile court judge, the juvenile 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) A judge of a juvenile court, juvenile 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 that, 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 that, 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) For the purposes of the restriction conditions specified in paragraphs (3) to (7), inclusive, of subdivision (a), the department shall terminate the restriction imposed pursuant to this section and shall suspend or revoke the person's driving privilege upon receipt of notification from the program that the person has failed to comply with the program requirements. The person's driving privilege shall remain suspended or revoked for the remaining period of the originating suspension or revocation and until all reinstatement requirements described in this section are met.

(f) For the purposes of this section, completion of a program is the following:

(1) Satisfactory completion of all program requirements approved pursuant to program licensure, as evidenced by a certificate of completion issued, under penalty of perjury, by the licensed program.

(2) Certification, under penalty of perjury, by the director of a program specified in Section 8001 of the Penal Code, that the person has completed a program specified in Section 8001 of the Penal Code.

(g) This section shall become inoperative on September 20, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 4.5. Section 13352 is added to the Vehicle Code, to read:

13352. (a) The department shall immediately suspend or revoke the privilege of a person to operate a motor vehicle upon the receipt of an 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 the 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. If any offense specified in this section occurs in a vehicle defined in Section 15210, the suspension or revocation specified below shall apply to the noncommercial driving privilege. The commercial driving privilege shall be disqualified as specified in Sections 15300 to 15302, inclusive. For the purposes of this section, suspension or revocation shall be as follows:

(1) Except as required under Section 13352.4, upon a conviction or finding of a violation of Section 23152 punishable under Section 23536, the privilege shall be suspended for a period of six months. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code described in subdivision (b) of Section 23538. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate and complete either program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in subdivision (b) of Section 23538. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit may not be given to any program activities completed prior to the date of the current violation.

(2) Upon a conviction or finding of a violation of Section 23153 punishable under Section 23554, the privilege shall be suspended for a period of one year. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) Section 23556. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate, and complete either program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in Section 23556. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit may not be given to any program activities completed prior to the date of the current violation.

(3) Except as provided in Section 13352.5, upon a conviction or finding of a violation of Section 23152 punishable under Section 23540, the privilege shall be suspended for two years. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) of Section 23542. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 12 months of the suspension period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily provided, subsequent to the violation date of the current underlying conviction, either of the following:

(i) Proof of enrollment in an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) Proof of enrollment in a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment.

(B) The person agrees, as a condition of the restriction, to continue satisfactory participation in the program described in subparagraph (A).

(C) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(D) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(E) The person provides proof of financial responsibility, as defined in Section 16430.

(F) The person pays all administrative fees or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(4) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23560, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person gives proof of financial responsibility, and the person gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as described in

subdivision (b) of Section 23562. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 18 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in that 30-month program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(F) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(5) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23546, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person files proof of financial responsibility and gives proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as described in subdivision (b) or (c) of Section 23548, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed

prior to the date of the current violation. The department shall advise the person that after completion of 18 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23546 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(6) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23550.5 or 23566, the privilege shall be revoked for a period of five years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as described in subdivision (b) of

Section 23568 or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 30 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(ii) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if a 30-month program is unavailable in the person's county of residence or employment.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23153 punishable under Section 23566 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(7) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23550 or 23550.5, or Section 23153 punishable under Section 23550.5 the privilege shall be revoked for a period of four years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 24 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23550 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section

11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(8) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (e) of that section, the privilege shall be suspended for a period of 90 days to six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(9) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (f) of that section, the privilege shall be suspended for a period of six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(b) For the purpose of paragraphs (2) to (9), inclusive, of subdivision (a), the finding of the juvenile court judge, the juvenile hearing officer, or the referee of a juvenile court of a commission of a violation of Section 23152 or 23153 of subdivision (a) of Section 23109, as specified in subdivision (a) of this section, is a conviction.

(c) A judge of a juvenile court, juvenile 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 that, 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 that, 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) For the purposes of the restriction conditions specified in paragraphs (3) to (7), inclusive, of subdivision (a), the department shall terminate the restriction imposed pursuant to this section and shall suspend or revoke the person's driving privilege upon receipt of notification from the driving-under-the-influence program that the person has failed to comply with the program requirements. The person's driving privilege shall remain suspended or revoked for the remaining period of the original suspension or revocation imposed under this section and until all reinstatement requirements described in this section are met.

(f) For the purposes of this section, completion of a program is the following:

(1) Satisfactory completion of all program requirements approved pursuant to program licensure, as evidenced by a certificate of completion issued, under penalty of perjury, by the licensed program.

(2) Certification, under penalty of perjury, by the director of a program specified in Section 8001 of the Penal Code, that the person has completed a program specified in Section 8001 of the Penal Code.

(g) The holder of a commercial driver's license who was operating a commercial motor vehicle, as defined in Section 15210, at the time of a violation that resulted in a suspension or revocation of the person's noncommercial driving privilege under this section is not eligible for the restricted driver's license authorized under paragraphs (3) to (7), inclusive, of subdivision (a).

(h) This section shall become operative on September 20, 2005.

SEC. 5. Section 13352.6 of the Vehicle Code is amended to read:

13352.6. (a) The department shall immediately suspend the driving privilege of any person who is 18 years of age or older and is convicted of a violation of Section 23140, upon the receipt of a duly certified abstract of the record of any court showing that conviction. The privilege may not be reinstated until the person provides the department with proof, satisfactory to the department, of financial responsibility and of successful completion of a driving-under-the-influence program licensed under Section 11836 of the Health and Safety Code. That attendance shall be as follows:

(1) If, within 10 years of the current violation of Section 23140, the person has not been convicted of a separate violation of Section 23140, 23152, or 23153, or of Section 23103, with a plea of guilty under Section 23103.5, or of Section 655 of the Harbors and Navigation Code, or of Section 191.5 of, or paragraph (3) of subdivision (c) of Section 192 of, the Penal Code, the person shall complete, at a minimum, the education component of that licensed driving-under-the-influence program.

(2) If the person does not meet the requirements of paragraph (1), the person shall complete, at a minimum, the program described in paragraph (1) of subdivision (c) of Section 11837 of the Health and Safety Code.

(b) For the purposes of this section, enrollment, participation, and completion of the program shall be subsequent to the date of the current violation. Credit for enrollment, participation, or completion may not be given for any program activities completed prior to the date of the current violation.

SEC. 5.5. Section 13352.6 of the Vehicle Code is amended to read:

13352.6. (a) The department shall immediately suspend the driving privilege of any person who is 18 years of age or older and is convicted

of a violation of Section 23140, upon the receipt of a duly certified abstract of the record of any court showing that conviction. The privilege may not be reinstated until the person provides the department with proof of financial responsibility and until proof satisfactory to the department, of successful completion of a driving-under-the-influence program licensed under Section 11836 of the Health and Safety Code has been received in the department's headquarters. That attendance shall be as follows:

(1) If, within 10 years of the current violation of Section 23140, the person has not been convicted of a separate violation of Section 23140, 23152, or 23153, or of Section 23103, with a plea of guilty under Section 23103.5, or of Section 655 of the Harbors and Navigation Code, or of Section 191.5 of, or paragraph (3) of subdivision (c) of Section 192 of, the Penal Code, the person shall complete, at a minimum, the education component of that licensed driving-under-the-influence program.

(2) If the person does not meet the requirements of paragraph (1), the person shall complete, at a minimum, the program described in paragraph (1) of subdivision (c) of Section 11837 of the Health and Safety Code.

(b) For the purposes of this section, enrollment, participation, and completion of the program shall be subsequent to the date of the current violation. Credit for enrollment, participation, or completion may not be given for any program activities completed prior to the date of the current violation.

SEC. 6. Section 13353 of the Vehicle Code is amended to read:

13353. (a) If a person refuses the officer's request to submit to, or fails to complete, a chemical test or tests pursuant to Section 23612, upon the receipt of the officer's sworn statement that the officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23140, 23152, or 23153, and that the person had refused to submit to, or did not complete, the test or tests after being requested by the officer, the department shall do one of the following:

(1) Suspend the person's privilege to operate a motor vehicle for a period of one year.

(2) Revoke the person's privilege to operate a motor vehicle for a period of two years if the refusal occurred within 10 years of either (A) a separate violation of Section 23103, as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, that resulted in a conviction, or (B) a suspension or revocation of the person's privilege to operate a motor vehicle pursuant to this section or Section 13353.2 for an offense that occurred on a separate occasion.

(3) Revoke the person's privilege to operate a motor vehicle for a period of three years if the refusal occurred within 10 years of any of the following:

(A) Two or more separate violations of Section 23103, as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, or any combination thereof, that resulted in convictions.

(B) Two or more suspensions or revocations of the person's privilege to operate a motor vehicle pursuant to this section or Section 13353.2 for offenses which occurred on separate occasions.

(C) Any combination of two or more of those convictions or administrative suspensions or revocations.

The officer's sworn statement shall be submitted pursuant to Section 13380 on a form furnished or approved by the department. The suspension or revocation shall not become effective until 30 days after the giving of written notice thereof, or until the end of any stay of the suspension or revocation, as provided for in Section 13558.

(D) For the purposes of this section, a conviction of any offense in any state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or Canada that, if committed in this state, would be a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, is a conviction of that particular section of the Vehicle or Penal Code.

(b) The notice of the order of suspension or revocation under this section shall be served on the person by a peace officer pursuant to Section 23612. The notice of the order of suspension or revocation shall be on a form provided by the department. If the notice of the order of suspension or revocation has not been served by the peace officer pursuant to Section 23612, the department immediately shall notify the person in writing of the action taken. The peace officer who serves the notice, or the department, if applicable, also shall provide, if the officer or department, as the case may be, determines that it is necessary to do so, the person with the appropriate non-English notice developed pursuant to subdivision (d) of Section 14100.

(c) Upon the receipt of the officer's sworn statement, the department shall review the record. For the purposes of this section, the scope of the administrative review shall cover all of the following issues:

(1) Whether the peace officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23140, 23152, or 23153.

(2) Whether the person was placed under arrest.

(3) Whether the person refused to submit to, or did not complete, the test or tests after being requested by a peace officer.

(4) Whether, except for a person described in subdivision (a) of Section 23612 who is incapable of refusing, the person had been told that his or her driving privilege would be suspended or revoked if he or she refused to submit to, or did not complete, the test or tests.

(d) The person may request an administrative hearing pursuant to Section 13558. Except as provided in subdivision (e) of Section 13558, the request for an administrative hearing does not stay the order of suspension or revocation.

SEC. 6.1. Section 13353 of the Vehicle Code is amended to read:

13353. (a) If a person refuses the officer's request to submit to, or fails to complete, a chemical test or tests pursuant to Section 23612, upon the receipt of the officer's sworn statement that the officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23140, 23152, or 23153, and that the person had refused to submit to, or did not complete, the test or tests after being requested by the officer, the department shall do one of the following:

(1) Suspend the person's privilege to operate a motor vehicle for a period of one year.

(2) Revoke the person's privilege to operate a motor vehicle for a period of two years if the refusal occurred within 10 years of either (A) a separate violation of Section 23103 as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, that resulted in a conviction, or (B) a suspension or revocation of the person's privilege to operate a motor vehicle pursuant to this section or Section 13353.2 for an offense that occurred on a separate occasion.

(3) Revoke the person's privilege to operate a motor vehicle for a period of three years if the refusal occurred within 10 years of any of the following:

(A) Two or more separate violations of Section 23103 as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, or any combination thereof, that resulted in convictions.

(B) Two or more suspensions or revocations of the person's privilege to operate a motor vehicle pursuant to this section or Section 13353.2 for offenses which occurred on separate occasions.

(C) Any combination of two or more of those convictions or administrative suspensions or revocations.

The officer's sworn statement shall be submitted pursuant to Section 13380 on a form furnished or approved by the department. The suspension or revocation shall not become effective until 30 days after

the giving of written notice thereof, or until the end of any stay of the suspension or revocation, as provided for in Section 13558.

(D) For the purposes of this section, a conviction of any offense in any state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or Canada that, if committed in this state, would be a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, is a conviction of that particular section of the Vehicle or Penal Code.

(b) The notice of the order of suspension or revocation under this section shall be served on the person by a peace officer pursuant to Section 23612. The notice of the order of suspension or revocation shall be on a form provided by the department. If the notice of the order of suspension or revocation has not been served by the peace officer pursuant to Section 23612, the department immediately shall notify the person in writing of the action taken. The peace officer who serves the notice, or the department, if applicable, also shall provide, if the officer or department, as the case may be, determines that it is necessary to do so, the person with the appropriate non-English notice developed pursuant to subdivision (d) of Section 14100.

(c) Upon the receipt of the officer's sworn statement, the department shall review the record. For the purposes of this section, the scope of the administrative review shall cover all of the following issues:

(1) Whether the peace officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23140, 23152, or 23153.

(2) Whether the person was placed under arrest.

(3) Whether the person refused to submit to, or did not complete, the test or tests after being requested by a peace officer.

(4) Whether, except for a person described in subdivision (a) of Section 23612 who is incapable of refusing, the person had been told that his or her driving privilege would be suspended or revoked if he or she refused to submit to, or did not complete, the test or tests.

(d) The person may request an administrative hearing pursuant to Section 13558. Except as provided in subdivision (e) of Section 13558, the request for an administrative hearing does not stay the order of suspension or revocation.

(e) This section shall become inoperative on September 20, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2006, deletes the dates on which it becomes inoperative and is repealed.

SEC. 6.2. Section 13353 is added to the Vehicle Code, to read:

13353. (a) If a person refuses the officer's request to submit to, or fails to complete, a chemical test or tests pursuant to Section 23612, upon the receipt of the officer's sworn statement that the officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23140, 23152, or 23153, and that the person had refused to submit to, or did not complete, the test or tests after being requested by the officer, the department shall do one of the following:

(1) Suspend the person's privilege to operate a motor vehicle for a period of one year.

(2) Revoke the person's privilege to operate a motor vehicle for a period of two years if the refusal occurred within 10 years of either (A) a separate violation of Section 23103 as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, that resulted in a conviction, or (B) a suspension or revocation of the person's privilege to operate a motor vehicle pursuant to this section or Section 13353.2 for an offense that occurred on a separate occasion.

(3) Revoke the person's privilege to operate a motor vehicle for a period of three years if the refusal occurred within 10 years of any of the following:

(A) Two or more separate violations of Section 23103 as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, or any combination thereof, that resulted in convictions.

(B) Two or more suspensions or revocations of the person's privilege to operate a motor vehicle pursuant to this section or Section 13353.2 for offenses that occurred on separate occasions.

(C) Any combination of two or more of those convictions or administrative suspensions or revocations.

The officer's sworn statement shall be submitted pursuant to Section 13380 on a form furnished or approved by the department. The suspension or revocation shall not become effective until 30 days after the giving of written notice thereof, or until the end of any stay of the suspension or revocation, as provided for in Section 13558.

(D) For the purposes of this section, a conviction of any offense in any state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or Canada that, if committed in this state, would be a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, is a conviction of that particular section of the Vehicle or Penal Code.

(b) If a person on more than one occasion in separate incidents refuses the officer's request to submit to, or fails to complete, a chemical test or

tests pursuant to Section 23612 while driving a motor vehicle, upon receipt of the officer's sworn statement that the officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 21340, 23152, or 25153, the department shall disqualify the person from operating a commercial vehicle for the rest of his or her lifetime.

(c) The notice of the order of suspension or revocation under this section shall be served on the person by a peace officer pursuant to Section 23612. The notice of the order of suspension or revocation shall be on a form provided by the department. If the notice of the order of suspension or revocation has not been served by the peace officer pursuant to Section 23612, the department immediately shall notify the person in writing of the action taken. The peace officer who serves the notice, or the department, if applicable, also shall provide, if the officer or department, as the case may be, determines that it is necessary to do so, the person with the appropriate non-English notice developed pursuant to subdivision (d) of Section 14100.

(d) Upon the receipt of the officer's sworn statement, the department shall review the record. For the purposes of this section, the scope of the administrative review shall cover all of the following issues:

(1) Whether the peace officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23140, 23152, or 23153.

(2) Whether the person was placed under arrest.

(3) Whether the person refused to submit to, or did not complete, the test or tests after being requested by a peace officer.

(4) Whether, except for a person described in subdivision (a) of Section 23612 who is incapable of refusing, the person had been told that his or her driving privilege would be suspended or revoked if he or she refused to submit to, or did not complete, the test or tests.

(e) The person may request an administrative hearing pursuant to Section 13558. Except as provided in subdivision (e) of Section 13558, the request for an administrative hearing does not stay the order of suspension or revocation.

(f) This section shall become operative on September 20, 2005.

SEC. 6.4. Section 13353 is added to the Vehicle Code, to read:

13353. (a) If a person refuses the officer's request to submit to, or fails to complete, a chemical test or tests pursuant to Section 23612, upon the receipt of the officer's sworn statement that the officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23140, 23152, or 23153, and that the person had refused to submit to, or did not complete, the test or tests after being requested by the officer, the department shall do one of the following:

(1) Suspend the person's privilege to operate a motor vehicle for a period of one year.

(2) Revoke the person's privilege to operate a motor vehicle for a period of two years if the refusal occurred within 10 years of either (A) a separate violation of Section 23103 as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, that resulted in a conviction, or (B) a suspension or revocation of the person's privilege to operate a motor vehicle pursuant to this section or Section 13353.2 for an offense that occurred on a separate occasion.

(3) Revoke the person's privilege to operate a motor vehicle for a period of three years if the refusal occurred within 10 years of any of the following:

(A) Two or more separate violations of Section 23103 as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, or any combination thereof, that resulted in convictions.

(B) Two or more suspensions or revocations of the person's privilege to operate a motor vehicle pursuant to this section or Section 13353.2 for offenses that occurred on separate occasions.

(C) Any combination of two or more of those convictions or administrative suspensions or revocations.

The officer's sworn statement shall be submitted pursuant to Section 13380 on a form furnished or approved by the department. The suspension or revocation shall not become effective until 30 days after the giving of written notice thereof, or until the end of any stay of the suspension or revocation, as provided for in Section 13558.

(D) For the purposes of this section, a conviction of any offense in any state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or the Dominion of Canada that, if committed in this state, would be a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, is a conviction of that particular section of the Vehicle or Penal Code.

(b) The notice of the order of suspension or revocation under this section shall be served on the person by a peace officer pursuant to Section 23612. The notice of the order of suspension or revocation shall be on a form provided by the department. If the notice of the order of suspension or revocation has not been served by the peace officer pursuant to Section 23612, the department immediately shall notify the person in writing of the action taken. The peace officer who serves the notice, or the department, if applicable, also shall provide, if the officer or department, as the case may be, determines that it is necessary to do

so, the person with the appropriate non-English notice developed pursuant to subdivision (d) of Section 14100.

(c) Upon the receipt of the officer's sworn statement, the department shall review the record. For the purposes of this section, the scope of the administrative review shall cover all of the following issues:

(1) Whether the peace officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23140, 23152, or 23153.

(2) Whether the person was placed under arrest.

(3) Whether the person refused to submit to, or did not complete, the test or tests after being requested by a peace officer.

(4) Whether, except for a person described in subdivision (a) of Section 23612 who is incapable of refusing, the person had been told that his or her driving privilege would be suspended or revoked if he or she refused to submit to, or did not complete, the test or tests.

(d) The person may request an administrative hearing pursuant to Section 13558. Except as provided in subdivision (e) of Section 13558, the request for an administrative hearing does not stay the order of suspension or revocation.

(e) The suspension or revocation imposed under this section run concurrently with any restriction, suspension, or revocation imposed under Section 13352, 13352.4, or 13352.5 that resulted from the same arrest.

(f) This section shall become operative on September 20, 2005.

SEC. 6.5. Section 13353 is added to the Vehicle Code, to read:

13353. (a) If a person refuses the officer's request to submit to, or fails to complete, a chemical test or tests pursuant to Section 23612, upon receipt of the officer's sworn statement that the officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23140, 23152, or 23153, and that the person had refused to submit to, or did not complete, the test or tests after being requested by the officer, the department shall do one of the following:

(1) Suspend the person's privilege to operate a motor vehicle for a period of one year.

(2) Revoke the person's privilege to operate a motor vehicle for a period of two years if the refusal occurred within 10 years of either (A) a separate violation of Section 23103 as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, that resulted in a conviction, or (B) a suspension or revocation of the person's privilege to operate a motor vehicle pursuant to this section or Section 13353.2 for an offense that occurred on a separate occasion.

(3) Revoke the person's privilege to operate a motor vehicle for a period of three years if the refusal occurred within 10 years of any of the following:

(A) Two or more separate violations of Section 23103 as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, or any combination thereof, that resulted in convictions.

(B) Two or more suspensions or revocations of the person's privilege to operate a motor vehicle pursuant to this section or Section 13353.2 for offenses that occurred on separate occasions.

(C) Any combination of two or more of those convictions or administrative suspensions or revocations.

The officer's sworn statement shall be submitted pursuant to Section 13380 on a form furnished or approved by the department. The suspension or revocation shall not become effective until 30 days after the giving of written notice thereof, or until the end of any stay of the suspension or revocation, as provided for in Section 13558.

(D) For the purposes of this section, a conviction of any offense in any state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or the Dominion of Canada that, if committed in this state, would be a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, is a conviction of that particular section of the Vehicle Code or Penal Code.

(b) If a person on more than one occasion in separate incidents refuses the officer's request to submit to, or fails to complete, a chemical test or tests pursuant to Section 23612 while driving a motor vehicle, upon the receipt of the officer's sworn statement that the officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23140, 23152, or 23153, the department shall disqualify the person from operating a commercial motor vehicle for the rest of his her lifetime.

(c) The notice of the order of suspension or revocation under this section shall be served on the person by a peace officer pursuant to Section 23612. The notice of the order of suspension or revocation shall be on a form provided by the department. If the notice of the order of suspension or revocation has not been served by the peace officer pursuant to Section 23612, the department immediately shall notify the person in writing of the action taken. The peace officer who serves the notice, or the department, if applicable, also shall provide, if the officer or department, as the case may be, determines that it is necessary to do so, the person with the appropriate non-English notice developed pursuant to subdivision (d) of Section 14100.

(d) Upon the receipt of the officer's sworn statement, the department shall review the record. For purposes of this section, the scope of the administrative review shall cover all of the following issues:

(1) Whether the peace officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23140, 23152, or 23153.

(2) Whether the person was placed under arrest.

(3) Whether the person refused to submit to, or did not complete, the test or tests after being requested by a peace officer.

(4) Whether, except for a person described in subdivision (a) of Section 23612 who is incapable of refusing, the person had been told that his or her driving privilege would be suspended or revoked if he or she refused to submit to, or did not complete, the test or tests.

(e) The person may request an administrative hearing pursuant to Section 13558. Except as provided in subdivision (e) of Section 13558, the request for an administrative hearing does not stay the order of suspension or revocation.

(f) The suspension or revocation imposed under this section shall run concurrently with any restriction, suspension, or revocation imposed under Section 13352, 13352.4, or 13352.5 that resulted from the same arrest.

(g) This section shall become operative on September 20, 2005.

SEC. 7. Section 13353.1 of the Vehicle Code is amended to read:

13353.1. (a) If a person refuses an officer's request to submit to, or fails to complete, a preliminary alcohol screening test pursuant to Section 13388, upon the receipt of the officer's sworn statement, submitted pursuant to Section 13380, that the officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23136, and that the person had refused to submit to, or did not complete, the test after being requested by the officer, the department shall do one of the following:

(1) Suspend the person's privilege to operate a motor vehicle for a period of one year.

(2) Revoke the person's privilege to operate a motor vehicle for a period of two years if the refusal occurred within 10 years of either of the following:

(A) A separate violation of subdivision (a) of Section 23136, that resulted in a finding of a violation, or a separate violation, that resulted in a conviction, of Section 23103, as specified in Section 23103.5, of Section 23140, 23152, or 23153, of Section 191.5 of the Penal Code, or of paragraph (3) of subdivision (c) of Section 192 of that code.

(B) A suspension or revocation of the person's privilege to operate a motor vehicle if that action was taken pursuant to this section or Section 13353 or 13353.2 for an offense that occurred on a separate occasion.

(3) Revoke the person's privilege to operate a motor vehicle for a period of three years if the refusal occurred within 10 years of any of the following:

(A) Two or more separate violations of subdivision (a) of Section 23136, that resulted in findings of violations, or two or more separate violations, that resulted in convictions, of Section 23103, as specified in Section 23103.5, of Section 23140, 23152, or 23153, of Section 191.5 of the Penal Code, or of paragraph (3) of subdivision (c) of Section 192 of that code, or any combination thereof.

(B) Two or more suspensions or revocations of the person's privilege to operate a motor vehicle if those actions were taken pursuant to this section, or Section 13353 or 13353.2, for offenses that occurred on separate occasions.

(C) Any combination of two or more of the convictions or administrative suspensions or revocations described in subparagraph (A) or (B).

(b) For the purposes of this section, a conviction of any offense in any state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or Canada that, if committed in this state, would be a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, is a conviction of that particular section of the Vehicle or Penal Code.

(c) The notice of the order of suspension or revocation under this section shall be served on the person by the peace officer pursuant to Section 13388 and shall not become effective until 30 days after the person is served with that notice. The notice of the order of suspension or revocation shall be on a form provided by the department. If the notice of the order of suspension or revocation has not been served by the peace officer pursuant to Section 13388, the department immediately shall notify the person in writing of the action taken. The peace officer who serves the notice, or the department, if applicable, also shall provide, if the officer or department, as the case may be, determines that it is necessary to do so, the person with the appropriate non-English notice developed pursuant to subdivision (d) of Section 14100.

(d) Upon the receipt of the officer's sworn statement, the department shall review the record. For the purposes of this section, the scope of the administrative review shall cover all of the following issues:

(1) Whether the peace officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23136.

(2) Whether the person was lawfully detained.

(3) Whether the person refused to submit to, or did not complete, the test after being requested to do so by a peace officer.

(e) The person may request an administrative hearing pursuant to Section 13558. Except as provided in subdivision (e) of Section 13558, the request for an administrative hearing does not stay the order of suspension or revocation.

SEC. 8. Section 13353.3 of the Vehicle Code is amended to read:

13353.3. (a) An order of suspension of a person's privilege to operate a motor vehicle pursuant to Section 13353.2 shall become effective 30 days after the person is served with the notice pursuant to Section 13382 or 13388, or subdivision (b) of Section 13353.2.

(b) The period of suspension of a person's privilege to operate a motor vehicle under Section 13353.2 is as follows:

(1) Except as provided in Section 13353.6, if the person has not been convicted of a separate violation of Section 23103, as specified in Section 23103.5, of Section 23140, 23152, or 23153, of Section 191.5 of the Penal Code, or of paragraph (3) of subdivision (c) of Section 192 of that code, the person has not been administratively determined to have refused chemical testing pursuant to Section 13353 or 13353.1, or the person has not been administratively determined to have been driving with an excessive concentration of alcohol pursuant to Section 13353.2 on a separate occasion, that offense or occurrence occurred within 10 years of the occasion in question, the person's privilege to operate a motor vehicle shall be suspended for four months.

(2) If the person has been convicted of one or more separate violations of Section 23103, as specified in Section 23103.5, Section 23140, 23152, or 23153, Section 191.5 of the Penal Code, or paragraph (3) of subdivision (c) of Section 192 of that code, the person has been administratively determined to have refused chemical testing pursuant to Section 13353 or 13353.1, or the person has been administratively determined to have been driving with an excessive concentration of alcohol pursuant to Section 13353.2 on a separate occasion, that offense or occasion occurred within 10 years of the occasion in question, the person's privilege to operate a motor vehicle shall be suspended for one year.

(3) Notwithstanding any other provision of law, if a person has been administratively determined to have been driving in violation of Section 23136 or to have refused chemical testing pursuant to Section 13353.1, the period of suspension shall not be for less than one year.

(c) If a person's privilege to operate a motor vehicle is suspended pursuant to Section 13353.2 and the person is convicted of a violation of Section 23140, 23152, or 23153, including a violation described in Section 23620, arising out of the same occurrence, both the suspension under Section 13353.2 and the suspension or revocation under Section 13352 shall be imposed, except that, notwithstanding Section 13354, the periods of suspension or revocation shall run concurrently, and the total

period of suspension or revocation shall not exceed the longer of the two suspension or revocation periods. This subdivision shall not affect a suspension or revocation pursuant to Section 13353 for refusal to submit to chemical testing or the imposition of consecutive periods of suspension or revocation pursuant to Section 13354 for that refusal.

(d) For the purposes of this section, a conviction of any offense in any state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or Canada that, if committed in this state, would be a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, is a conviction of that particular section of the Vehicle or Penal Code.

SEC. 8.3. Section 13353.3 of the Vehicle Code is amended to read:

13353.3. (a) An order of suspension of a person's privilege to operate a motor vehicle pursuant to Section 13353.2 shall become effective 30 days after the person is served with the notice pursuant to Section 13382 or 13388, or subdivision (b) of Section 13353.2.

(b) The period of suspension of a person's privilege to operate a motor vehicle under Section 13353.2 is as follows:

(1) Except as provided in Section 13353.6, if the person has not been convicted of a separate violation of Section 23103, as specified in Section 23103.5, of Section 23140, 23152, or 23153, of Section 191.5 of the Penal Code, or of paragraph (3) of subdivision (c) of Section 192 of that code, the person has not been administratively determined to have refused chemical testing pursuant to Section 13353 or 13353.1, or the person has not been administratively determined to have been driving with an excessive concentration of alcohol pursuant to Section 13353.2 on a separate occasion, that offense or occurrence occurred within 10 years of the occasion in question, the person's privilege to operate a motor vehicle shall be suspended for four months.

(2) If the person has been convicted of one or more separate violations of Section 23103, as specified in Section 23103.5, Section 23140, 23152, or 23153, Section 191.5 of the Penal Code, or paragraph (3) of subdivision (c) of Section 192 of that code, the person has been administratively determined to have refused chemical testing pursuant to Section 13353 or 13353.1, or the person has been administratively determined to have been driving with an excessive concentration of alcohol pursuant to Section 13353.2 on a separate occasion, that offense or occasion occurred within 10 years of the occasion in question, the person's privilege to operate a motor vehicle shall be suspended for one year.

(3) Notwithstanding any other provision of law, if a person has been administratively determined to have been driving in violation of Section

23136 or to have refused chemical testing pursuant to Section 13353.1, the period of suspension shall not be for less than one year.

(c) If a person's privilege to operate a motor vehicle is suspended pursuant to Section 13353.2 and the person is convicted of a violation of Section 23140, 23152, or 23153, including a violation described in Section 23620, arising out of the same occurrence, both the suspension under Section 13353.2 and the suspension or revocation under Section 13352 shall be imposed, except that, notwithstanding Section 13354, the periods of suspension or revocation shall run concurrently, and the total period of suspension or revocation shall not exceed the longer of the two suspension or revocation periods. This subdivision shall not affect a suspension or revocation pursuant to Section 13353 for refusal to submit to chemical testing or the imposition of consecutive periods of suspension or revocation pursuant to Section 13354 for that refusal.

(d) For the purposes of this section, a conviction of any offense in any state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or Canada that, if committed in this state, would be a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, is a conviction of that particular section of the Vehicle or Penal Code.

(e) This section shall become inoperative on September 20, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 8.5. Section 13353.3 is added to the Vehicle Code, to read:

13353.3. (a) An order of suspension of a person's privilege to operate a motor vehicle pursuant to Section 13353.2 shall become effective 30 days after the person is served with the notice pursuant to Section 13382 or 13388, or subdivision (b) of Section 13353.2.

(b) The period of suspension of a person's privilege to operate a motor vehicle under Section 13353.2 is as follows:

(1) Except as provided in Section 13353.6, if the person has not been convicted of a separate violation of Section 23103, as specified in Section 23103.5, of Section 23140, 23152, or 23153, of Section 191.5 of the Penal Code, or of paragraph (3) of subdivision (c) of Section 192 of that code, the person has not been administratively determined to have refused chemical testing pursuant to Section 13353 or 13353.1, or the person has not been administratively determined to have been driving with an excessive concentration of alcohol pursuant to Section 13353.2 on a separate occasion, that offense or occurrence occurred within 10 years of the occasion in question, the person's privilege to operate a motor vehicle shall be suspended for four months.

(2) If the person has been convicted of one or more separate violations of Section 23103, as specified in Section 23103.5, Section 23140, 23152, or 23153, Section 191.5 of the Penal Code, or paragraph (3) of subdivision (c) of Section 192 of that code, the person has been administratively determined to have refused chemical testing pursuant to Section 13353 or 13353.1, or the person has been administratively determined to have been driving with an excessive concentration of alcohol pursuant to Section 13353.2 on a separate occasion, that offense or occasion occurred within 10 years of the occasion in question, the person's privilege to operate a motor vehicle shall be suspended for one year.

(3) Notwithstanding any other provision of law, if a person has been administratively determined to have been driving in violation of Section 23136 or to have refused chemical testing pursuant to Section 13353.1, the period of suspension shall not be for less than one year.

(c) If a person's privilege to operate a motor vehicle is suspended pursuant to Section 13353.2 and the person is convicted of a violation of Section 23152 or 23153, including, but not limited to, a violation described in Section 23620, arising out of the same occurrence, both the suspension under Section 13353.2 and the suspension or revocation under Section 13352 shall be imposed, except that the periods of suspension or revocation shall run concurrently, and the total period of suspension or revocation shall not exceed the longer of the two suspension or revocation periods.

(d) For the purposes of this section, a conviction of any offense in any state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or the Dominion of Canada that, if committed in this state, would be a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, is a conviction of that particular section of the Vehicle Code or Penal Code.

(e) This section shall become operative on September 20, 2005.

SEC. 9. Section 13353.7 of the Vehicle Code is amended to read:

13353.7. (a) Subject to subdivision (c) and except as provided in Section 13353.6 for persons who have commercial driver's licenses, if the person whose driving privilege has been suspended under Section 13353.2 has not been convicted of, or found to have committed, a separate violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153 of this code, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, and if the person's privilege to operate a motor vehicle has not been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion within 10 years of the

occasion in question and, if the person subsequently enrolls in a program described in Section 11837.3 of the Health and Safety Code, pursuant to subdivision (b) of Section 23538, that person, if 21 years of age or older at the time the offense occurred, may apply to the department for a restricted driver's license limited to travel to and from the activities required by the program or to and from and in the course of the person's employment, or both. Notwithstanding any other provision of law, if the person's restricted driver's license permits travel to and from and in the course of his or her employment, the person's privilege to operate a motor vehicle shall be suspended, subject to the restriction, for six months. After receiving proof of enrollment in the program, and if the person has not been arrested subsequent to the offense for which the person's driving privilege has been suspended under Section 13353.2 for a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153 of this code, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, and if the person's privilege to operate a motor vehicle has not been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion, notwithstanding Section 13551, the department shall, after review pursuant to Section 13557, suspend the person's privilege to operate a motor vehicle for 30 days and then issue the person a restricted driver's license under the following conditions:

(1) The program shall report any failure to participate in the program to the department and shall certify successful completion of the program to the department.

(2) The person was 21 years of age or older at the time the offense occurred and gives proof of financial responsibility as defined in Section 16430.

(3) The restricted driver's license authorizes the operation of a motor vehicle only to and from the activities required under the program.

(4) If a person who has been issued a restricted license under this section fails at any time to participate in the program, the department shall suspend the restricted license immediately. The department shall give notice of the suspension under this paragraph in the same manner as prescribed in subdivision (b) of Section 13353.2 for the period specified in Section 13353.3, that is effective upon receipt by the person.

(5) On or after 60 days after the effective date of the restricted license, and upon notification of successful completion of the program, the department may issue an unrestricted driver's license to the person.

(b) If the court of jurisdiction in a criminal action arising out of the same offense orders the department to suspend or revoke the person's privilege to operate a motor vehicle or does not grant probation after conviction of that offense, notwithstanding subdivision (a), the

department shall suspend or revoke the person's privilege pursuant to the order of the court or Section 13352.

(c) If the holder of a commercial driver's license was operating a commercial vehicle, as defined in Section 15210, at the time of the violation which resulted in the suspension of that person's driving privilege under Section 13353.2, the department shall, pursuant to this section, if the person is otherwise eligible, issue the person a class C driver's license restricted in the same manner and subject to the same conditions as specified in subdivision (a), except that the license shall not allow travel to and from or in the course of the person's employment.

(d) This section does not apply to a person whose driving privilege has been suspended or revoked pursuant to the order of the court or Section 13353 or 13353.2 for an offense that occurred on a separate occasion, or as a result of a conviction of a separate violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, that violation occurred within 10 years of the offense in question. This subdivision shall be operative only so long as a one-year suspension of the driving privilege for a second or subsequent occurrence or offense, with no restricted or hardship licenses permitted, is required by Section 408 or 410 of Title 23 of the United States Code.

SEC. 9.1. Section 13353.7 of the Vehicle Code is amended to read:

13353.7. (a) Subject to subdivision (c) and except as provided in Section 13353.6 for persons who have commercial driver's licenses, if the person whose driving privilege has been suspended under Section 13353.2 has not been convicted of, or found to have committed, a separate violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153 of this code, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, and if the person's privilege to operate a motor vehicle has not been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion within 10 years of the occasion in question and, if the person subsequently enrolls in a program described in Section 11837.3 of the Health and Safety Code, pursuant to subdivision (b) of Section 23538, that person, if 21 years of age or older at the time the offense occurred, may apply to the department for a restricted driver's license limited to travel to and from the activities required by the program or to and from and in the course of the person's employment, or both. Notwithstanding any other provision of law, if the person's restricted driver's license permits travel to and from and in the course of his or her employment, the person's privilege to operate a motor vehicle shall be suspended, subject to the restriction, for six months. After receiving proof of enrollment in the program, and if the person has not been arrested subsequent to the offense for which the person's driving privilege has been suspended under Section 13353.2 for

a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153 of this code, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, and if the person's privilege to operate a motor vehicle has not been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion, notwithstanding Section 13551, the department shall, after review pursuant to Section 13557, suspend the person's privilege to operate a motor vehicle for 30 days and then issue the person a restricted driver's license under the following conditions:

(1) The program shall report any failure to participate in the program to the department and shall certify successful completion of the program to the department.

(2) The person was 21 years of age or older at the time the offense occurred and gives proof of financial responsibility as defined in Section 16430.

(3) The restricted driver's license authorizes the operation of a motor vehicle only to and from the activities required under the program.

(4) If a person who has been issued a restricted license under this section fails at any time to participate in the program, the department shall suspend the restricted license immediately. The department shall give notice of the suspension under this paragraph in the same manner as prescribed in subdivision (b) of Section 13353.2 for the period specified in Section 13353.3, that is effective upon receipt by the person.

(5) On or after 60 days after the effective date of the restricted license, and upon notification of successful completion of the program, the department may issue an unrestricted driver's license to the person.

(b) If the court of jurisdiction in a criminal action arising out of the same offense orders the department to suspend or revoke the person's privilege to operate a motor vehicle or does not grant probation after conviction of that offense, notwithstanding subdivision (a), the department shall suspend or revoke the person's privilege pursuant to the order of the court or Section 13352.

(c) If the holder of a commercial driver's license was operating a commercial vehicle, as defined in Section 15210, at the time of the violation which resulted in the suspension of that person's driving privilege under Section 13353.2, the department shall, pursuant to this section, if the person is otherwise eligible, issue the person a class C driver's license restricted in the same manner and subject to the same conditions as specified in subdivision (a), except that the license shall not allow travel to and from or in the course of the person's employment.

(d) This section does not apply to a person whose driving privilege has been suspended or revoked pursuant to the order of the court or Section 13353 or 13353.2 for an offense that occurred on a separate occasion, or as a result of a conviction of a separate violation of Section

23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, that violation occurred within 10 years of the offense in question. This subdivision shall be operative only so long as a one-year suspension of the driving privilege for a second or subsequent occurrence or offense, with no restricted or hardship licenses permitted, is required by Section 408 or 410 of Title 23 of the United States Code.

(e) This section shall become inoperative on September 20, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that becomes operative on or before January 1, 2006, deletes the dates in which it becomes inoperative and is repealed.

SEC. 9.2. Section 13353.7 is added to the Vehicle Code, to read:

13353.7. (a) Subject to subdivision (c), if the person whose driving privilege has been suspended under Section 13353.2 has not been convicted of, or found to have committed, a separate violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153 of this code, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, and if the person's privilege to operate a motor vehicle has not been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion within 10 years of the occasion in question and, if the person subsequently enrolls in a program described in Section 11837.3 of the Health and Safety Code, pursuant to subdivision (b) of Section 23538, that person, if 21 years of age or older at the time the offense occurred, may apply to the department for a restricted driver's license limited to travel to and from the activities required by the program or to and from and in the course of the person's employment, or both. Notwithstanding any other provision of law, if the person's restricted driver's license permits travel to and from and in the course of his or her employment, the person's privilege to operate a motor vehicle shall be suspended, subject to the restriction, for six months. After receiving proof of enrollment in the program, and if the person has not been arrested subsequent to the offense for which the person's driving privilege has been suspended under Section 13353.2 for a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153 of this code, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, and if the person's privilege to operate a motor vehicle has not been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion, notwithstanding Section 13551, the department shall, after review pursuant to Section 13557, suspend the person's privilege to operate a motor vehicle for 30 days and then issue the person a restricted driver's license under the following conditions:

(1) The program shall report any failure to participate in the program to the department and shall certify successful completion of the program to the department.

(2) The person was 21 years of age or older at the time the offense occurred and gives proof of financial responsibility as defined in Section 16430.

(3) The restricted driver's license authorizes the operation of a motor vehicle only to and from the activities required under the program.

(4) If a person who has been issued a restricted license under this section fails at any time to participate in the program, the department shall suspend the restricted license immediately. The department shall give notice of the suspension under this paragraph in the same manner as prescribed in subdivision (b) of Section 13353.2 for the period specified in Section 13353.3, that is effective upon receipt by the person.

(5) On or after 60 days after the effective date of the restricted license, and upon notification of successful completion of the program, the department may issue an unrestricted driver's license to the person.

(b) If the court of jurisdiction in a criminal action arising out of the same offense orders the department to suspend or revoke the person's privilege to operate a motor vehicle or does not grant probation after conviction of that offense, notwithstanding subdivision (a), the department shall suspend or revoke the person's privilege pursuant to the order of the court or Section 13352.

(c) If the holder of a commercial driver's license was operating a commercial vehicle, as defined in Section 15210, at the time of the violation that resulted in the suspension of that person's driving privilege under Section 13353.2, the department shall, pursuant to this section, if the person is otherwise eligible, issue the person a class C driver's license restricted in the same manner and subject to the same conditions as specified in subdivision (a), except that the license shall not allow travel to and from or in the course of the person's employment.

(d) This section does not apply to a person whose driving privilege has been suspended or revoked pursuant to the order of the court or Section 13353 or 13353.2 for an offense that occurred on a separate occasion, or as a result of a conviction of a separate violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, that violation occurred within 10 years of the offense in question. This subdivision shall be operative only so long as a one-year suspension of the driving privilege for a second or subsequent occurrence or offense, with no restricted or hardship licenses permitted, is required by Section 408 or 410 of Title 23 of the United States Code.

(e) This section shall become operative on September 20, 2005.

SEC. 9.4. Section 13353.7 is added to the Vehicle Code, to read:

13353.7. (a) Subject to subdivision (c) and except as provided in Section 13353.6 for persons who have commercial driver's licenses, if the person whose driving privilege has been suspended under Section 13353.2 has not been convicted of, or found to have committed, a separate violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153 of this code, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, and if the person's privilege to operate a motor vehicle has not been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion within 10 years of the occasion in question and, if the person subsequently enrolls in a driving-under-the-influence program licensed under Section 11836 of the Health and Safety Code, as described in subdivision (b) of Section 23538, that person, if 21 years of age or older at the time the offense occurred, may apply to the department for a restricted driver's license limited to travel to and from the activities required by the program and to and from and in the course of the person's employment. After receiving proof of enrollment in the program, and if the person has not been arrested subsequent to the offense for which the person's driving privilege has been suspended under Section 13353.2 for a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153 of this code, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, and if the person's privilege to operate a motor vehicle has not been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion, notwithstanding Section 13551, the department shall, after review pursuant to Section 13557, suspend the person's privilege to operate a motor vehicle for 30 days and then issue the person a restricted driver's license under the following conditions:

(1) The program shall report any failure to participate in the program to the department and shall certify successful completion of the program to the department.

(2) The person was 21 years of age or older at the time the offense occurred and gives proof of financial responsibility as defined in Section 16430.

(3) The restriction shall be imposed for a period of five months.

(4) If a person who has been issued a restricted license under this section fails at any time to participate in the program, the department shall suspend the restricted license immediately. The department shall give notice of the suspension under this paragraph in the same manner as prescribed in subdivision (b) of Section 13353.2 for the period specified in Section 13353.3, that is effective upon receipt by the person.

(b) Notwithstanding subdivision (a) and upon a conviction of Section 23152 or 23153, the department shall suspend or revoke the person's privilege to operate a motor vehicle under Section 13352.

(c) If the holder of a commercial driver's license was operating a commercial vehicle, as defined in Section 15210, at the time of the violation that resulted in the suspension of that person's driving privilege under Section 13353.2, the department shall, pursuant to this section, if the person is otherwise eligible, issue the person a class C driver's license restricted in the same manner and subject to the same conditions as specified in subdivision (a), except that the license may not allow travel to and from or in the course of the person's employment.

(d) This section does not apply to a person whose driving privilege has been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion, or as a result of a conviction of a separate violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, that violation occurred within 10 years of the offense in question. This subdivision shall be operative only so long as a one-year suspension of the driving privilege for a second or subsequent occurrence or offense, with no restricted or hardship licenses permitted, is required by Section 408 or 410 of Title 23 of the United States Code.

(e) This section shall become operative on September 20, 2005.

SEC. 9.5. Section 13353.7 is added to the Vehicle Code, to read:

13353.7. (a) Subject to subdivision (c), if the person whose driving privilege has been suspended under Section 13353.2 has not been convicted of, or found to have committed, a separate violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153 of this code, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, and if the person's privilege to operate a motor vehicle has not been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion within 10 years of the occasion in question and, if the person subsequently enrolls in a driving-under-the-influence program licensed under Section 11836 of the Health and Safety Code, as described in subdivision (b) of Section 23538, that person, if 21 years of age or older at the time the offense occurred, may apply to the department for a restricted driver's license limited to travel to and from the activities required by the program and to and from and in the course of the person's employment. After receiving proof of enrollment in the program, and if the person has not been arrested subsequent to the offense for which the person's driving privilege has been suspended under Section 13353.2 for a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153 of this code, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, and if the person's

privilege to operate a motor vehicle has not been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion, notwithstanding Section 13551, the department shall, after review pursuant to Section 13557, suspend the person's privilege to operate a motor vehicle for 30 days and then issue the person a restricted driver's license under the following conditions:

(1) The program shall report any failure to participate in the program to the department and shall certify successful completion of the program to the department.

(2) The person was 21 years of age or older at the time the offense occurred and gives proof of financial responsibility as defined in Section 16430.

(3) The restriction shall be imposed for a period of five months.

(4) If a person who has been issued a restricted license under this section fails at any time to participate in the program, the department shall suspend the restricted license immediately. The department shall give notice of the suspension under this paragraph in the same manner as prescribed in subdivision (b) of Section 13353.2 for the period specified in Section 13353.3, that is effective upon receipt by the person.

(b) Notwithstanding subdivision (a), and upon a conviction of Section 23152 or 23153, the department shall suspend or revoke the person's privilege to operate a motor vehicle under Section 13352.

(c) If the holder of a commercial driver's license was operating a commercial vehicle, as defined in Section 15210, at the time of the violation that resulted in the suspension of that person's driving privilege under Section 13353.2, the department shall, pursuant to this section, if the person is otherwise eligible, issue the person a class C driver's license restricted in the same manner and subject to the same conditions as specified in subdivision (a), except that the license may not allow travel to and from or in the course of the person's employment.

(d) This section does not apply to a person whose driving privilege has been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion, or as a result of a conviction of a separate violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, that violation occurred within 10 years of the offense in question. This subdivision shall be operative only so long as a one-year suspension of the driving privilege for a second or subsequent occurrence or offense, with no restricted or hardship licenses permitted, is required by Section 408 or 410 of Title 23 of the United States Code.

(e) This section shall become operative on September 20, 2005.

SEC. 10. Section 13353.8 of the Vehicle Code is amended to read:

13353.8. (a) After the department has issued an order suspending or delaying driving privileges as a result of a violation of subdivision (a)

of Section 23136, the department, upon the petition of the person affected, may review the order and may impose restrictions on the person's privilege to drive based upon a showing of a critical need to drive, if the department determines that, within 10 years of the current violation of Section 23136, the person has not violated Section 23136 or been convicted of a separate violation of Section 23140, 23152, or 23153, or of Section 23103, with a plea of guilty under Section 23103.5, or of Section 191.5 of, or paragraph (3) of subdivision (c) of Section 192 of, the Penal Code, and that the person's driving privilege has not been suspended or revoked under Section 13353, 13353.1, or 13353.2 within that 10-year period.

(b) For purposes of this section, a conviction of an offense in a state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or the Dominion of Canada that, if committed in this state, would be a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, 23153, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, is a conviction of that particular section of the Vehicle Code or Penal Code.

(c) As used in this section, ''critical need to drive'' means the circumstances that are required to be shown for the issuance of a junior permit pursuant to Section 12513.

(d) The restriction shall be imposed not earlier than the 31st day after the date the order of suspension became effective and shall remain in effect for the balance of the period of suspension or restriction in this section.

SEC. 11. Section 23217 of the Vehicle Code is amended to read:

23217. The Legislature finds and declares that some repeat offenders of the prohibition against driving under the influence of alcohol or drugs, when they are addicted or when they have too much alcohol in their systems, may be escaping the intent of the Legislature to punish the offender with progressively greater severity if the offense is repeated one or more times within a 10-year period. This situation may occur when a conviction for a subsequent offense occurs before a conviction is obtained on an earlier offense.

The Legislature further finds and declares that the timing of court proceedings should not permit a person to avoid aggravated mandatory minimum penalties for multiple separate offenses occurring within a 10-year period. It is the intent of the Legislature to provide that a person be subject to enhanced mandatory minimum penalties for multiple offenses within a period of 10 years, regardless of whether the convictions are obtained in the same sequence as the offenses had been committed.

Nothing in this section requires consideration of judgment of conviction in a separate proceeding that is entered after the judgment in the present proceeding, except as it relates to violation of probation.

Nothing in this section or the amendments to Section 23540, 23546, 23550, 23560, 23566, 23622, or 23640 made by Chapter 1205 of the Statutes of 1984 affects the penalty for a violation of Section 23152 or 23153 occurring prior to January 1, 1985.

SEC. 12. Section 23502 of the Vehicle Code is amended to read:

23502. (a) Notwithstanding any other provision of law, if a person who is at least 18 years of age is convicted of a first violation of Section 23140, in addition to any penalties, the court shall order the person to attend a program licensed under Section 11836 of the Health and Safety Code, subject to a fee schedule developed under paragraph (2) of subdivision (b) of Section 11837.4 of the Health and Safety Code.

(b) The attendance in a licensed driving-under-the-influence program required under subdivision (a) shall be as follows:

(1) If, within 10 years of the current violation of Section 23140, the person has not been convicted of a separate violation of Section 23140, 23152, or 23153, or of Section 23103, with a plea of guilty under Section 23103.5, or of Section 655 of the Harbors and Navigation Code, or of Section 191.5 of, or paragraph (3) of subdivision (c) of Section 192 of, the Penal Code, the person shall complete, at a minimum, the education component of that licensed driving-under-the-influence program.

(2) If the person does not meet the requirements of paragraph (1), the person shall complete, at a minimum, the program described in paragraph (1) of subdivision (c) of Section 11837 of the Health and Safety Code.

(c) The person's privilege to operate a motor vehicle shall be suspended by the department as required under Section 13352.6, and the court shall require the person to surrender his or her driver's license to the court in accordance with Section 13550.

(d) The court shall advise the person at the time of sentencing that the driving privilege will not be restored until the person has provided the department with proof satisfactory to the department that the person has successfully completed the driving-under-the-influence program required under this section.

SEC. 13. Section 23540 of the Vehicle Code is amended to read:

23540. If a person is convicted of a violation of Section 23152 and the offense occurred within 10 years of a separate violation of Section 23103, as specified in Section 23103.5, 23152, or 23153, that resulted in a conviction, that person shall be punished by imprisonment in the county jail for not less than 90 days nor more than one year and by a fine of not less than three hundred ninety dollars ($390) nor more than one thousand dollars ($1,000). The person's privilege to operate a motor

vehicle shall be suspended by the Department of Motor Vehicles pursuant to paragraph (3) of subdivision (a) of Section 13352. The court shall require the person to surrender the driver's license to the court in accordance with Section 13550.

SEC. 13.3. Section 23540 of the Vehicle Code is amended to read:

23540. (a) If a person is convicted of a violation of Section 23152 and the offense occurred within 10 years of a separate violation of Section 23103, as specified in Section 23103.5, 23152, or 23153, that resulted in a conviction, that person shall be punished by imprisonment in the county jail for not less than 90 days nor more than one year and by a fine of not less than three hundred ninety dollars ($390) nor more than one thousand dollars ($1,000). The person's privilege to operate a motor vehicle shall be suspended by the Department of Motor Vehicles pursuant to paragraph (3) of subdivision (a) of Section 13352. The court shall require the person to surrender the driver's license to the court in accordance with Section 13550.

(b) This section shall become inoperative on September 20, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 13.5. Section 23540 of the Vehicle Code is amended to read:

23540. (a) If a person is convicted of a violation of Section 23152 and the offense occurred within 10 years of a separate violation of Section 23103, as specified in Section 23103.5, 23152, or 23153, that resulted in a conviction, that person shall be punished by imprisonment in the county jail for not less than 90 days nor more than one year and by a fine of not less than three hundred ninety dollars ($390) nor more than one thousand dollars ($1,000). The person's privilege to operate a motor vehicle shall be suspended by the department pursuant to paragraph (3) of subdivision (a) of Section 13352. The court shall require the person to surrender the driver's license to the court in accordance with Section 13550.

(b) Whenever, when considering the circumstances taken as a whole, the court determines that the person punished under this section would present a traffic safety or public safety risk if authorized to operate a motor vehicle during the period of suspension imposed under paragraph (3) of subdivision (a) of Section 13352, the court may disallow the issuance of a restricted driver's license required under Section 13352.5.

(c) This section shall become operative on September 20, 2005.

SEC. 14. Section 23546 of the Vehicle Code is amended to read:

23546. (a) If a person is convicted of a violation of Section 23152 and the offense occurred within 10 years of two separate violations of Section 23103, as specified in Section 23103.5, 23152, or 23153, or any combination thereof, that resulted in convictions, that person shall be

punished by imprisonment in the county jail for not less than 120 days nor more than one year and by a fine of not less than three hundred ninety dollars ($390) nor more than one thousand dollars ($1,000). The person's privilege to operate a motor vehicle shall be revoked by the Department of Motor Vehicles as required in paragraph (5) of subdivision (a) of Section 13352. The court shall require the person to surrender his or her driver's license to the court in accordance with Section 13550.

(b) A person convicted of a violation of Section 23152 punishable under this section shall be designated as a habitual traffic offender for a period of three years, subsequent to the conviction. The person shall be advised of this designation pursuant to subdivision (b) of Section 13350.

SEC. 15. Section 23550 of the Vehicle Code is amended to read:

23550. (a) If a person is convicted of a violation of Section 23152 and the offense occurred within 10 years of three or more separate violations of Section 23103, as specified in Section 23103.5, or Section 23152 or 23153, or any combination thereof, that resulted in convictions, that person shall be punished by imprisonment in the state prison, or in a county jail for not less than 180 days nor more than one year, and by a fine of not less than three hundred ninety dollars ($390) nor more than one thousand dollars ($1,000). The person's privilege to operate a motor vehicle shall be revoked by the Department of Motor Vehicles pursuant to paragraph (7) of subdivision (a) of Section 13352. The court shall require the person to surrender the driver's license to the court in accordance with Section 13550.

(b) A person convicted of a violation of Section 23152 punishable under this section shall be designated as a habitual traffic offender for a period of three years, subsequent to the conviction. The person shall be advised of this designation pursuant to subdivision (b) of Section 13350.

SEC. 16. Section 23560 of the Vehicle Code is amended to read:

23560. If a person is convicted of a violation of Section 23153 and the offense occurred within 10 years of a separate violation of Section 23103, as specified in Section 23103.5, 23152, or 23153 that resulted in a conviction, that person shall be punished by imprisonment in the state prison, or in a county jail for not less than 120 days nor more than one year, and by a fine of not less than three hundred ninety dollars ($390) nor more than five thousand dollars ($5,000). The person's privilege to operate a motor vehicle shall be revoked by the Department of Motor Vehicles pursuant to paragraph (4) of subdivision (a) of Section 13352. The court shall require the person to surrender the driver's license to the court in accordance with Section 13550.

SEC. 17. Section 23566 of the Vehicle Code is amended to read:

23566. (a) If a person is convicted of a violation of Section 23153 and the offense occurred within 10 years of two or more separate

violations of Section 23103, as specified in Section 23103.5, or Section 23152 or 23153, or any combination of these violations, that resulted in convictions, that person shall be punished by imprisonment in the state prison for a term of two, three, or four years and by a fine of not less than one thousand fifteen dollars ($1,015) nor more than five thousand dollars ($5,000). The person's privilege to operate a motor vehicle shall be revoked by the Department of Motor Vehicles pursuant to paragraph (6) of subdivision (a) of Section 13352. The court shall require the person to surrender the driver's license to the court in accordance with Section 13550.

(b) If a person is convicted of a violation of Section 23153, and the act or neglect proximately causes great bodily injury, as defined in Section 12022.7 of the Penal Code, to any person other than the driver, and the offense occurred within 10 years of two or more separate violations of Section 23103, as specified in Section 23103.5, or Section 23152 or 23153, or any combination of these violations, that resulted in convictions, that person shall be punished by imprisonment in the state prison for a term of two, three, or four years and by a fine of not less than one thousand fifteen dollars ($1,015) nor more than five thousand dollars ($5,000). The person's privilege to operate a motor vehicle shall be revoked by the Department of Motor Vehicles pursuant to paragraph (6) of subdivision (a) of Section 13352. The court shall require the person to surrender the driver's license to the court in accordance with Section 13550.

(c) If a person is convicted under subdivision (b), and the offense for which the person is convicted occurred within 10 years of four or more separate violations of Section 23103, as specified in Section 23103.5, or Section 23152 or 23153, or any combination of these violations, that resulted in convictions, that person shall, in addition and consecutive to the sentences imposed under subdivision (b), be punished by an additional term of imprisonment in the state prison for three years.

The enhancement allegation provided in this subdivision shall be pleaded and proved as provided by law.

(d) A person convicted of Section 23153 punishable under this section shall be designated as a habitual traffic offender for a period of three years, subsequent to the conviction. The person shall be advised of this designation pursuant to subdivision (b) of Section 13350.

(e) A person confined in state prison under this section shall be ordered by the court to participate in an alcohol or drug program, or both, that is available at the prison during the person's confinement. Completion of an alcohol or drug program under this section does not meet the program completion requirement of paragraph (6) of subdivision (a) of Section 13352, unless the drug or alcohol program is

licensed under Section 11836 of the Health and Safety Code, or is a program specified in Section 8001 of the Penal Code.

SEC. 18. Section 23575 of the Vehicle Code is amended to read:

23575. (a) (1) In addition to any other provisions of law, the court may require that a person convicted of a first offense violation of Section 23152 or 23153 to install a certified ignition interlock device on any vehicle that the person owns or operates and prohibit that person from operating a motor vehicle unless that vehicle is equipped with a functioning, certified ignition interlock device. The court shall give heightened consideration to applying this sanction to first offense violators with 0.20 percent or more, by weight, of alcohol in his or her blood at arrest, or with two or more prior moving traffic violations, or of persons who refused the chemical tests at arrest. If the court orders the ignition interlock device restriction, the term shall be determined by the court for a period not to exceed three years from the date of conviction. The court shall notify the Department of Motor Vehicles, as specified in subdivision (a) of Section 1803, of the terms of the restrictions in accordance with subdivision (a) of Section 1804. The Department of Motor Vehicles shall place the restriction in the person's records in the Department of Motor Vehicles.

(2) The court shall require a person convicted of a violation of Section 14601.2 to install an ignition interlock device on any vehicle that the person owns or operates and prohibit the person from operating a motor vehicle unless the vehicle is equipped with a functioning, certified ignition interlock device. The term of the restriction shall be determined by the court for a period not to exceed three years from the date of conviction. The court shall notify the Department of Motor Vehicles, as specified in subdivision (a) of Section 1803, of the terms of the restrictions in accordance with subdivision (a) of Section 1804. The Department of Motor Vehicles shall place the restriction in the person's records in the Department of Motor Vehicles.

(b) The court shall include on the abstract of conviction or violation submitted to the Department of Motor Vehicles under Section 1803 or 1816, the requirement and term for the use of a certified ignition interlock device. The records of the department shall reflect mandatory use of the device for the term ordered by the court.

(c) The court shall advise the person that installation of an ignition interlock device on a vehicle does not allow the person to drive without a valid driver's license.

(d) A person whose driving privilege is restricted by the court pursuant to this section shall arrange for each vehicle with an ignition interlock device to be serviced by the installer at least once every 60 days in order for the installer to recalibrate and monitor the operation of the device. The installer shall notify the court if the device is removed or

indicates that the person has attempted to remove, bypass, or tamper with the device, or if the person fails three or more times to comply with any requirement for the maintenance or calibration of the ignition interlock device. There is no obligation for the installer to notify the court if the person has complied with all of the requirements of this article.

(e) The court shall monitor the installation and maintenance of any ignition interlock device restriction ordered pursuant to subdivision (a) or (*l*). If a person fails to comply with the court order, the court shall give notice of the fact to the department pursuant to Section 40509.1.

(f) (1) Pursuant to Section 13352, if a person is convicted of a violation of Section 23152 or 23153, and the offense occurred within 10 years of one or more separate violations of Section 23152 or 23153 that resulted in a conviction, the person may apply to the Department of Motor Vehicles for a restricted driver's license pursuant to Section 13352 that prohibits the person from operating a motor vehicle unless that vehicle is equipped with a functioning ignition interlock device, certified pursuant to Section 13386. The restriction shall remain in effect for at least the remaining period of the original suspension or revocation and until all reinstatement requirements in Section 13352 are met.

(2) Pursuant to subdivision (g), the Department of Motor Vehicles shall immediately terminate the restriction issued pursuant to Section 13352 and shall immediately suspend or revoke the privilege to operate a motor vehicle of a person who attempts to remove, bypass, or tamper with the device, who has the device removed prior to the termination date of the restriction, or who fails three or more times to comply with any requirement for the maintenance or calibration of the ignition interlock device ordered pursuant to Section 13352. The privilege shall remain suspended or revoked for the remaining period of the originating suspension or revocation and until all reinstatement requirements in Section 13352 are met.

(g) A person whose driving privilege is restricted by the Department of Motor Vehicles pursuant to Section 13352 shall arrange for each vehicle with an ignition interlock device to be serviced by the installer at least once every 60 days in order for the installer to recalibrate the device and monitor the operation of the device. The installer shall notify the Department of Motor Vehicles if the device is removed or indicates that the person has attempted to remove, bypass, or tamper with the device, or if the person fails three or more times to comply with any requirement for the maintenance or calibration of the ignition interlock device. There is no obligation on the part of the installer to notify the department or the court if the person has complied with all of the requirements of this section.

(h) Nothing in this section permits a person to drive without a valid driver's license.

(i) The Department of Motor Vehicles shall include information along with the order of suspension or revocation for repeat offenders informing them that after a specified period of suspension or revocation has been completed, the person may either install an ignition interlock device on any vehicle that the person owns or operates or remain with a suspended or revoked driver's license.

(j) Pursuant to this section, an out-of-state resident who otherwise would qualify for an ignition interlock device restricted license in California shall be prohibited from operating a motor vehicle in California unless that vehicle is equipped with a functioning ignition interlock device. An ignition interlock device is not required to be installed on any vehicle owned by the defendant that is not driven in California.

(k) If a person has a medical problem that does not permit the person to breathe with sufficient strength to activate the device, then that person shall only have the suspension option.

(*l*) This section does not restrict a court from requiring installation of an ignition interlock device and prohibiting operation of a motor vehicle unless that vehicle is equipped with a functioning, certified ignition interlock device for a persons to whom subdivision (a) or (b) does not apply. The term of the restriction shall be determined by the court for a period not to exceed three years from the date of conviction. The court shall notify the Department of Motor Vehicles, as specified in subdivision (a) of Section 1803, of the terms of the restrictions in accordance with subdivision (a) of Section 1804. The Department of Motor Vehicles shall place the restriction in the person's records in the Department of Motor Vehicles.

(m) For the purposes of this section, ''vehicle'' does not include a motorcycle until the state certifies an ignition interlock device that can be installed on a motorcycle. Any person subject to an ignition interlock device restriction shall not operate a motorcycle for the duration of the ignition interlock device restriction period.

(n) For the purposes of this section, ''owned'' means solely owned or owned in conjunction with another person or legal entity. For purposes of this section, ''operates'' includes operating vehicles that are not owned by the person subject to this section.

(o) For the purposes of this section, bypass includes, but is not limited to, either of the following:

(1) Any combination of failing or not taking the ignition interlock device rolling retest three consecutive times.

(2) Any incidence of failing or not taking the ignition interlock device rolling retest, when not followed by an incidence of passing the ignition interlock rolling retest prior to turning the vehicles's engine off.

SEC. 19. Section 23612 of the Vehicle Code is amended to read:

23612. (a) (1) (A) A person who drives a motor vehicle is deemed to have given his or her consent to chemical testing of his or her blood or breath for the purpose of determining the alcoholic content of his or her blood, if lawfully arrested for an offense allegedly committed in violation of Section 23140, 23152, or 23153. If a blood or breath test, or both, are unavailable, then paragraph (2) of subdivision (d) applies.

(B) A person who drives a motor vehicle is deemed to have given his or her consent to chemical testing of his or her blood or urine for the purpose of determining the drug content of his or her blood, if lawfully arrested for an offense allegedly committed in violation of Section 23140, 23152, or 23153.

(C) The testing shall be incidental to a lawful arrest and administered at the direction of a peace officer having reasonable cause to believe the person was driving a motor vehicle in violation of Section 23140, 23152, or 23153.

(D) The person shall be told that his or her failure to submit to, or the failure to complete, the required chemical testing will result in a fine, mandatory imprisonment if the person is convicted of a violation of Section 23152 or 23153, and (i) the suspension of the person's privilege to operate a motor vehicle for a period of one year, (ii) the revocation of the person's privilege to operate a motor vehicle for a period of two years if the refusal occurs within 10 years of a separate violation of Section 23103 as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code that resulted in a conviction, or if the person's privilege to operate a motor vehicle has been suspended or revoked pursuant to Section 13353, 13353.1, or 13353.2 for an offense that occurred on a separate occasion, or (iii) the revocation of the person's privilege to operate a motor vehicle for a period of three years if the refusal occurs within 10 years of two or more separate violations of Section 23103 as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, or any combination thereof, that resulted in convictions, or if the person's privilege to operate a motor vehicle has been suspended or revoked two or more times pursuant to Section 13353, 13353.1, or 13353.2 for offenses that occurred on separate occasions, or if there is any combination of those convictions or administrative suspensions or revocations.

(2) (A) If the person is lawfully arrested for driving under the influence of an alcoholic beverage, the person has the choice of whether

the test shall be of his or her blood or breath and the officer shall advise the person that he or she has that choice. If the person arrested either is incapable, or states that he or she is incapable, of completing the chosen test, the person shall submit to the remaining test. If a blood or breath test, or both, are unavailable, then paragraph (2) of subdivision (d) applies.

(B) If the person is lawfully arrested for driving under the influence of any drug or the combined influence of an alcoholic beverage and any drug, the person has the choice of whether the test shall be of his or her blood, breath, or urine, and the officer shall advise the person that he or she has that choice.

(C) A person who chooses to submit to a breath test may also be requested to submit to a blood or urine test if the officer has reasonable cause to believe that the person was driving under the influence of a drug or the combined influence of an alcoholic beverage and a drug and if the officer has a clear indication that a blood or urine test will reveal evidence of the person being under the influence. The officer shall state in his or her report the facts upon which that belief and that clear indication are based. The person has the choice of submitting to and completing a blood or urine test, and the officer shall advise the person that he or she is required to submit to an additional test and that he or she may choose a test of either blood or urine. If the person arrested either is incapable, or states that he or she is incapable, of completing either chosen test, the person shall submit to and complete the other remaining test.

(3) If the person is lawfully arrested for an offense allegedly committed in violation of Section 23140, 23152, or 23153, and, because of the need for medical treatment, the person is first transported to a medical facility where it is not feasible to administer a particular test of, or to obtain a particular sample of, the person's blood, breath, or urine, the person has the choice of those tests that are available at the facility to which that person has been transported. In that case, the officer shall advise the person of those tests that are available at the medical facility and that the person's choice is limited to those tests that are available.

(4) The officer shall also advise the person that he or she does not have the right to have an attorney present before stating whether he or she will submit to a test or tests, before deciding which test or tests to take, or during administration of the test or tests chosen, and that, in the event of refusal to submit to a test or tests, the refusal may be used against him or her in a court of law.

(5) A person who is unconscious or otherwise in a condition rendering him or her incapable of refusal is deemed not to have withdrawn his or her consent and a test or tests may be administered whether or not the person is told that his or her failure to submit to, or

the noncompletion of, the test or tests will result in the suspension or revocation of his or her privilege to operate a motor vehicle. A person who is dead is deemed not to have withdrawn his or her consent and a test or tests may be administered at the direction of a peace officer.

(b) A person who is afflicted with hemophilia is exempt from the blood test required by this section.

(c) A person who is afflicted with a heart condition and is using an anticoagulant under the direction of a licensed physician and surgeon is exempt from the blood test required by this section.

(d) (1) A person lawfully arrested for an offense allegedly committed while the person was driving a motor vehicle in violation of Section 23140, 23152, or 23153 may request the arresting officer to have a chemical test made of the arrested person's blood or breath for the purpose of determining the alcoholic content of that person's blood, and, if so requested, the arresting officer shall have the test performed.

(2) If a blood or breath test is not available under subparagraph (A) of paragraph (1) of subdivision (a), or under subparagraph (A) of paragraph (2) of subdivision (a), or under paragraph (1) of this subdivision, the person shall submit to the remaining test in order to determine the percent, by weight, of alcohol in the person's blood. If both the blood and breath tests are unavailable, the person shall be deemed to have given his or her consent to chemical testing of his or her urine and shall submit to a urine test.

(e) If the person, who has been arrested for a violation of Section 23140, 23152, or 23153, refuses or fails to complete a chemical test or tests, or requests that a blood or urine test be taken, the peace officer, acting on behalf of the department, shall serve the notice of the order of suspension or revocation of the person's privilege to operate a motor vehicle personally on the arrested person. The notice shall be on a form provided by the department.

(f) If the peace officer serves the notice of the order of suspension or revocation of the person's privilege to operate a motor vehicle, the peace officer shall take possession of all driver's licenses issued by this state which are held by the person. The temporary driver's license shall be an endorsement on the notice of the order of suspension and shall be valid for 30 days from the date of arrest.

(g) (1) The peace officer shall immediately forward a copy of the completed notice of suspension or revocation form and any driver's license taken into possession under subdivision (f), with the report required by Section 13380, to the department. If the person submitted to a blood or urine test, the peace officer shall forward the results immediately to the appropriate forensic laboratory. The forensic laboratory shall forward the results of the chemical tests to the department within 15 calendar days of the date of the arrest.

(2) (A) Notwithstanding any other provision of law, a document containing data prepared and maintained in the governmental forensic laboratory computerized database system that is electronically transmitted or retrieved through public or private computer networks to or by the department is the best available evidence of the chemical test results in all administrative proceedings conducted by the department. In addition, any other official record that is maintained in the governmental forensic laboratory, relates to a chemical test analysis prepared and maintained in the governmental forensic laboratory computerized database system, and is electronically transmitted and retrieved through a public or private computer network to or by the department is admissible as evidence in the department's administrative proceedings. In order to be admissible as evidence in administrative proceedings, a document described in this subparagraph shall bear a certification by the employee of the department who retrieved the document certifying that the information was received or retrieved directly from the computerized database system of a governmental forensic laboratory and that the document accurately reflects the data received or retrieved.

(B) Notwithstanding any other provision of law, the failure of an employee of the department to certify under subparagraph (A) is not a public offense.

(h) A preliminary alcohol screening test that indicates the presence or concentration of alcohol based on a breath sample in order to establish reasonable cause to believe the person was driving a vehicle in violation of Section 23140, 23152, or 23153 is a field sobriety test and may be used by an officer as a further investigative tool.

(i) If the officer decides to use a preliminary alcohol screening test, the officer shall advise the person that he or she is requesting that person to take a preliminary alcohol screening test to assist the officer in determining if that person is under the influence of alcohol or drugs, or a combination of alcohol and drugs. The person's obligation to submit to a blood, breath, or urine test, as required by this section, for the purpose of determining the alcohol or drug content of that person's blood, is not satisfied by the person submitting to a preliminary alcohol screening test. The officer shall advise the person of that fact and of the person's right to refuse to take the preliminary alcohol screening test.

SEC. 19.5. Section 23612 of the Vehicle Code is amended to read:

23612. (a) (1) (A) A person who drives a motor vehicle is deemed to have given his or her consent to chemical testing of his or her blood or breath for the purpose of determining the alcoholic content of his or her blood, if lawfully arrested for an offense allegedly committed in violation of Section 23140, 23152, or 23153, or if, while driving, is at fault in causing a traffic collision that is the proximate cause of a fatality.

If a blood or breath test, or both, are unavailable, then paragraph (2) of subdivision (d) applies.

(B) A person who drives a motor vehicle is deemed to have given his or her consent to chemical testing of his or her blood or urine for the purpose of determining the drug content of his or her blood, if lawfully arrested for an offense allegedly committed in violation of Section 23140, 23152, or 23153, or if, while driving, is involved in a traffic collision that is the proximate cause of a fatality.

(C) (i) Except as provided in clause (ii), testing shall be incidental to a lawful arrest and administered at the direction of a peace officer having reasonable cause to believe the person was driving a motor vehicle in violation of Section 23140, 23152, or 23153.

(ii) Each driver who is at fault in causing a traffic collision that is the proximate cause of a fatality shall submit to testing under this section upon the direction of a peace officer.

(D) The person shall be told that his or her failure to submit to, or the failure to complete, the required chemical testing will result in a fine, mandatory imprisonment if the person is convicted of a violation of Section 23152 or 23153, and (i) the suspension of the person's privilege to operate a motor vehicle for a period of one year, (ii) the revocation of the person's privilege to operate a motor vehicle for a period of two years if the refusal occurs within 10 years of a separate violation of Section 23103 as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code that resulted in a conviction, or if the person's privilege to operate a motor vehicle has been suspended or revoked pursuant to Section 13353, 13353.1, or 13353.2 for an offense that occurred on a separate occasion, or (iii) the revocation of the person's privilege to operate a motor vehicle for a period of three years if the refusal occurs within 10 years of two or more separate violations of Section 23103 as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, or any combination thereof, that resulted in convictions, or if the person's privilege to operate a motor vehicle has been suspended or revoked two or more times pursuant to Section 13353, 13353.1, or 13353.2 for offenses that occurred on separate occasions, or if there is any combination of those convictions or administrative suspensions or revocations.

(2) (A) If the person is lawfully arrested for driving under the influence of an alcoholic beverage, or if, while driving, is at fault in causing a traffic collision that is the proximate cause of a fatality, the person has the choice of whether the test shall be of his or her blood or breath and the officer shall advise the person that he or she has that choice. If the person arrested either is incapable, or states that he or she

is incapable, of completing the chosen test, the person shall submit to the remaining test. If a blood or breath test, or both, are unavailable, then paragraph (2) of subdivision (d) applies.

(B) If the person is lawfully arrested for driving under the influence of any drug or the combined influence of an alcoholic beverage and any drug, the person has the choice of whether the test shall be of his or her blood, breath, or urine, and the officer shall advise the person that he or she has that choice.

(C) A person who chooses to submit to a breath test may also be requested to submit to a blood or urine test if the officer has reasonable cause to believe that the person was driving under the influence of a drug or the combined influence of an alcoholic beverage and a drug and if the officer has a clear indication that a blood or urine test will reveal evidence of the person being under the influence. The officer shall state in his or her report the facts upon which that belief and that clear indication are based. The person has the choice of submitting to and completing a blood or urine test, and the officer shall advise the person that he or she is required to submit to an additional test and that he or she may choose a test of either blood or urine. If the person arrested either is incapable, or states that he or she is incapable, of completing either chosen test, the person shall submit to and complete the other remaining test.

(3) If the person is lawfully arrested for an offense allegedly committed in violation of Section 23140, 23152, or 23153, or if, while driving, is at fault in causing a traffic collision that is the proximate cause of a fatality. and, because of the need for medical treatment, the person is first transported to a medical facility where it is not feasible to administer a particular test of, or to obtain a particular sample of, the person's blood, breath, or urine, the person has the choice of those tests that are available at the facility to which that person has been transported. In that case, the officer shall advise the person of those tests that are available at the medical facility and that the person's choice is limited to those tests that are available.

(4) The officer shall also advise the person that he or she does not have the right to have an attorney present before stating whether he or she will submit to a test or tests, before deciding which test or tests to take, or during administration of the test or tests chosen, and that, in the event of refusal to submit to a test or tests, the refusal may be used against him or her in a court of law.

(5) A person who is unconscious or otherwise in a condition rendering him or her incapable of refusal is deemed not to have withdrawn his or her consent and a test or tests may be administered whether or not the person is told that his or her failure to submit to, or the noncompletion of, the test or tests will result in the suspension or

revocation of his or her privilege to operate a motor vehicle. A person who is dead is deemed not to have withdrawn his or her consent and a test or tests may be administered at the direction of a peace officer.

(b) A person who is afflicted with hemophilia is exempt from the blood test required by this section.

(c) A person who is afflicted with a heart condition and is using an anticoagulant under the direction of a licensed physician and surgeon is exempt from the blood test required by this section.

(d) (1) A person lawfully arrested for an offense allegedly committed while the person was driving a motor vehicle in violation of Section 23140, 23152, or 23153 may request the arresting officer to have a chemical test made of the arrested person's blood or breath for the purpose of determining the alcoholic content of that person's blood, and, if so requested, the arresting officer shall have the test performed.

(2) If a blood or breath test is not available under subparagraph (A) of paragraph (1) of subdivision (a), or under subparagraph (A) of paragraph (2) of subdivision (a), or under paragraph (1) of this subdivision, the person shall submit to the remaining test in order to determine the percent, by weight, of alcohol in the person's blood. If both the blood and breath tests are unavailable, the person shall be deemed to have given his or her consent to chemical testing of his or her urine and shall submit to a urine test.

(e) (1) If the person, who has been arrested for a violation of Section 23140, 23152, or 23153, refuses or fails to complete a chemical test or tests, or requests that a blood or urine test be taken, the peace officer, acting on behalf of the department, shall serve the notice of the order of suspension or revocation of the person's privilege to operate a motor vehicle personally on the arrested person. The notice shall be on a form provided by the department.

(2) If a driver who is at fault in causing a traffic collision that is the proximate cause of a fatality and refuses or fails to complete a chemical test or tests, the peace officer, acting on behalf of the department, shall serve the notice of the order of suspension or revocation of the person's privilege to operate a motor vehicle personally on the person. The notice shall be on a form provided by the department.

(f) If the peace officer serves the notice of the order of suspension or revocation of the person's privilege to operate a motor vehicle, the peace officer shall take possession of any driver's license issued by this state that is held by the person. The temporary driver's license shall be an endorsement on the notice of the order of suspension and shall be valid for 30 days from the date of arrest or accident.

(g) (1) The peace officer shall immediately forward a copy of the completed notice of suspension or revocation form and any driver's license taken into possession under subdivision (f), with the report

required by Section 13380, to the department. If the person submitted to a blood or urine test, the peace officer shall forward the results immediately to the appropriate forensic laboratory. The forensic laboratory shall forward the results of the chemical tests to the department within 15 calendar days of the date of the arrest.

(2) (A) Notwithstanding any other provision of law, a document containing data prepared and maintained in the governmental forensic laboratory computerized database system that is electronically transmitted or retrieved through public or private computer networks to or by the department is the best available evidence of the chemical test results in all administrative proceedings conducted by the department. In addition, any other official record that is maintained in the governmental forensic laboratory, relates to a chemical test analysis prepared and maintained in the governmental forensic laboratory computerized database system, and is electronically transmitted and retrieved through a public or private computer network to or by the department is admissible as evidence in the department's administrative proceedings. In order to be admissible as evidence in administrative proceedings, a document described in this subparagraph shall bear a certification by the employee of the department who retrieved the document certifying that the information was received or retrieved directly from the computerized database system of a governmental forensic laboratory and that the document accurately reflects the data received or retrieved.

(B) Notwithstanding any other provision of law, the failure of an employee of the department to certify under subparagraph (A) is not a public offense.

(h) A preliminary alcohol screening test that indicates the presence or concentration of alcohol based on a breath sample in order to establish reasonable cause to believe the person was driving a vehicle in violation of Section 23140, 23152, or 23153 is a field sobriety test and may be used by an officer as a further investigative tool.

(i) If the officer decides to use a preliminary alcohol screening test, the officer shall advise the person that he or she is requesting that person to take a preliminary alcohol screening test to assist the officer in determining if that person is under the influence of alcohol or drugs, or a combination of alcohol and drugs. The person's obligation to submit to a blood, breath, or urine test, as required by this section, for the purpose of determining the alcohol or drug content of that person's blood, is not satisfied by the person submitting to a preliminary alcohol screening test. The officer shall advise the person of that fact and of the person's right to refuse to take the preliminary alcohol screening test.

SEC. 20. Section 23622 of the Vehicle Code is amended to read:

23622. (a) In any case charging a violation of Section 23152 or 23153 and the offense occurred within 10 years of one or more separate violations of Section 23103, as specified in Section 23103.5, that occurred on or after January 1, 1982, 23152, or 23153, or any combination thereof, that resulted in convictions, the court shall not strike any separate conviction of those offenses for purposes of sentencing in order to avoid imposing, as part of the sentence or term of probation, the minimum time of imprisonment and the minimum fine, as provided in this chapter, or for purposes of avoiding revocation, suspension, or restriction of the privilege to operate a motor vehicle, as provided in this code.

(b) In any case charging a violation of Section 23152 or 23153, the court shall obtain a copy of the driving record of the person charged from the Department of Motor Vehicles and may obtain any records from the Department of Justice or any other source to determine if one or more separate violations of Section 23103, as specified in Section 23103.5, that occurred on or after January 1, 1982, 23152, or 23153, or any combination thereof, that resulted in convictions, have occurred within 10 years of the charged offense. The court may obtain, and accept as rebuttable evidence, a printout from the Department of Motor Vehicles of the driving record of the person charged, maintained by electronic and storage media pursuant to Section 1801 for the purpose of proving those separate violations.

(c) If any separate convictions of violations of Section 23152 or 23153 are reported to have occurred within 10 years of the charged offense, the court shall notify each court where any of the separate convictions occurred for the purpose of enforcing terms and conditions of probation pursuant to Section 23602.

SEC. 21. Section 23646 of the Vehicle Code is amended to read:

23646. (a) Each county alcohol program administrator or the administrator's designee shall develop, implement, operate, and administer an alcohol and drug problem assessment program pursuant to this article for each person described in subdivision (b). The alcohol and drug problem assessment program may include a referral and client tracking component.

(b) (1) The court shall order a person to participate in an alcohol and drug problem assessment program pursuant to this section and Sections 23647 to 23649, inclusive, and the related regulations of the State Department of Alcohol and Drug Programs, if the person was convicted of a violation of Section 23152 or 23153 that occurred within 10 years of a separate violation of Section 23152 or 23153 that resulted in a conviction.

(2) A court may order a person convicted of a violation of Section 23152 or 23153 to attend an alcohol and drug problem assessment program pursuant to this article.

(3) (A) The court shall order a person convicted of a violation of Section 23152 or 23153 who has previously been convicted of a violation of Section 23152 or 23153 that occurred more than 10 years ago, or has been previously convicted of a violation of subdivision (f) of Section 647 of the Penal Code, to attend and complete an alcohol and drug problem assessment program under this article. In order to determine whether a previous conviction for a violation occurring more than 10 years ago exists, the court shall rely on state summary criminal history information, local summary history information, or records made available to the judge through the district attorney.

(B) If the program assessment recommends additional treatment, the court may order a person sentenced under either Section 23538 or 23556 to enroll, participate, and complete either of the programs described under paragraph (4) of subdivision (b) of Section 23542.

(c) The State Department of Alcohol and Drug Programs shall establish minimum specifications for alcohol and other drug problem assessments and reports.

SEC. 22. (a) Section 4.1 of this bill incorporates amendments to Section 13352 of the Vehicle Code proposed by both this bill and SB 1541. Section 4.1 shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 13352 of the Vehicle Code, (3) SB 1697 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after SB 1541, in which case Sections 4, 4.2, 4.3, 4.4, and 4.5 of this bill shall not become operative.

(b) Sections 4.2 and 4.3 of this bill incorporate amendments to Section 13352 of the Vehicle Code proposed by both this bill and SB 1697. Sections 4.2 and 4.3 shall only become operative if (1) both bills are enacted and become operative on or before January 1, 2005, (2) each bill amends Section 13352 of the Vehicle Code, (3) SB 1541 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after SB 1697, in which case Sections 4, 4.1, 4.4, and 4.5 of this bill shall not become operative.

(c) Sections 4.4 and 4.5 of this bill incorporate amendments to Section 13352 of the Vehicle Code proposed by this bill, SB 1541, and SB 1697. Sections 4.4 and 4.5 shall become operative only if (1) all three bills are enacted and become effective January 1, 2005, (2) all three bills amend Section 13352 of the Vehicle Code, and (3) this bill is enacted after SB 1541 and SB 1697, in which case Sections 4, 4.1, 4.2, and 4.3 shall not become operative.

SEC. 23. Section 5.5 of this bill incorporates amendments to Section 13352.6 of the Vehicle Code proposed by both this bill and SB 1696. Section 5.5 of this bill shall become operative only if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 13352.6 of the Vehicle Code, and (3) this bill is enacted after SB 1696, in which case Section 5 of this bill shall not become operative.

SEC. 24. (a) Sections 6.1 and 6.2 of this bill incorporate amendments to Section 13353 of the Vehicle Code proposed by both this bill and AB 3049. Sections 6.1 and 6.2 shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 13353 of the Vehicle Code, (3) SB 1697 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after AB 3049, in which case Sections 6, 6.4, and 6.5 of this bill shall not become operative.

(b) Sections 6.1 and 6.4 of this bill incorporate amendments to Section 13353 of the Vehicle Code proposed by both this bill and SB 1697. Sections 6.1 and 6.4 shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 13353 of the Vehicle Code, (3) AB 3049 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after SB 1697, in which case Sections 6, 6.2, and 6.5 of this bill shall not become operative.

(c) Section 6.1 and 6.5 of this bill incorporate amendments to Section 13353 of the Vehicle Code proposed by this bill, AB 3049, and SB 1697. Sections 6.1 and 6.5 shall become operative only if (1) all three bills are enacted and become effective January 1, 2005, (2) all three bills amend Section 13353 of the Vehicle Code, and (3) this bill is enacted after AB 3049 and SB 1697, in which case Sections 6, 6.2, and 6.4 shall not become operative.

SEC. 25. Sections 8.3 and 8.5 of this bill incorporate amendments to Section 13353.3 of the Vehicle Code proposed by both this bill and SB 1697. Sections 8.3 and 8.5 of this bill shall become operative only if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 13353.3 of the Vehicle Code, and (3) this bill is enacted after SB 1697, in which case Section 8 of this bill shall not become operative.

SEC. 26. (a) Sections 9.1 and 9.2 of this bill incorporate amendments to Section 13353.7 of the Vehicle Code proposed by both this bill and AB 3049. Sections 9.1 and 9.2 shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 13353.7 of the Vehicle Code, (3) SB 1697 is not enacted or as enacted does not amend that section, and

(4) this bill is enacted after AB 3049, in which case Sections 9, 9.4, and 9.5 of this bill shall not become operative.

(b) Sections 9.1 and 9.4 of this bill incorporate amendments to Section 13353.7 of the Vehicle Code proposed by both this bill and SB 1697. Sections 9.1 and 9.4 shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 13353.7 of the Vehicle Code, (3) AB 3049 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after SB 1697, in which case Sections 9, 9.2, and 9.5 of this bill shall not become operative.

(c) Section 9.1 and 9.5 of this bill incorporate amendments to Section 13353.7 of the Vehicle Code proposed by this bill, AB 3049, and SB 1697. Sections 9.1 and 9.5 shall become operative only if (1) all three bills are enacted and become effective January 1, 2005, (2) all three bills amend Section 13353.7 of the Vehicle Code, and (3) this bill is enacted after AB 3049 and SB 1697, in which case Sections 9, 9.2, and 9.4 shall not become operative.

SEC. 27. Sections 13.3 and 13.5 of this bill incorporate amendments to Section 23540 of the Vehicle Code proposed by both this bill and SB 1697. Sections 13.3 and 13.5 of this bill shall become operative only if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 23540 of the Vehicle Code, and (3) this bill is enacted after SB 1697, in which case Section 13 of this bill shall not become operative.

SEC. 28. Section 19.5 of this bill incorporates amendments to Section 23612 of the Vehicle Code proposed by both this bill and SB 1429. Section 19.5 of this bill shall become operative only if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 23612 of the Vehicle Code, and (3) this bill is enacted after SB 1429, in which case Section 19 of this bill shall not become operative.

SEC. 29. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 551

An act to amend Section 11837 of the Health and Safety Code, and to amend Sections 1803, 13352, 13352.5, 13353, 13353.3, 13353.5, 13353.7, 13954, 14601.2, 23521, 23536, 23538, 23540, 23542, 23548, 23552, 23556, 23562, 23568, 23660, and 23665 of, to amend, repeal, and add Section 13352.4 of, and to amend and repeal Section 13354 of, the Vehicle Code, relating to vehicles.

[Approved by Governor September 16, 2004. Filed with Secretary of State September 16, 2004.]

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

SECTION 1. Section 11837 of the Health and Safety Code is amended to read:

11837. (a) Pursuant to the provisions of law relating to suspension of a person's privilege to operate a motor vehicle upon conviction for driving while under the influence of any alcoholic beverage or drug, or under the combined influence of any alcoholic beverage and any drug, as set forth in paragraph (3) of subdivision (a) of Section 13352 of the Vehicle Code, the Department of Motor Vehicles shall restrict the driving privilege pursuant to Section 13352.5 of the Vehicle Code, if the person convicted of that offense participates for at least 18 months in a driving-under-the-influence program that is licensed pursuant to this chapter.

(b) In determining whether to refer a person, who is ordered to participate in a program pursuant to Section 668 of the Harbors and Navigation Code, in a licensed alcohol and other drug education and counseling services program pursuant to Section 23538 of the Vehicle Code, or, pursuant to Section 23542, 23548, 23552, 23556, 23562, or 23568 of the Vehicle Code, in a licensed 18-month or 30-month program, the court may consider any relevant information about the person made available pursuant to a presentence investigation, that is permitted but not required under Section 23655 of the Vehicle Code, or other screening procedure. That information shall not be furnished, however, by any person who also provides services in a privately operated, licensed program or who has any direct interest in a privately operated, licensed program. In addition, the court shall obtain from the Department of Motor Vehicles a copy of the person's driving record to determine whether the person is eligible to participate in a licensed 18-month or 30-month program pursuant to this chapter. When preparing a presentence report for the court, the probation department may consider the suitability of placing the defendant in a treatment program that includes the administration of nonscheduled nonaddicting

medications to ameliorate an alcohol or controlled substance problem. If the probation department recommends that this type of program is a suitable option for the defendant, the defendant who would like the court to consider this option shall obtain from his or her physician a prescription for the medication, and a finding that the treatment is medically suitable for the defendant, prior to consideration of this alternative by the court.

(c) (1) The court shall, as a condition of probation pursuant to Section 23538 or 23556 of the Vehicle Code, refer a first offender whose concentration of alcohol in his or her blood was less than 0.20 percent, by weight, to participate for at least three months or longer, as ordered by the court, in a licensed program that consists of at least 30 hours of program activities, including those education, group counseling, and individual interview sessions described in this chapter.

(2) Notwithstanding any other provision of law, in granting probation to a first offender described in this subdivision whose concentration of alcohol in the person's blood was 0.20 percent or more, by weight, or the person refused to take a chemical test, the court shall order the person to participate, for at least six months or longer, as ordered by the court, in a licensed program that consists of at least 45 hours of program activities, including those education, group counseling, and individual interview sessions described in this chapter.

(d) (1) The State Department of Alcohol and Drug Programs shall specify in regulations the activities required to be provided in the treatment of participants receiving six months of licensed program services under Section 23538 or 23556 of the Vehicle Code.

(2) Any program licensed pursuant to this chapter may provide treatment services to participants receiving at least six months of licensed program services under Section 23538 or 23556 of the Vehicle Code.

(e) The court may, subject to Section 11837.2, and as a condition of probation, refer a person to a licensed program, even though the person's privilege to operate a motor vehicle is restricted, suspended, or revoked. An 18-month program described in Section 23542 or 23562 of the Vehicle Code or a 30-month program described in Section 23548, 23552, or 23568 of the Vehicle Code may include treatment of family members and significant other persons related to the convicted person with the consent of those family members and others as described in this chapter, if there is no increase in the costs of the program to the convicted person.

(f) The clerk of the court shall indicate the duration of the program in which the judge has ordered the person to participate in the abstract of the record of the court that is forwarded to the department.

(g) This section shall become operative on September 20, 2005.

SEC. 2. Section 1803 of the Vehicle Code is amended to read:

1803. (a) The clerk of a court in which a person was convicted of any violation of this code, was convicted of any violation of subdivision (a), (b), (c), (d), (e), or (f) of Section 655 of the Harbors and Navigation Code pertaining to a mechanically propelled vessel but not to manipulating any water skis, an aquaplane, or similar device, was convicted of any violation of Section 655.2, 655.6, 658, or 658.5 of the Harbors and Navigation Code, or any violation of Section 191.5 of the Penal Code when the conviction resulted from the operation of a vessel, was convicted of any offense involving use or possession of controlled substances under Division 10 (commencing with Section 11000) of the Health and Safety Code, was convicted of any felony offense when a commercial motor vehicle, as defined in subdivision (b) of Section 15210, was involved in or incidental to the commission of the offense, or was convicted of any violation of any other statute relating to the safe operation of vehicles, shall prepare within 10 days after conviction and immediately forward to the department at its office at Sacramento an abstract of the record of the court covering the case in which the person was so convicted. If sentencing is not pronounced in conjunction with the conviction, the abstract shall be forwarded to the department within 10 days after sentencing and the abstract shall be certified by the person so required to prepare it to be true and correct.

For the purposes of this section, a forfeiture of bail shall be equivalent to a conviction.

(b) The following violations are not required to be reported under subdivision (a):

(1) Division 3.5 (commencing with Section 9840).

(2) Section 21113, with respect to parking violations.

(3) Chapter 9 (commencing with Section 22500) of Division 11, except Section 22526.

(4) Division 12 (commencing with Section 24000), except Sections 24002, 24004, 24250, 24409, 24604, 24800, 25103, 26707, 27151, 27315, 27360, 27800, and 27801 and Chapter 3 (commencing with Section 26301).

(5) Division 15 (commencing with Section 35000), except Chapter 5 (commencing with Section 35550).

(6) Violations for which a person was cited as a pedestrian or while operating a bicycle or a motorized scooter.

(7) Division 16.5 (commencing with Section 38000).

(8) Subdivision (b) of Section 23221, subdivision (b) of Section 23223, subdivision (b) of Section 23225, and subdivision (b) of Section 23226.

(c) If the court impounds a license, or orders a person to limit his or her driving pursuant to subdivision (d) of Section 40508, the court shall

notify the department concerning the impoundment or limitation on an abstract prepared pursuant to subdivision (a) of this section or on a separate abstract, which shall be prepared within 10 days after the impoundment or limitation was ordered and immediately forwarded to the department at its office in Sacramento.

(d) If the court determines that a prior judgment of conviction of a violation of Section 23152 or 23153 is valid or is invalid on constitutional grounds pursuant to Section 41403, the clerk of the court in which the determination is made shall prepare an abstract of that determination and forward it to the department in the same manner as an abstract of record pursuant to subdivision (a).

(e) Within 10 days of an order terminating or revoking probation under Section 23602, the clerk of the court in which the order terminating or revoking probation was entered shall prepare and immediately forward to the department at its office in Sacramento an abstract of the record of the court order terminating or revoking probation and any other order of the court to the department required by law.

(f) This section shall become operative on September 20, 2005.

SEC. 3. Section 13352 of the Vehicle Code is amended to read:

13352. (a) The department shall immediately suspend or revoke, the privilege of a person to operate a motor vehicle upon receipt of an 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. If any offense specified in this section occurs in a vehicle defined in Section 15210, the suspension or revocation specified below shall apply to the noncommercial driving privilege. The commercial driving privilege shall be disqualified as specified in Sections 15300 to 15302, inclusive. For the purposes of this section, suspension or revocation shall be as follows:

(1) Except as required under Section 13352.4, upon a conviction or finding of a violation of Section 23152 punishable under Section 23536, the privilege shall be suspended for a period of six months. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code described in subdivision (b) of Section 23538. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit

may not be given to any program activities completed prior to the date of the current violation.

(2) Upon a conviction or finding of a violation of Section 23153 punishable under Section 23554, the privilege shall be suspended for a period of one year. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23556. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit may not be given to any program activities completed prior to the date of the current violation.

(3) Except as provided in Section 13352.5, upon a conviction or finding of a violation of Section 23152 punishable under Section 23540, the privilege shall be suspended for two years. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) of Section 23542. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit may not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 12 months of the suspension period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily provided, subsequent to the violation date of the current underlying conviction, either of the following:

(i) Proof of enrollment in an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) Proof of enrollment in a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment.

(B) The person agrees, as a condition of the restriction, to continue satisfactory participation in the program described in subparagraph (A).

(C) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(D) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(E) The person provides proof of financial responsibility, as defined in Section 16430.

(F) The person pays all administrative fees or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(4) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23560, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person gives proof of financial responsibility, and the person gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) of Section 23562. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit may not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 18 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in that 30-month program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(F) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(5) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23546, the

privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person files proof of financial responsibility and gives proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) or (c) of Section 23548, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit may not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 18 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23152 punishable under Section 23546 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section

11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(6) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23550.5 or 23566, the privilege shall be revoked for a period of five years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as described in subdivision (b) of Section 23568, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. No credit shall be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 30 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(ii) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if a 30-month program is unavailable in the person's county of residence or employment.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23153 punishable under Section 23566 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(7) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23550 or 23550.5, or Section 23153 punishable under Section 23550.5 the privilege shall be revoked for a period of four years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. No credit shall be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 24 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23152 punishable under Section 23550 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(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 may not be reinstated until the person gives proof of financial responsibility.

(b) For the purpose of paragraphs (2) to (9), inclusive, of subdivision (a), the finding of the juvenile court judge, the juvenile 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 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 that, 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 that, 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) For the purposes of the restriction conditions specified in paragraphs (3) to (7), inclusive, of subdivision (a), the department shall terminate the restriction imposed pursuant to this section and shall suspend or revoke the person's driving privilege upon receipt of notification from the driving-under-the-influence program that the person has failed to comply with the program requirements. The person's driving privilege shall remain suspended or revoked for the remaining period of the original suspension or revocation imposed under this section and until all reinstatement requirements described in this section are met.

(f) For purposes of this section, completion of a program is the following:

(1) Satisfactory completion of all program requirements approved pursuant to program licensure, as evidenced by a certificate of completion issued, under penalty of perjury, by the licensed program.

(2) Certification, under penalty of perjury, by the director of a program specified in Section 8001 of the Penal Code, that the person has completed a program specified in Section 8001 of the Penal Code.

(g) The holder of a commercial driver's license who was operating a commercial motor vehicle, as defined in Section 15210, at the time of a violation that resulted in a suspension or revocation of the person's noncommercial driving privilege under this section is not eligible for the restricted driver's license authorized under paragraphs (3) to (7), inclusive, of subdivision (a).

(h) This section shall become operative on September 20, 2005.

SEC. 3.1. 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 an 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 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. If any offense specified in this section occurs in a vehicle defined in Section 15210, the suspension or revocation specified below shall apply to the noncommercial driving privilege. The commercial driving privilege shall be disqualified as specified in Sections 15300 to 15302, inclusive. For the 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 23536, the privilege shall be suspended for a period of six months. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the

department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code described in subdivision (b) of Section 23538.

Instead of suspending the person's driving privilege, the department shall issue a restricted license upon receipt of an abstract of record from the court certifying that the court has granted probation to the person based on the conditions specified in paragraph (2) of subdivision (a) of, and subdivision (b) of, Section 23538.

(2) Upon a conviction or finding of a violation of Section 23153 punishable under Section 23554, the privilege shall be suspended for a period of one year. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23556.

(3) Except as provided in Section 13352.5, upon a conviction or finding of a violation of Section 23152 punishable under Section 23540, the privilege shall be suspended for two years. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23542. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 12 months of the suspension period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily provided, subsequent to the current underlying conviction, either of the following:

(i) Proof of enrollment in an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) Proof of enrollment in a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment.

(B) The person agrees, as a condition of the restriction, to continue satisfactory participation in the program described in subparagraph (A).

(C) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(D) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(E) The person provides proof of financial responsibility, as defined in Section 16430.

(F) The person pays all administrative fees or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(4) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23560, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person gives proof of financial responsibility, and the person gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23562. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 18 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in that 30-month program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(F) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(5) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23546, the privilege shall be revoked for a period of three years. The privilege shall not be reinstated until the person files proof of financial responsibility and gives proof satisfactory to the department of successful completion

of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 18 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23546 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(6) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23566, the privilege shall be revoked for a period of five years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 30 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(ii) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if a 30-month program is unavailable in the person's county of residence or employment.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23153 punishable under Section 23566 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-infuence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(7) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23550 or 23550.5, or Section 23153 punishable under Section 23550.5 the privilege shall be revoked for a period of four years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 24 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23152 punishable under Section 23550 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month

driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(8) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (e) of that section, the privilege shall be suspended for a period of 90 days to six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(9) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (f) of that section, the privilege shall be suspended for a period of six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(b) For the purpose of paragraphs (2) to (9), inclusive, of subdivision (a), the finding of the juvenile court judge, the juvenile 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 Section 23109, as specified in subdivision (a) of this section, is a conviction.

(c) A judge of a juvenile court, juvenile 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 that, 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 that, 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) For the purposes of the restriction conditions specified in paragraphs (3) to (7), inclusive, of subdivision (a), the department shall terminate the restriction imposed pursuant to this section and shall suspend or revoke the person's driving privilege upon receipt of notification from the program that the person has failed to comply with the program requirements. The person's driving privilege shall remain suspended or revoked for the remaining period of the originating

suspension or revocation and until all reinstatement requirements described in this section are met.

(f) For purposes of this section, completion of a program is the following:

(1) Satisfactory completion of all program requirements approved pursuant to program licensure, as evidenced by a certificate of completion issued, under penalty of perjury, by the licensed program.

(2) Certification, under penalty of perjury, by the director of a program specified in Section 8001 of the Penal Code, that the person has completed a program specified in Section 8001 of the Penal Code.

(g) This section shall become inoperative on September 20, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 3.2. Section 13352 is added to the Vehicle Code, to read:

13352. (a) The department shall immediately suspend or revoke the privilege of a person to operate a motor vehicle upon receipt of an 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. If any offense specified in this section occurs in a vehicle defined in Section 15210, the suspension or revocation specified below shall apply to the noncommercial driving privilege. The commercial driving privilege shall be disqualified as specified in Sections 15300 to 15302, inclusive. For the purposes of this section, suspension or revocation shall be as follows:

(1) Except as required under Section 13352.4, upon a conviction or finding of a violation of Section 23152 punishable under Section 23536, the privilege shall be suspended for a period of six months. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code described in subdivision (b) of Section 23538. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit may not be given to any program activities completed prior to the date of the current violation.

(2) Upon a conviction or finding of a violation of Section 23153 punishable under Section 23554, the privilege shall be suspended for a period of one year. The privilege may not be reinstated until the person

gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23556. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit may not be given to any program activities completed prior to the date of the current violation.

(3) Except as provided in Section 13352.5, upon a conviction or finding of a violation of Section 23152 punishable under Section 23540, the privilege shall be suspended for two years. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) of Section 23542. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit may not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 12 months of the suspension period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily provided, subsequent to the violation date of the current underlying conviction, either of the following:

(i) Proof of enrollment in an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) Proof of enrollment in a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment.

(B) The person agrees, as a condition of the restriction, to continue satisfactory participation in the program described in subparagraph (A).

(C) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(D) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(E) The person provides proof of financial responsibility, as defined in Section 16430.

(F) The person pays all administrative fees or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(4) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23560, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person gives proof of financial responsibility, and the person gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) of Section 23562. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 18 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in that 30-month program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(F) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(5) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23546, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person files proof of financial responsibility and gives proof satisfactory to the department of successful completion of one of the following programs: an 18-month

driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) or (c) of Section 23548, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 18 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23546 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(6) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23550.5 or 23566, the privilege shall be revoked for a period of five years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as described in subdivision (b) of Section 23568, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 30 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(ii) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if a 30-month program is unavailable in the person's county of residence or employment.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23153 punishable under Section 23566 may also, at any time after sentencing, petition the court for referral to an 18-month

driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(7) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23550 or 23550.5, or Section 23153 punishable under Section 23550.5 the privilege shall be revoked for a period of four years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 24 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23152 punishable under Section 23550 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(8) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (e) of that section, the privilege shall be suspended for a period of 90 days to six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(9) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (f) of that section, the privilege shall be suspended for a period of six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(b) For the purpose of paragraphs (2) to (9), inclusive, of subdivision (a), the finding of the juvenile court judge, the juvenile 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 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 that, 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 that, 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) For the purposes of the restriction conditions specified in paragraphs (3) to (7), inclusive, of subdivision (a), the department shall

terminate the restriction imposed pursuant to this section and shall suspend or revoke the person's driving privilege upon receipt of notification from the driving-under-the-influence program that the person has failed to comply with the program requirements. The person's driving privilege shall remain suspended or revoked for the remaining period of the original suspension or revocation imposed under this section and until all reinstatement requirements described in this section are met.

(f) For purposes of this section, completion of a program is the following:

(1) Satisfactory completion of all program requirements approved pursuant to program licensure, as evidenced by a certificate of completion issued, under penalty of perjury, by the licensed program.

(2) Certification, under penalty of perjury, by the director of a program specified in Section 8001 of the Penal Code, that the person has completed a program specified in Section 8001 of the Penal Code.

(g) The holder of a commercial driver's license who was operating a commercial motor vehicle, as defined in Section 15210, at the time of a violation that resulted in a suspension or revocation of the person's noncommercial driving privilege under this section is not eligible for the restricted driver's license authorized under paragraphs (3) to (7), inclusive, of subdivision (a).

(h) This section shall become operative on September 20, 2005.

SEC. 3.3. 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 a person to operate a motor vehicle upon the receipt of an 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 the receipt of a report of a judge of the juvenile court, a juvenile 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. If any offense specified in this section occurs in a vehicle defined in Section 15210, the suspension or revocation specified below shall apply to the noncommercial driving privilege. The commercial driving privilege shall be disqualified as specified in Sections 15300 to 15302, inclusive. For the 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 23536, the privilege shall be suspended for a period of six months. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety

Code described in subdivision (b) of Section 23538. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate and complete either program described in paragraph (4) of subdivision (h) of Section 23542, the department shall require that program in lieu of the program described in subdivision (b) of Section 23538.

Instead of suspending the person's driving privilege, the department shall issue a restricted license upon receipt of an abstract of record from the court certifying that the court has granted probation to the person based on the conditions specified in paragraph (2) of subdivision (a) of, and subdivision (b) of, Section 23538.

(2) Upon a conviction or finding of a violation of Section 23153 punishable under Section 23554, the privilege shall be suspended for a period of one year. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23556. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate, and complete either program described in paragraph (4) of subdivision (h) of Section 23542, the department shall require that program in lieu of the program described in Section 23556.

(3) Except as provided in Section 13352.5, upon a conviction or finding of a violation of Section 23152 punishable under Section 23540, the privilege shall be suspended for two years. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23542. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. No credit shall be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 12 months of the suspension period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily provided, subsequent to the current underlying conviction, either of the following:

(i) Proof of enrollment in an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) Proof of enrollment in a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment.

(B) The person agrees, as a condition of the restriction, to continue satisfactory participation in the program described in subparagraph (A).

(C) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(D) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(E) The person provides proof of financial responsibility, as defined in Section 16430.

(F) The person pays all administrative fees or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(4) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23560, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person gives proof of financial responsibility, and the person gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23562. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 18 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in that 30-month program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(F) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(5) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23546, the privilege shall be revoked for a period of three years. The privilege shall not be reinstated until the person files proof of financial responsibility and gives proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 18 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23546 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section

11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(6) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23566, the privilege shall be revoked for a period of five years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 30 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(ii) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if a 30-month program is unavailable in the person's county of residence or employment.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23153 punishable under Section 23566 may also, at any time after sentencing,

petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(7) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23550 or 23550.5, or Section 23153 punishable under Section 23550.5 the privilege shall be revoked for a period of four years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 24 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23550 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(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 may not be reinstated until the person gives proof of financial responsibility.

(b) For the purpose of paragraphs (2) to (9), inclusive, of subdivision (a), the finding of the juvenile court judge, the juvenile 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 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 that, 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 that, 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) For the purposes of the restriction conditions specified in paragraphs (3) to (7), inclusive, of subdivision (a), the department shall terminate the restriction imposed pursuant to this section and shall suspend or revoke the person's driving privilege upon receipt of notification from the program that the person has failed to comply with the program requirements. The person's driving privilege shall remain

suspended or revoked for the remaining period of the originating suspension or revocation and until all reinstatement requirements described in this section are met.

(f) For purposes of this section, completion of a program is the following:

(1) Satisfactory completion of all program requirements approved pursuant to program licensure, as evidenced by a certificate of completion issued, under penalty of perjury, by the licensed program.

(2) Certification, under penalty of perjury, by the director of a program specified in Section 8001 of the Penal Code, that the person has completed a program specified in Section 8001 of the Penal Code.

(g) This section shall become inoperative on September 20, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 3.4. Section 13352 is added to the Vehicle Code, to read:

13352. (a) The department shall immediately suspend or revoke, the privilege of a person to operate a motor vehicle upon the receipt of an 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 the 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. If any offense specified in this section occurs in a vehicle defined in Section 15210, the suspension or revocation specified below shall apply to the noncommercial driving privilege. The commercial driving privilege shall be disqualified as specified in Sections 15300 to 15302, inclusive. For the purposes of this section, suspension or revocation shall be as follows:

(1) Except as required under Section 13352.4, upon a conviction or finding of a violation of Section 23152 punishable under Section 23536, the privilege shall be suspended for a period of six months. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code described in subdivision (b) of Section 23538. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646 elects to order a person to enroll, participate, and complete either program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in subdivision (b) of Section 23538. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be

subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation.

(2) Upon a conviction or finding of a violation of Section 23153 punishable under Section 23554, the privilege shall be suspended for a period of one year. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23556. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate, and complete either program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in Section 23556. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation.

(3) Except as provided in Section 13352.5, upon a conviction or finding of a violation of Section 23152 punishable under Section 23540, the privilege shall be suspended for two years. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) of Section 23542. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 12 months of the suspension period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily provided, subsequent to the violation date of the current underlying conviction, either of the following:

(i) Proof of enrollment in an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) Proof of enrollment in a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment.

(B) The person agrees, as a condition of the restriction, to continue satisfactory participation in the program described in subparagraph (A).

(C) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(D) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(E) The person provides proof of financial responsibility, as defined in Section 16430.

(F) The person pays all administrative fees or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(4) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23560, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person gives proof of financial responsibility, and the person gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) of Section 23562. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit may not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 18 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in that 30-month program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(F) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(5) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23546, the privilege shall be revoked for a period of three years. The privilege shall not be reinstated until the person files proof of financial responsibility and gives proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) or (c) of Section 23548 or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 18 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23546 may also, at any time after sentencing,

petition the court for referral to an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) or (c) of Section 23548, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(6) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23550.5 or 23566, the privilege shall be revoked for a period of five years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as described in subdivision (b) of Section 23568 or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 30 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(ii) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if a 30-month program is unavailable in the person's county of residence or employment.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23153 punishable under Section 23566 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(7) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23550 or 23550.5, or Section 23153 punishable under Section 23550.5 the privilege shall be revoked for a period of four years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 24 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety

Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23550 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(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 may not be reinstated until the person gives proof of financial responsibility.

(b) For the purpose of paragraphs (2) to (9), inclusive, of subdivision (a), the finding of the juvenile court judge, the juvenile 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 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 that, 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 that, 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) For the purposes of the restriction conditions specified in paragraphs (3) to (7), inclusive, of subdivision (a), the department shall terminate the restriction imposed pursuant to this section and shall suspend or revoke the person's driving privilege upon receipt of notification from the driving-under-the-influence program that the person has failed to comply with the program requirements. The person's driving privilege shall remain suspended or revoked for the remaining period of the original suspension or revocation imposed under this section and until all reinstatement requirements described in this section are met.

(f) For the purposes of this section, completion of a program is the following:

(1) Satisfactory completion of all program requirements approved pursuant to program licensure, as evidenced by a certificate of completion issued, under penalty of perjury, by the licensed program.

(2) Certification, under penalty of perjury, by the director of a program specified in Section 8001 of the Penal Code, that the person has completed a program specified in Section 8001 of the Penal Code.

(g) The holder of a commercial driver's license who was operating a commercial motor vehicle, as defined in Section 15210, at the time of a violation that resulted in a suspension or revocation of the person's noncommercial driving privilege under this section is not eligible for the restricted driver's license authorized under paragraphs (3) to (7), inclusive, of subdivision (a).

(h) This section shall become operative on September 20, 2005.

SEC. 3.5. 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 a person to operate a motor vehicle upon the receipt of an 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 the receipt of a report of a judge of the juvenile court, a juvenile 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. If any offense specified in this section occurs in a vehicle defined in Section 15210, the suspension or revocation specified below shall apply to the noncommercial driving privilege. The commercial driving privilege shall be disqualified as specified in Sections 15300 to 15302, inclusive. For the 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 23536, the privilege shall be suspended for a period of six months. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code described in subdivision (b) of Section 23538. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate and complete either program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in subdivision (b) of Section 23538.

Instead of suspending the person's driving privilege, the department shall issue a restricted license upon receipt of an abstract of record from the court certifying that the court has granted probation to the person based on the conditions specified in paragraph (2) of subdivision (a) of, and subdivision (b) of, Section 23538.

(2) Upon a conviction or finding of a violation of Section 23153 punishable under Section 23554, the privilege shall be suspended for a period of one year. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) Section 23556. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate, and complete either program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in Section 23556.

(3) Except as provided in Section 13352.5, upon a conviction or finding of a violation of Section 23152 punishable under Section 23540, the privilege shall be suspended for two years. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23542. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 12 months of the suspension period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily provided, subsequent to the current underlying conviction, either of the following:

(i) Proof of enrollment in an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) Proof of enrollment in a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment.

(B) The person agrees, as a condition of the restriction, to continue satisfactory participation in the program described in subparagraph (A).

(C) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(D) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(E) The person provides proof of financial responsibility, as defined in Section 16430.

(F) The person pays all administrative fees or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(4) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23560, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person gives proof of financial responsibility, and the person gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23562. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 18 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in that 30-month program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(F) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(5) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23546, the privilege shall be revoked for a period of three years. The privilege shall not be reinstated until the person files proof of financial responsibility and gives proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 18 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23546 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(6) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23566, the privilege shall be revoked for a period of five years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 30 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(ii) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if a 30-month

program is unavailable in the person's county of residence or employment.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23153 punishable under Section 23566 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(7) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23550 or 23550.5, or Section 23153 punishable under Section 23550.5 the privilege shall be revoked for a period of four years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 24 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23550 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(8) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (e) of that section, the privilege shall be suspended for a period of 90 days to six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(9) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (f) of that section, the privilege shall be suspended for a period of six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(b) For the purpose of paragraphs (2) to (9), inclusive, of subdivision (a), the finding of the juvenile court judge, the juvenile 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) A judge of a juvenile court, juvenile 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 that, 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 that, 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) For the purposes of the restriction conditions specified in paragraphs (3) to (7), inclusive, of subdivision (a), the department shall terminate the restriction imposed pursuant to this section and shall suspend or revoke the person's driving privilege upon receipt of notification from the program that the person has failed to comply with the program requirements. The person's driving privilege shall remain suspended or revoked for the remaining period of the originating suspension or revocation and until all reinstatement requirements described in this section are met.

(f) For the purposes of this section, completion of a program is the following:

(1) Satisfactory completion of all program requirements approved pursuant to program licensure, as evidenced by a certificate of completion issued, under penalty of perjury, by the licensed program.

(2) Certification, under penalty of perjury, by the director of a program specified in Section 8001 of the Penal Code, that the person has completed a program specified in Section 8001 of the Penal Code.

(g) This section shall become inoperative on September 20, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 3.6. Section 13352 is added to the Vehicle Code, to read:

13352. (a) The department shall immediately suspend or revoke the privilege of a person to operate a motor vehicle upon the receipt of an 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 the 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. If any offense specified in this section occurs in a vehicle defined in Section 15210, the suspension or revocation specified below shall apply to the noncommercial driving privilege. The commercial driving privilege shall be disqualified as specified in Sections 15300 to 15302, inclusive.

For the purposes of this section, suspension or revocation shall be as follows:

(1) Except as required under Section 13352.4, upon a conviction or finding of a violation of Section 23152 punishable under Section 23536, the privilege shall be suspended for a period of six months. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code described in subdivision (b) of Section 23538. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate and complete either program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in subdivision (b) of Section 23538. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit may not be given to any program activities completed prior to the date of the current violation.

(2) Upon a conviction or finding of a violation of Section 23153 punishable under Section 23554, the privilege shall be suspended for a period of one year. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) Section 23556. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate, and complete either program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in Section 23556. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit may not be given to any program activities completed prior to the date of the current violation.

(3) Except as provided in Section 13352.5, upon a conviction or finding of a violation of Section 23152 punishable under Section 23540, the privilege shall be suspended for two years. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) of Section 23542. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be

subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 12 months of the suspension period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily provided, subsequent to the violation date of the current underlying conviction, either of the following:

(i) Proof of enrollment in an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) Proof of enrollment in a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment.

(B) The person agrees, as a condition of the restriction, to continue satisfactory participation in the program described in subparagraph (A).

(C) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(D) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(E) The person provides proof of financial responsibility, as defined in Section 16430.

(F) The person pays all administrative fees or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(4) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23560, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person gives proof of financial responsibility, and the person gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as described in subdivision (b) of Section 23562. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 18 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in that 30-month program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(F) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(5) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23546, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person files proof of financial responsibility and gives proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as described in subdivision (b) or (c) of Section 23548, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 18 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23546 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(6) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23550.5 or 23566, the privilege shall be revoked for a period of five years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as described in subdivision (b) of Section 23568 or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 30 months of the revocation period, which may

include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(ii) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if a 30-month program is unavailable in the person's county of residence or employment.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23153 punishable under Section 23566 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(7) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23550 or 23550.5, or Section 23153 punishable under Section 23550.5 the privilege shall be revoked for a period of four years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed

pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 24 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23550 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(8) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (e) of that section, the privilege shall be suspended for a period of 90 days to six months, if ordered by the court. The privilege may not be reinstated until the

person gives proof of financial responsibility, as defined in Section 16430.

(9) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (f) of that section, the privilege shall be suspended for a period of six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(b) For the purpose of paragraphs (2) to (9), inclusive, of subdivision (a), the finding of the juvenile court judge, the juvenile 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) A judge of a juvenile court, juvenile 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 that, 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 that, 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) For the purposes of the restriction conditions specified in paragraphs (3) to (7), inclusive, of subdivision (a), the department shall terminate the restriction imposed pursuant to this section and shall suspend or revoke the person's driving privilege upon receipt of notification from the driving-under-the-influence program that the person has failed to comply with the program requirements. The person's driving privilege shall remain suspended or revoked for the remaining period of the original suspension or revocation imposed under this section and until all reinstatement requirements described in this section are met.

(f) For the purposes of this section, completion of a program is the following:

(1) Satisfactory completion of all program requirements approved pursuant to program licensure, as evidenced by a certificate of completion issued, under penalty of perjury, by the licensed program.

(2) Certification, under penalty of perjury, by the director of a program specified in Section 8001 of the Penal Code, that the person has completed a program specified in Section 8001 of the Penal Code.

(g) The holder of a commercial driver's license who was operating a commercial motor vehicle, as defined in Section 15210, at the time of

a violation that resulted in a suspension or revocation of the person's noncommercial driving privilege under this section is not eligible for the restricted driver's license authorized under paragraphs (3) to (7), inclusive, of subdivision (a).

(h) This section shall become operative on September 20, 2005.

SEC. 4. Section 13352.4 of the Vehicle Code is amended to read:

13352.4. (a) The department shall require a person upon whom the court has imposed the condition of probation required by subdivision (b) of Section 23538 to submit proof of the satisfactory completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code or of a program defined in Section 8001 of the Penal Code, within a time period set by the department, beginning from the date of a conviction or a finding by a court of a violation of Section 23152.

(b) The department shall suspend the privilege to drive of any person who is not in compliance with subdivision (a).

(c) The department may suspend the privilege to drive of any person for failure to file proof of financial responsibility when the person has been ordered by the court to do so. The suspension shall remain in effect until adequate proof of financial responsibility is filed with the department by the person.

(d) The department shall not restore the privilege to operate a motor vehicle after a suspension pursuant to subdivision (b) until the department receives proof of the completion of a program pursuant to subdivision (a) that the department finds satisfactory.

(e) This section shall become inoperative on September 20, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 5. Section 13352.4 is added to the Vehicle Code, to read:

13352.4. (a) Except as provided in subdivision (h), the department shall issue a restricted driver's license to a person whose driver's license was suspended under paragraph (1) of subdivision (a) of Section 13352, if the person meets all of the following requirements:

(1) Submits proof satisfactory to the department of enrollment in, or completion of, a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as described in subdivision (b) of Section 23538.

(2) Submits proof of financial responsibility, as defined in Section 16430.

(3) Pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(b) The restriction of the driving privilege shall become effective when the department receives all of the documents and fees required

under subdivision (a) and shall remain in effect until the final day of the original suspension imposed under paragraph (1) of subdivision (a) of Section 13352, or until the date all reinstatement requirements described in Section 13352 have been met, whichever date is later, and may include credit for any suspension period served under subdivision (c) of Section 13353.3.

(c) The restriction of the driving privilege shall be limited to the hours necessary for driving to and from the person's place of employment, driving during the course of employment, and driving to and from activities required in the driving-under-the-influence program.

(d) Whenever the driving privilege is restricted under this section, proof of financial responsibility, as defined in Section 16430, shall be maintained for three years. If the person does not maintain that proof of financial responsibility at any time during the restriction, the driving privilege shall be suspended until the proof required under Section 16484 is received by the department.

(e) For the purposes of this section, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit may not be given to a program activity completed prior to the date of the current violation.

(f) The department shall terminate the restriction issued under this section and shall suspend the privilege to operate a motor vehicle pursuant to paragraph (1) of subdivision (a) of Section 13352 immediately upon receipt of notification from the driving-under-the-influence program that the person has failed to comply with the program requirements. The privilege shall remain suspended until the final day of the original suspension imposed under paragraph (1) of subdivision (a) of Section 13352, or until the date all reinstatement requirements described in Section 13352 have been met, whichever date is later.

(g) The holder of a commercial driver's license who was operating a commercial motor vehicle, as defined in Section 15210, at the time of a violation that resulted in a suspension or revocation of the person's noncommercial driving privilege under paragraph (1) of subdivision (a) of Section 13352 is not eligible for the restricted driver's license authorized under this section.

(h) If, upon conviction, the court has made the determination, as authorized under subdivision (d) of Section 23536 or paragraph (3) of subdivision (a) of Section 23538, to disallow the issuance of a restricted driver's license, the department may not issue a restricted driver's license under this section.

(i) This section shall become operative on September 20, 2005.

SEC. 6. Section 13352.5 of the Vehicle Code is amended to read:

13352.5. (a) The department shall issue a restricted driver's license to a person whose driver's license was suspended under paragraph (3) of subdivision (a) of Section 13352, if the person meets all of the following requirements:

(1) Submits proof satisfactory to the department of enrollment in, or completion of, a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as described in subdivision (b) of Section 23542.

(2) Submits proof of financial responsibility, as described in Section 16430.

(3) Completes not less than 12 months of the suspension period imposed under paragraph (3) of subdivision (a) of Section 13352. The 12 months may include credit for any suspension period served under subdivision (c) of Section 13353.3.

(4) Pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(b) The restriction of the driving privilege shall become effective when the department receives all of the documents and fees required under subdivision (a) and shall remain in effect until the final day of the original suspension imposed under paragraph (3) of subdivision (a) of Section 13352, or until the date all reinstatement requirements described in Section 13352 have been met, whichever date is later.

(c) The restriction of the driving privilege shall be limited to the hours necessary for driving to and from the person's place of employment, driving during the course of employment, and driving to and from activities required in the driving-under-the-influence program.

(d) Whenever the driving privilege is restricted under this section, proof of financial responsibility, as defined in Section 16430, shall be maintained for three years. If the person does not maintain that proof of financial responsibility at any time during the restriction, the driving privilege shall be suspended until the proof required under Section 16484 is received by the department.

(e) For the purposes of this section, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. No credit may be given to any program activities completed prior to the date of the current violation.

(f) The department shall terminate the restriction imposed pursuant to this section and shall suspend the privilege to drive under paragraph (3) of subdivision (a) of Section 13352 upon receipt of notification from the driving-under-the-influence program that the person has failed to comply with the program requirements.

(g) If, upon conviction, the court has made the determination, as authorized under subdivision (b) of Section 23540 or subdivision (d) of Section 23542, to disallow the issuance of a restricted driver's license,

the department may not issue a restricted driver's license under this section.

(h) Any person restricted pursuant to this section may apply to the department for a restricted driver's license, subject to the conditions specified in paragraph (3) of subdivision (a) of Section 13352. Whenever proof of financial responsibility has already been provided and a restriction fee has been paid in compliance with restrictions described in this section, and the offender subsequently receives an ignition interlock device restriction described in paragraph (3) of subdivision (a) of Section 13352, the proof of financial responsibility period shall not be extended beyond the previously established term and no additional restriction fee shall be required.

(i) This section applies to a person who meets all of the following conditions:

(1) Has been convicted of a violation of Section 23152 that occurred on or before July 1, 1999, and is punishable under Section 23540, or former Section 23165.

(2) Was granted probation for the conviction subject to conditions imposed under subdivision (b) of Section 23542, or under subdivision (b) of former Section 23166.

(3) Is no longer subject to the probation described in paragraph (2).

(4) Has not completed the licensed driving-under-the-influence program under paragraph (3) of subdivision (a) of Section 13352 for reinstatement of the driving privilege.

(5) Has no violations in his or her driving record that would preclude issuance of a restricted driver's license.

(j) This section shall become operative on September 20, 2005.

SEC. 6.3. Section 13352.5 of the Vehicle Code is amended to read:

13352.5. (a) The department shall issue a restricted driver's license to a person granted probation under the conditions described in subdivision (b) of Section 23542, or to a person described in subdivision (h), instead of suspending that person's license, if all of the following requirements have been met:

(1) Proof satisfactory to the department of enrollment in, or completion of, a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as described in paragraph (4) of subdivision (b) of Section 23542 has been received in the department's headquarters.

(2) The person submits proof of financial responsibility, as described in Section 16430.

(3) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(b) The restriction of the driving privilege shall become effective when the department receives all of the documents and fees required

under subdivision (a) and shall remain in effect for the duration of the treatment program described in paragraph (4) of subdivision (b) of Section 23542.

(c) The restriction of the driving privilege shall be limited to the hours necessary for driving to and from the place of employment, driving during the course of employment, and driving to and from activities required in the treatment program.

(d) Whenever the driving privilege is restricted under this section, proof of financial responsibility, as defined in Section 16430, shall be maintained for three years. If the person does not maintain that proof of financial responsibility at any time during the restriction, the driving privilege shall be suspended until proof pursuant to Section 16484 is received by the department.

(e) The restriction imposed under this section may be removed when evidence satisfactory to the department that the person has completed a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code has been received in the department's headquarters. For the purposes of this section, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. No credit may be given to any program activities completed prior to the date of the current violation.

(f) The department shall immediately terminate the restriction imposed pursuant to this section and shall suspend the privilege to drive under paragraph (3) of subdivision (a) of Section 13352 upon receipt of notification from the treatment program that the person has failed to comply with the program requirements.

(g) Any person restricted pursuant to this section may apply to the department for a restricted driver's license, subject to the conditions specified in paragraph (3) of subdivision (a) of Section 13352. Whenever proof of financial responsibility has already been provided and a restriction fee has been paid in compliance with restrictions described in this section, and the offender subsequently receives an ignition interlock device restriction described in paragraph (3) of subdivision (a) of Section 13352, the proof of financial responsibility period shall not be extended beyond the previously established term and no additional restriction fee shall be required.

(h) This section applies to a person who meets all of the following conditions:

(1) Has been convicted of a violation of Section 23152 that occurred on or before July 1, 1999, and is punishable under Section 23540, or former Section 23165.

(2) Was granted probation for the conviction subject to conditions imposed under subdivision (b) of Section 23542, or under subdivision (b) of former Section 23166.

(3) Is no longer subject to the probation described in paragraph (2).

(4) Has not completed the licensed driving-under-the-influence program under paragraph (3) of subdivision (a) of Section 13352 for reinstatement of the driving privilege.

(5) Has no violations in his or her driving record that would preclude issuance of a restricted driver's license.

(i) This section shall become inoperative on September 20, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 6.5. Section 13352.5 is added to the Vehicle Code, to read:

13352.5. (a) The department shall issue a restricted driver's license to a person whose driver's license was suspended under paragraph (3) of subdivision (a) of Section 13352, if all of the following requirements have been met:

(1) Proof satisfactory to the department of enrollment in, or completion of, a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as described in subdivision (b) of Section 23542 has been received in the department's headquarters.

(2) The person submits proof of financial responsibility, as described in Section 16430.

(3) The person completes not less than 12 months of the suspension period imposed under paragraph (3) of subdivision (a) of Section 13352. The 12 months may include credit for any suspension period served under subdivision (c) of Section 13353.3.

(4) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(b) The restriction of the driving privilege shall become effective when the department receives all of the documents and fees required under subdivision (a) and shall remain in effect until the final day of the original suspension imposed under paragraph (3) of subdivision (a) of Section 13352, or until the date all reinstatement requirements described in Section 13352 have been met, whichever date is later.

(c) The restriction of the driving privilege shall be limited to the hours necessary for driving to and from the person's place of employment, driving during the course of employment, and driving to and from activities required in the driving-under-the-influence program.

(d) Whenever the driving privilege is restricted under this section, proof of financial responsibility, as defined in Section 16430, shall be maintained for three years. If the person does not maintain that proof of

financial responsibility at any time during the restriction, the driving privilege shall be suspended until the proof required under Section 16484 is received by the department.

(e) For the purposes of this section, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. No credit may be given to any program activities completed prior to the date of the current violation.

(f) The department shall terminate the restriction imposed pursuant to this section and shall suspend the privilege to drive under paragraph (3) of subdivision (a) of Section 13352 upon receipt of notification from the driving-under-the-influence program that the person has failed to comply with the program requirements.

(g) If, upon conviction, the court has made the determination, as authorized under subdivision (b) of Section 23540 or subdivision (d) of Section 23542, to disallow the issuance of a restricted driver's license, the department may not issue a restricted driver's license under this section.

(h) Any person restricted pursuant to this section may apply to the department for a restricted driver's license, subject to the conditions specified in paragraph (3) of subdivision (a) of Section 13352. Whenever proof of financial responsibility has already been provided and a restriction fee has been paid in compliance with restrictions described in this section, and the offender subsequently receives an ignition interlock device restriction described in paragraph (3) of subdivision (a) of Section 13352, the proof of financial responsibility period shall not be extended beyond the previously established term and no additional restriction fee shall be required.

(i) This section applies to a person who meets all of the following conditions:

(1) Has been convicted of a violation of Section 23152 that occurred on or before July 1, 1999, and is punishable under Section 23540, or former Section 23165.

(2) Was granted probation for the conviction subject to conditions imposed under subdivision (b) of Section 23542, or under subdivision (b) of former Section 23166.

(3) Is no longer subject to the probation described in paragraph (2).

(4) Has not completed the licensed driving-under-the-influence program under paragraph (3) of subdivision (a) of Section 13352 for reinstatement of the driving privilege.

(5) Has no violations in his or her driving record that would preclude issuance of a restricted driver's license.

(j) This section shall become operative on September 20, 2005.

SEC. 7. Section 13353 of the Vehicle Code is amended to read:

13353. (a) If a person refuses the officer's request to submit to, or fails to complete, a chemical test or tests pursuant to Section 23612, upon receipt of the officer's sworn statement that the officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23140, 23152, or 23153, and that the person had refused to submit to, or did not complete, the test or tests after being requested by the officer, the department shall do one of the following:

(1) Suspend the person's privilege to operate a motor vehicle for a period of one year.

(2) Revoke the person's privilege to operate a motor vehicle for a period of two years if the refusal occurred within seven years of either (A) a separate violation of Section 23103 as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, that resulted in a conviction, or (B) a suspension or revocation of the person's privilege to operate a motor vehicle pursuant to this section or Section 13353.2 for an offense that occurred on a separate occasion.

(3) Revoke the person's privilege to operate a motor vehicle for a period of three years if the refusal occurred within seven years of any of the following:

(A) Two or more separate violations of Section 23103 as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, or any combination thereof, which resulted in convictions.

(B) Two or more suspensions or revocations of the person's privilege to operate a motor vehicle pursuant to this section or Section 13353.2 for offenses that occurred on separate occasions.

(C) Any combination of two or more of those convictions or administrative suspensions or revocations.

The officer's sworn statement shall be submitted pursuant to Section 13380 on a form furnished or approved by the department. The suspension or revocation shall not become effective until 30 days after the giving of written notice thereof, or until the end of any stay of the suspension or revocation, as provided for in Section 13558.

(D) For purposes of this section, a conviction of any offense in any state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or the Dominion of Canada that, if committed in this state, would be a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, is a conviction of that particular section of the Vehicle Code or Penal Code.

(b) The notice of the order of suspension or revocation under this section shall be served on the person by a peace officer pursuant to

Section 23612. The notice of the order of suspension or revocation shall be on a form provided by the department. If the notice of the order of suspension or revocation has not been served by the peace officer pursuant to Section 23612, the department immediately shall notify the person in writing of the action taken. The peace officer who serves the notice, or the department, if applicable, also shall provide, if the officer or department, as the case may be, determines that it is necessary to do so, the person with the appropriate non-English notice developed pursuant to subdivision (d) of Section 14100.

(c) Upon receipt of the officer's sworn statement, the department shall review the record. For purposes of this section, the scope of the administrative review shall cover all of the following issues:

(1) Whether the peace officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23140, 23152, or 23153.

(2) Whether the person was placed under arrest.

(3) Whether the person refused to submit to, or did not complete, the test or tests after being requested by a peace officer.

(4) Whether, except for the persons described in subdivision (a) of Section 23612 who are incapable of refusing, the person had been told that his or her driving privilege would be suspended or revoked if he or she refused to submit to, or did not complete, the test or tests.

(d) The person may request an administrative hearing pursuant to Section 13558. Except as provided in subdivision (e) of Section 13558, the request for an administrative hearing does not stay the order of suspension or revocation.

(e) The suspension or revocation imposed under this section shall run concurrently with any restriction, suspension, or revocation imposed under Section 13352, 13352.4, or 13352.5 that resulted from the same arrest.

(f) This section shall become operative on September 20, 2005.

SEC. 7.1. Section 13353 of the Vehicle Code is amended to read:

13353. (a) If a person refuses the officer's request to submit to, or fails to complete, a chemical test or tests pursuant to Section 23612, upon the receipt of the officer's sworn statement that the officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23140, 23152, or 23153, and that the person had refused to submit to, or did not complete, the test or tests after being requested by the officer, the department shall do one of the following:

(1) Suspend the person's privilege to operate a motor vehicle for a period of one year.

(2) Revoke the person's privilege to operate a motor vehicle for a period of two years if the refusal occurred within 10 years of either (A) a separate violation of Section 23103 as specified in Section 23103.5, or

of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, that resulted in a conviction, or (B) a suspension or revocation of the person's privilege to operate a motor vehicle pursuant to this section or Section 13353.2 for an offense that occurred on a separate occasion.

(3) Revoke the person's privilege to operate a motor vehicle for a period of three years if the refusal occurred within 10 years of any of the following:

(A) Two or more separate violations of Section 23103 as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, or any combination thereof, that resulted in convictions.

(B) Two or more suspensions or revocations of the person's privilege to operate a motor vehicle pursuant to this section or Section 13353.2 for offenses which occurred on separate occasions.

(C) Any combination of two or more of those convictions or administrative suspensions or revocations.

The officer's sworn statement shall be submitted pursuant to Section 13380 on a form furnished or approved by the department. The suspension or revocation shall not become effective until 30 days after the giving of written notice thereof, or until the end of any stay of the suspension or revocation, as provided for in Section 13558.

(D) For the purposes of this section, a conviction of any offense in any state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or Canada that, if committed in this state, would be a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, is a conviction of that particular section of the Vehicle or Penal Code.

(b) The notice of the order of suspension or revocation under this section shall be served on the person by a peace officer pursuant to Section 23612. The notice of the order of suspension or revocation shall be on a form provided by the department. If the notice of the order of suspension or revocation has not been served by the peace officer pursuant to Section 23612, the department immediately shall notify the person in writing of the action taken. The peace officer who serves the notice, or the department, if applicable, also shall provide, if the officer or department, as the case may be, determines that it is necessary to do so, the person with the appropriate non-English notice developed pursuant to subdivision (d) of Section 14100.

(c) Upon the receipt of the officer's sworn statement, the department shall review the record. For the purposes of this section, the scope of the administrative review shall cover all of the following issues:

(1) Whether the peace officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23140, 23152, or 23153.

(2) Whether the person was placed under arrest.

(3) Whether the person refused to submit to, or did not complete, the test or tests after being requested by a peace officer.

(4) Whether, except for a person described in subdivision (a) of Section 23612 who is incapable of refusing, the person had been told that his or her driving privilege would be suspended or revoked if he or she refused to submit to, or did not complete, the test or tests.

(d) The person may request an administrative hearing pursuant to Section 13558. Except as provided in subdivision (e) of Section 13558, the request for an administrative hearing does not stay the order of suspension or revocation.

(e) This section shall become inoperative on September 20, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2006, deletes the dates on which it becomes inoperative and is repealed.

SEC. 7.2. Section 13353 is added to the Vehicle Code, to read:

13353. (a) If a person refuses the officer's request to submit to, or fails to complete, a chemical test or tests pursuant to Section 23612, upon the receipt of the officer's sworn statement that the officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23140, 23152, or 23153, and that the person had refused to submit to, or did not complete, the test or tests after being requested by the officer, the department shall do one of the following:

(1) Suspend the person's privilege to operate a motor vehicle for a period of one year.

(2) Revoke the person's privilege to operate a motor vehicle for a period of two years if the refusal occurred within 10 years of either (A) a separate violation of Section 23103 as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, that resulted in a conviction, or (B) a suspension or revocation of the person's privilege to operate a motor vehicle pursuant to this section or Section 13353.2 for an offense that occurred on a separate occasion.

(3) Revoke the person's privilege to operate a motor vehicle for a period of three years if the refusal occurred within 10 years of any of the following:

(A) Two or more separate violations of Section 23103 as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, or any combination thereof, that resulted in convictions.

(B) Two or more suspensions or revocations of the person's privilege to operate a motor vehicle pursuant to this section or Section 13353.2 for offenses that occurred on separate occasions.

(C) Any combination of two or more of those convictions or administrative suspensions or revocations.

The officer's sworn statement shall be submitted pursuant to Section 13380 on a form furnished or approved by the department. The suspension or revocation shall not become effective until 30 days after the giving of written notice thereof, or until the end of any stay of the suspension or revocation, as provided for in Section 13558.

(D) For the purposes of this section, a conviction of any offense in any state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or the Dominion of Canada that, if committed in this state, would be a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, is a conviction of that particular section of the Vehicle or Penal Code.

(b) The notice of the order of suspension or revocation under this section shall be served on the person by a peace officer pursuant to Section 23612. The notice of the order of suspension or revocation shall be on a form provided by the department. If the notice of the order of suspension or revocation has not been served by the peace officer pursuant to Section 23612, the department immediately shall notify the person in writing of the action taken. The peace officer who serves the notice, or the department, if applicable, also shall provide, if the officer or department, as the case may be, determines that it is necessary to do so, the person with the appropriate non-English notice developed pursuant to subdivision (d) of Section 14100.

(c) Upon the receipt of the officer's sworn statement, the department shall review the record. For the purposes of this section, the scope of the administrative review shall cover all of the following issues:

(1) Whether the peace officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23140, 23152, or 23153.

(2) Whether the person was placed under arrest.

(3) Whether the person refused to submit to, or did not complete, the test or tests after being requested by a peace officer.

(4) Whether, except for a person described in subdivision (a) of Section 23612 who is incapable of refusing, the person had been told that his or her driving privilege would be suspended or revoked if he or she refused to submit to, or did not complete, the test or tests.

(d) The person may request an administrative hearing pursuant to Section 13558. Except as provided in subdivision (e) of Section 13558,

the request for an administrative hearing does not stay the order of suspension or revocation.

(e) The suspension or revocation imposed under this section shall run concurrently with any restriction, suspension, or revocation imposed under Section 13352, 13352.4, or 13352.5 that resulted from the same arrest.

(f) This section shall become operative on September 20, 2005.

SEC. 7.4. Section 13353 is added to the Vehicle Code, to read:

13353. (a) If a person refuses the officer's request to submit to, or fails to complete, a chemical test or tests pursuant to Section 23612, upon receipt of the officer's sworn statement that the officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23140, 23152, or 23153, and that the person had refused to submit to, or did not complete, the test or tests after being requested by the officer, the department shall do one of the following:

(1) Suspend the person's privilege to operate a motor vehicle for a period of one year.

(2) Revoke the person's privilege to operate a motor vehicle for a period of two years if the refusal occurred within seven years of either (A) a separate violation of Section 23103 as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, that resulted in a conviction, or (B) a suspension or revocation of the person's privilege to operate a motor vehicle pursuant to this section or Section 13353.2 for an offense that occurred on a separate occasion.

(3) Revoke the person's privilege to operate a motor vehicle for a period of three years if the refusal occurred within seven years of any of the following:

(A) Two or more separate violations of Section 23103 as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, or any combination thereof, that resulted in convictions.

(B) Two or more suspensions or revocations of the person's privilege to operate a motor vehicle pursuant to this section or Section 13353.2 for offenses that occurred on separate occasions.

(C) Any combination of two or more of those convictions or administrative suspensions or revocations.

The officer's sworn statement shall be submitted pursuant to Section 13380 on a form furnished or approved by the department. The suspension or revocation shall not become effective until 30 days after the giving of written notice thereof, or until the end of any stay of the suspension or revocation, as provided for in Section 13558.

(D) For the purposes of this section, a conviction of any offense in any state, territory, or possession of the United States, the District of

Columbia, the Commonwealth of Puerto Rico, or the Dominion of Canada that, if committed in this state, would be a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, is a conviction of that particular section of the Vehicle Code or Penal Code.

(b) If a person on more than one occasion in separate incidents, refuses the officer's request to submit to, or fails to complete, a chemical test or tests pursuant to Section 23612 while driving a motor vehicle, upon the receipt of the officer's sworn statement that the officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 21340, 23152, or 25153, the department shall disqualify the person from operating a commercial vehicle for the rest of his or her lifetime.

(c) The notice of the order of suspension or revocation under this section shall be served on the person by a peace officer pursuant to Section 23612. The notice of the order of suspension or revocation shall be on a form provided by the department. If the notice of the order of suspension or revocation has not been served by the peace officer pursuant to Section 23612, the department immediately shall notify the person in writing of the action taken. The peace officer who serves the notice, or the department, if applicable, also shall provide, if the officer or department, as the case may be, determines that it is necessary to do so, the person with the appropriate non-English notice developed pursuant to subdivision (d) of Section 14100.

(d) Upon receipt of the officer's sworn statement, the department shall review the record. For purposes of this section, the scope of the administrative review shall cover all of the following issues:

(1) Whether the peace officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23140, 23152, or 23153.

(2) Whether the person was placed under arrest.

(3) Whether the person refused to submit to, or did not complete, the test or tests after being requested by a peace officer.

(4) Whether, except for the persons described in subdivision (a) of Section 23612 who are incapable of refusing, the person had been told that his or her driving privilege would be suspended or revoked if he or she refused to submit to, or did not complete, the test or tests.

(e) The person may request an administrative hearing pursuant to Section 13558. Except as provided in subdivision (e) of Section 13558, the request for an administrative hearing does not stay the order of suspension or revocation.

(f) The suspension or revocation imposed under this section shall run concurrently with any restriction, suspension, or revocation imposed

under Section 13352, 13352.4, or 13352.5 that resulted from the same arrest.

(g) This section shall become operative on September 20, 2005.

SEC. 7.5. Section 13353 is added to the Vehicle Code, to read:

13353. (a) If a person refuses the officer's request to submit to, or fails to complete, a chemical test or tests pursuant to Section 23612, upon receipt of the officer's sworn statement that the officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23140, 23152, or 23153, and that the person had refused to submit to, or did not complete, the test or tests after being requested by the officer, the department shall do one of the following:

(1) Suspend the person's privilege to operate a motor vehicle for a period of one year.

(2) Revoke the person's privilege to operate a motor vehicle for a period of two years if the refusal occurred within 10 years of either (A) a separate violation of Section 23103 as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, that resulted in a conviction, or (B) a suspension or revocation of the person's privilege to operate a motor vehicle pursuant to this section or Section 13353.2 for an offense that occurred on a separate occasion.

(3) Revoke the person's privilege to operate a motor vehicle for a period of three years if the refusal occurred within 10 years of any of the following:

(A) Two or more separate violations of Section 23103 as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, or any combination thereof, that resulted in convictions.

(B) Two or more suspensions or revocations of the person's privilege to operate a motor vehicle pursuant to this section or Section 13353.2 for offenses that occurred on separate occasions.

(C) Any combination of two or more of those convictions or administrative suspensions or revocations.

The officer's sworn statement shall be submitted pursuant to Section 13380 on a form furnished or approved by the department. The suspension or revocation shall not become effective until 30 days after the giving of written notice thereof, or until the end of any stay of the suspension or revocation, as provided for in Section 13558.

(D) For the purposes of this section, a conviction of any offense in any state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or the Dominion of Canada that, if committed in this state, would be a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, or Section 191.5 or paragraph (3) of subdivision (c) of Section

192 of the Penal Code, is a conviction of that particular section of the Vehicle Code or Penal Code.

(b) If a person on more than one occasion in separate incidents refuses the officer's request to submit to, or fails to complete, a chemical test or tests pursuant to Section 23612 while driving a motor vehicle, upon the receipt of the officer's sworn statement that the officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23140, 23152, or 23153, the department shall disqualify the person from operating a commercial motor vehicle for the rest of his her lifetime.

(c) The notice of the order of suspension or revocation under this section shall be served on the person by a peace officer pursuant to Section 23612. The notice of the order of suspension or revocation shall be on a form provided by the department. If the notice of the order of suspension or revocation has not been served by the peace officer pursuant to Section 23612, the department immediately shall notify the person in writing of the action taken. The peace officer who serves the notice, or the department, if applicable, also shall provide, if the officer or department, as the case may be, determines that it is necessary to do so, the person with the appropriate non-English notice developed pursuant to subdivision (d) of Section 14100.

(d) Upon the receipt of the officer's sworn statement, the department shall review the record. For purposes of this section, the scope of the administrative review shall cover all of the following issues:

(1) Whether the peace officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23140, 23152, or 23153.

(2) Whether the person was placed under arrest.

(3) Whether the person refused to submit to, or did not complete, the test or tests after being requested by a peace officer.

(4) Whether, except for a person described in subdivision (a) of Section 23612 who is incapable of refusing, the person had been told that his or her driving privilege would be suspended or revoked if he or she refused to submit to, or did not complete, the test or tests.

(e) The person may request an administrative hearing pursuant to Section 13558. Except as provided in subdivision (e) of Section 13558, the request for an administrative hearing does not stay the order of suspension or revocation.

(f) The suspension or revocation imposed under this section shall run concurrently with any restriction, suspension, or revocation imposed under Section 13352, 13352.4, or 13352.5 that resulted from the same arrest.

(g) This section shall become operative on September 20, 2005.

SEC. 8. Section 13353.3 of the Vehicle Code is amended to read:

13353.3. (a) An order of suspension of a person's privilege to operate a motor vehicle pursuant to Section 13353.2 shall become effective 30 days after the person is served with the notice pursuant to Section 13382 or 13388, or subdivision (b) of Section 13353.2.

(b) The period of suspension of a person's privilege to operate a motor vehicle under Section 13353.2 is as follows:

(1) Except as provided in Section 13353.6, if the person has not been convicted of a separate violation of Section 23103, as specified in Section 23103.5, of Section 23140, 23152, or 23153, of Section 191.5 of the Penal Code, or of paragraph (3) of subdivision (c) of Section 192 of that code, the person has not been administratively determined to have refused chemical testing pursuant to Section 13353 or 13353.1, or the person has not been administratively determined to have been driving with an excessive concentration of alcohol pursuant to Section 13353.2 on a separate occasion, which offense or occurrence occurred within seven years of the occasion in question, the person's privilege to operate a motor vehicle shall be suspended for four months.

(2) If the person has been convicted of one or more separate violations of Section 23103, as specified in Section 23103.5, Section 23140, 23152, or 23153, Section 191.5 of the Penal Code, or paragraph (3) of subdivision (c) of Section 192 of that code, the person has been administratively determined to have refused chemical testing pursuant to Section 13353 or 13353.1, or the person has been administratively determined to have been driving with an excessive concentration of alcohol pursuant to Section 13353.2 on a separate occasion, which offense or occasion occurred within seven years of the occasion in question, the person's privilege to operate a motor vehicle shall be suspended for one year.

(3) Notwithstanding any other provision of law, if a person has been administratively determined to have been driving in violation of Section 23136 or to have refused chemical testing pursuant to Section 13353.1, the period of suspension shall not be for less than one year.

(c) If a person's privilege to operate a motor vehicle is suspended pursuant to Section 13353.2 and the person is convicted of a violation of Section 23152 or 23153, including, but not limited to, a violation described in Section 23620, arising out of the same occurrence, both the suspension under Section 13353.2 and the suspension or revocation under Section 13352 shall be imposed, except that the periods of suspension or revocation shall run concurrently, and the total period of suspension or revocation shall not exceed the longer of the two suspension or revocation periods.

(d) For purposes of this section, a conviction of any offense in any state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or the Dominion of

Canada that, if committed in this state, would be a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, is a conviction of that particular section of the Vehicle Code or Penal Code.

(e) This section shall become operative on September 20, 2005.

SEC. 8.3. Section 13353.3 of the Vehicle Code is amended to read:

13353.3. (a) An order of suspension of a person's privilege to operate a motor vehicle pursuant to Section 13353.2 shall become effective 30 days after the person is served with the notice pursuant to Section 13382 or 13388, or subdivision (b) of Section 13353.2.

(b) The period of suspension of a person's privilege to operate a motor vehicle under Section 13353.2 is as follows:

(1) Except as provided in Section 13353.6, if the person has not been convicted of a separate violation of Section 23103, as specified in Section 23103.5, of Section 23140, 23152, or 23153, of Section 191.5 of the Penal Code, or of paragraph (3) of subdivision (c) of Section 192 of that code, the person has not been administratively determined to have refused chemical testing pursuant to Section 13353 or 13353.1, or the person has not been administratively determined to have been driving with an excessive concentration of alcohol pursuant to Section 13353.2 on a separate occasion, that offense or occurrence occurred within 10 years of the occasion in question, the person's privilege to operate a motor vehicle shall be suspended for four months.

(2) If the person has been convicted of one or more separate violations of Section 23103, as specified in Section 23103.5, Section 23140, 23152, or 23153, Section 191.5 of the Penal Code, or paragraph (3) of subdivision (c) of Section 192 of that code, the person has been administratively determined to have refused chemical testing pursuant to Section 13353 or 13353.1, or the person has been administratively determined to have been driving with an excessive concentration of alcohol pursuant to Section 13353.2 on a separate occasion, that offense or occasion occurred within 10 years of the occasion in question, the person's privilege to operate a motor vehicle shall be suspended for one year.

(3) Notwithstanding any other provision of law, if a person has been administratively determined to have been driving in violation of Section 23136 or to have refused chemical testing pursuant to Section 13353.1, the period of suspension shall not be for less than one year.

(c) If a person's privilege to operate a motor vehicle is suspended pursuant to Section 13353.2 and the person is convicted of a violation of Section 23140, 23152, or 23153, including a violation described in Section 23620, arising out of the same occurrence, both the suspension under Section 13353.2 and the suspension or revocation under Section

13352 shall be imposed, except that, notwithstanding Section 13354, the periods of suspension or revocation shall run concurrently, and the total period of suspension or revocation shall not exceed the longer of the two suspension or revocation periods. This subdivision shall not affect a suspension or revocation pursuant to Section 13353 for refusal to submit to chemical testing or the imposition of consecutive periods of suspension or revocation pursuant to Section 13354 for that refusal.

(d) For the purposes of this section, a conviction of any offense in any state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or Canada that, if committed in this state, would be a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, is a conviction of that particular section of the Vehicle or Penal Code.

(e) This section shall become inoperative on September 20, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 8.5. Section 13353.3 is added to the Vehicle Code, to read:

13353.3. (a) An order of suspension of a person's privilege to operate a motor vehicle pursuant to Section 13353.2 shall become effective 30 days after the person is served with the notice pursuant to Section 13382 or 13388, or subdivision (b) of Section 13353.2.

(b) The period of suspension of a person's privilege to operate a motor vehicle under Section 13353.2 is as follows:

(1) Except as provided in Section 13353.6, if the person has not been convicted of a separate violation of Section 23103, as specified in Section 23103.5, of Section 23140, 23152, or 23153, of Section 191.5 of the Penal Code, or of paragraph (3) of subdivision (c) of Section 192 of that code, the person has not been administratively determined to have refused chemical testing pursuant to Section 13353 or 13353.1, or the person has not been administratively determined to have been driving with an excessive concentration of alcohol pursuant to Section 13353.2 on a separate occasion, that offense or occurrence occurred within 10 years of the occasion in question, the person's privilege to operate a motor vehicle shall be suspended for four months.

(2) If the person has been convicted of one or more separate violations of Section 23103, as specified in Section 23103.5, Section 23140, 23152, or 23153, Section 191.5 of the Penal Code, or paragraph (3) of subdivision (c) of Section 192 of that code, the person has been administratively determined to have refused chemical testing pursuant to Section 13353 or 13353.1, or the person has been administratively determined to have been driving with an excessive concentration of

alcohol pursuant to Section 13353.2 on a separate occasion, that offense or occasion occurred within 10 years of the occasion in question, the person's privilege to operate a motor vehicle shall be suspended for one year.

(3) Notwithstanding any other provision of law, if a person has been administratively determined to have been driving in violation of Section 23136 or to have refused chemical testing pursuant to Section 13353.1, the period of suspension shall not be for less than one year.

(c) If a person's privilege to operate a motor vehicle is suspended pursuant to Section 13353.2 and the person is convicted of a violation of Section 23152 or 23153, including, but not limited to, a violation described in Section 23620, arising out of the same occurrence, both the suspension under Section 13353.2 and the suspension or revocation under Section 13352 shall be imposed, except that the periods of suspension or revocation shall run concurrently, and the total period of suspension or revocation shall not exceed the longer of the two suspension or revocation periods.

(d) For the purposes of this section, a conviction of any offense in any state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or the Dominion of Canada that, if committed in this state, would be a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, is a conviction of that particular section of the Vehicle Code or Penal Code.

(e) This section shall become operative on September 20, 2005.

SEC. 9. Section 13353.5 of the Vehicle Code is amended to read:

13353.5. (a) If a person whose driving privilege is suspended or revoked under Section 13352, former Section 13352.4, Section 13352.4, 13352.6, paragraph (1) of subdivision (g) of Section 23247, or paragraph (2) of subdivision (f) of Section 23575 is a resident of another state at the time the mandatory period of suspension or revocation expires, the department may terminate the suspension or revocation, upon written application of the person, for the purpose of allowing the person to apply for a license in his or her state of residence. The application shall include, but need not be limited to, evidence satisfactory to the department that the applicant now resides in another state.

(b) If the person submits an application for a California driver's license within three years after the date of the action to terminate suspension or revocation pursuant to subdivision (a), a license shall not be issued until evidence satisfactory to the department establishes that the person is qualified for reinstatement and no grounds exist including, but not limited to, one or more subsequent convictions for driving under the influence of alcohol or other drugs that would support a refusal to

issue a license. The department may waive the three-year requirement if the person provides the department with proof of financial responsibility, as defined in Section 16430, and proof satisfactory to the department of successful completion of a driving-under-the-influence program described in Section 13352, and the driving-under-the-influence program is of the length required under paragraphs (1) to (7), inclusive, of subdivision (a) of Section 13352.

(c) For the purposes of this section, ''state'' includes a foreign province or country.

(d) This section shall become operative on September 20, 2005.

SEC. 10. Section 13353.7 of the Vehicle Code is amended to read:

13353.7. (a) Subject to subdivision (c) and except as provided in Section 13353.6 for persons who have commercial driver's licenses, if the person whose driving privilege has been suspended under Section 13353.2 has not been convicted of, or found to have committed, a separate violation of Section 23103, as specified in Section 23103.5, Section 23140, 23152, or 23153 of this code, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, and if the person's privilege to operate a motor vehicle has not been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion within seven years of the occasion in question and, if the person subsequently enrolls in a driving-under-the-influence program licensed under Section 11836 of the Health and Safety Code, as described in subdivision (b) of Section 23538, that person, if 21 years of age or older at the time the offense occurred, may apply to the department for a restricted driver's license limited to travel to and from the activities required by the program and to and from and in the course of the person's employment. After receiving proof of enrollment in the program, and if the person has not been arrested subsequent to the offense for which the person's driving privilege has been suspended under Section 13353.2 for a violation of Section 23103, as specified in Section 23103.5, Section 23140, 23152, or 23153 of this code, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, and if the person's privilege to operate a motor vehicle has not been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion, notwithstanding Section 13551, the department shall, after review pursuant to Section 13557, suspend the person's privilege to operate a motor vehicle for 30 days and then issue the person a restricted driver's license under the following conditions:

(1) The program shall report any failure to participate in the program to the department and shall certify successful completion of the program to the department.

(2) The person was 21 years of age or older at the time the offense occurred and gives proof of financial responsibility as defined in Section 16430.

(3) The restriction shall be imposed for a period of five months.

(4) If any person who has been issued a restricted license under this section fails at any time to participate in the program, the department shall suspend the restricted license immediately. The department shall give notice of the suspension under this paragraph in the same manner as prescribed in subdivision (b) of Section 13353.2 for the period specified in Section 13353.3, which is effective upon receipt by the person.

(b) Notwithstanding subdivision (a) and upon a conviction of Section 23152 or 23153, the department shall suspend or revoke the person's privilege to operate a motor vehicle under Section 13352.

(c) If the holder of a commercial driver's license was operating a commercial vehicle, as defined in Section 15210, at the time of the violation that resulted in the suspension of that person's driving privilege under Section 13353.2, the department shall, pursuant to this section, if the person is otherwise eligible, issue the person a class C driver's license restricted in the same manner and subject to the same conditions as specified in subdivision (a), except that the license may not allow travel to and from or in the course of the person's employment.

(d) This section does not apply to a person whose driving privilege has been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion, or as a result of a conviction of a separate violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, which violation occurred within seven years of the offense in question. This subdivision shall be operative only so long as a one-year suspension of the driving privilege for a second or subsequent occurrence or offense, with no restricted or hardship licenses permitted, is required by Section 408 or 410 of Title 23 of the United States Code.

(e) This section shall become operative on September 20, 2005.

SEC. 10.1. Section 13353.7 of the Vehicle Code is amended to read:

13353.7. (a) Subject to subdivision (c) and except as provided in Section 13353.6 for persons who have commercial driver's licenses, if the person whose driving privilege has been suspended under Section 13353.2 has not been convicted of, or found to have committed, a separate violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153 of this code, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, and if the person's privilege to operate a motor vehicle has not been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion within 10 years of the

occasion in question and, if the person subsequently enrolls in a program described in Section 11837.3 of the Health and Safety Code, pursuant to subdivision (b) of Section 23538, that person, if 21 years of age or older at the time the offense occurred, may apply to the department for a restricted driver's license limited to travel to and from the activities required by the program or to and from and in the course of the person's employment, or both. Notwithstanding any other provision of law, if the person's restricted driver's license permits travel to and from and in the course of his or her employment, the person's privilege to operate a motor vehicle shall be suspended, subject to the restriction, for six months. After receiving proof of enrollment in the program, and if the person has not been arrested subsequent to the offense for which the person's driving privilege has been suspended under Section 13353.2 for a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153 of this code, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, and if the person's privilege to operate a motor vehicle has not been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion, notwithstanding Section 13551, the department shall, after review pursuant to Section 13557, suspend the person's privilege to operate a motor vehicle for 30 days and then issue the person a restricted driver's license under the following conditions:

(1) The program shall report any failure to participate in the program to the department and shall certify successful completion of the program to the department.

(2) The person was 21 years of age or older at the time the offense occurred and gives proof of financial responsibility as defined in Section 16430.

(3) The restricted driver's license authorizes the operation of a motor vehicle only to and from the activities required under the program.

(4) If a person who has been issued a restricted license under this section fails at any time to participate in the program, the department shall suspend the restricted license immediately. The department shall give notice of the suspension under this paragraph in the same manner as prescribed in subdivision (b) of Section 13353.2 for the period specified in Section 13353.3, that is effective upon receipt by the person.

(5) On or after 60 days after the effective date of the restricted license, and upon notification of successful completion of the program, the department may issue an unrestricted driver's license to the person.

(b) If the court of jurisdiction in a criminal action arising out of the same offense orders the department to suspend or revoke the person's privilege to operate a motor vehicle or does not grant probation after conviction of that offense, notwithstanding subdivision (a), the

department shall suspend or revoke the person's privilege pursuant to the order of the court or Section 13352.

(c) If the holder of a commercial driver's license was operating a commercial vehicle, as defined in Section 15210, at the time of the violation which resulted in the suspension of that person's driving privilege under Section 13353.2, the department shall, pursuant to this section, if the person is otherwise eligible, issue the person a class C driver's license restricted in the same manner and subject to the same conditions as specified in subdivision (a), except that the license shall not allow travel to and from or in the course of the person's employment.

(d) This section does not apply to a person whose driving privilege has been suspended or revoked pursuant to the order of the court or Section 13353 or 13353.2 for an offense that occurred on a separate occasion, or as a result of a conviction of a separate violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, that violation occurred within 10 years of the offense in question. This subdivision shall be operative only so long as a one-year suspension of the driving privilege for a second or subsequent occurrence or offense, with no restricted or hardship licenses permitted, is required by Section 408 or 410 of Title 23 of the United States Code.

This section shall become inoperative on September 20, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that becomes operative on or before January 1, 2006, deletes the dates in which it becomes inoperative and is repealed.

SEC. 10.2. Section 13353.7 is added to the Vehicle Code, to read:

13353.7. (a) Subject to subdivision (c) and except as provided in Section 13353.6 for persons who have commercial driver's licenses, if the person whose driving privilege has been suspended under Section 13353.2 has not been convicted of, or found to have committed, a separate violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153 of this code, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, and if the person's privilege to operate a motor vehicle has not been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion within 10 years of the occasion in question and, if the person subsequently enrolls in a driving-under-the-influence program licensed under Section 11836 of the Health and Safety Code, as described in subdivision (b) of Section 23538, that person, if 21 years of age or older at the time the offense occurred, may apply to the department for a restricted driver's license limited to travel to and from the activities required by the program and to and from and in the course of the person's employment. After receiving proof of enrollment in the program, and if the person has not been arrested subsequent to the offense for which the person's driving

privilege has been suspended under Section 13353.2 for a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153 of this code, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, and if the person's privilege to operate a motor vehicle has not been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion, notwithstanding Section 13551, the department shall, after review pursuant to Section 13557, suspend the person's privilege to operate a motor vehicle for 30 days and then issue the person a restricted driver's license under the following conditions:

(1) The program shall report any failure to participate in the program to the department and shall certify successful completion of the program to the department.

(2) The person was 21 years of age or older at the time the offense occurred and gives proof of financial responsibility as defined in Section 16430.

(3) The restriction shall be imposed for a period of five months.

(4) If a person who has been issued a restricted license under this section fails at any time to participate in the program, the department shall suspend the restricted license immediately. The department shall give notice of the suspension under this paragraph in the same manner as prescribed in subdivision (b) of Section 13353.2 for the period specified in Section 13353.3, that is effective upon receipt by the person.

(b) Notwithstanding subdivision (a) and upon a conviction of Section 23152 or 23153, the department shall suspend or revoke the person's privilege to operate a motor vehicle under Section 13352.

(c) If the holder of a commercial driver's license was operating a commercial vehicle, as defined in Section 15210, at the time of the violation that resulted in the suspension of that person's driving privilege under Section 13353.2, the department shall, pursuant to this section, if the person is otherwise eligible, issue the person a class C driver's license restricted in the same manner and subject to the same conditions as specified in subdivision (a), except that the license may not allow travel to and from or in the course of the person's employment.

(d) This section does not apply to a person whose driving privilege has been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion, or as a result of a conviction of a separate violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, that violation occurred within 10 years of the offense in question. This subdivision shall be operative only so long as a one-year suspension of the driving privilege for a second or subsequent occurrence or offense, with no restricted or hardship licenses permitted, is required by Section 408 or 410 of Title 23 of the United States Code.

(e) This section shall become operative on September 20, 2005.

SEC. 10.4. Section 13353.7 is added to the Vehicle Code, to read:

13353.7. (a) Subject to subdivision (c), if the person whose driving privilege has been suspended under Section 13353.2 has not been convicted of, or found to have committed, a separate violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153 of this code, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, and if the person's privilege to operate a motor vehicle has not been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion within seven years of the occasion in question and, if the person subsequently enrolls in a driving-under-the-influence program licensed under Section 11836 of the Health and Safety Code, as described in subdivision (b) of Section 23538, that person, if 21 years of age or older at the time the offense occurred, may apply to the department for a restricted driver's license limited to travel to and from the activities required by the program and to and from and in the course of the person's employment. After receiving proof of enrollment in the program, and if the person has not been arrested subsequent to the offense for which the person's driving privilege has been suspended under Section 13353.2 for a violation of Section 23103, as specified in Section 23103.5, Section 23140, 23152, or 23153 of this code, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, and if the person's privilege to operate a motor vehicle has not been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion, notwithstanding Section 13551, the department shall, after review pursuant to Section 13557, suspend the person's privilege to operate a motor vehicle for 30 days and then issue the person a restricted driver's license under the following conditions:

(1) The program shall report any failure to participate in the program to the department and shall certify successful completion of the program to the department.

(2) The person was 21 years of age or older at the time the offense occurred and gives proof of financial responsibility as defined in Section 16430.

(3) The restriction shall be imposed for a period of five months.

(4) If any person who has been issued a restricted license under this section fails at any time to participate in the program, the department shall suspend the restricted license immediately. The department shall give notice of the suspension under this paragraph in the same manner as prescribed in subdivision (b) of Section 13353.2 for the period specified in Section 13353.3, that is effective upon receipt by the person.

(b) Notwithstanding subdivision (a) and upon a conviction of Section 23152 or 23153, the department shall suspend or revoke the person's privilege to operate a motor vehicle under Section 13352.

(c) If the holder of a commercial driver's license was operating a commercial vehicle, as defined in Section 15210, at the time of the violation that resulted in the suspension of that person's driving privilege under Section 13353.2, the department shall, pursuant to this section, if the person is otherwise eligible, issue the person a class C driver's license restricted in the same manner and subject to the same conditions as specified in subdivision (a), except that the license may not allow travel to and from or in the course of the person's employment.

(d) This section does not apply to a person whose driving privilege has been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion, or as a result of a conviction of a separate violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, which violation occurred within seven years of the offense in question. This subdivision shall be operative only so long as a one-year suspension of the driving privilege for a second or subsequent occurrence or offense, with no restricted or hardship licenses permitted, is required by Section 408 or 410 of Title 23 of the United States Code.

(e) This section shall become operative on September 20, 2005.

SEC. 10.5. Section 13353.7 is added to the Vehicle Code, to read:

13353.7. (a) Subject to subdivision (c), if the person whose driving privilege has been suspended under Section 13353.2 has not been convicted of, or found to have committed, a separate violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153 of this code, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, and if the person's privilege to operate a motor vehicle has not been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion within 10 years of the occasion in question and, if the person subsequently enrolls in a driving-under-the-influence program licensed under Section 11836 of the Health and Safety Code, as described in subdivision (b) of Section 23538, that person, if 21 years of age or older at the time the offense occurred, may apply to the department for a restricted driver's license limited to travel to and from the activities required by the program and to and from and in the course of the person's employment. After receiving proof of enrollment in the program, and if the person has not been arrested subsequent to the offense for which the person's driving privilege has been suspended under Section 13353.2 for a violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153 of this code, or Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, and if the person's

privilege to operate a motor vehicle has not been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion, notwithstanding Section 13551, the department shall, after review pursuant to Section 13557, suspend the person's privilege to operate a motor vehicle for 30 days and then issue the person a restricted driver's license under the following conditions:

(1) The program shall report any failure to participate in the program to the department and shall certify successful completion of the program to the department.

(2) The person was 21 years of age or older at the time the offense occurred and gives proof of financial responsibility as defined in Section 16430.

(3) The restriction shall be imposed for a period of five months.

(4) If a person who has been issued a restricted license under this section fails at any time to participate in the program, the department shall suspend the restricted license immediately. The department shall give notice of the suspension under this paragraph in the same manner as prescribed in subdivision (b) of Section 13353.2 for the period specified in Section 13353.3, that is effective upon receipt by the person.

(b) Notwithstanding subdivision (a), and upon a conviction of Section 23152 or 23153, the department shall suspend or revoke the person's privilege to operate a motor vehicle under Section 13352.

(c) If the holder of a commercial driver's license was operating a commercial vehicle, as defined in Section 15210, at the time of the violation that resulted in the suspension of that person's driving privilege under Section 13353.2, the department shall, pursuant to this section, if the person is otherwise eligible, issue the person a class C driver's license restricted in the same manner and subject to the same conditions as specified in subdivision (a), except that the license may not allow travel to and from or in the course of the person's employment.

(d) This section does not apply to a person whose driving privilege has been suspended or revoked pursuant to Section 13353 or 13353.2 for an offense that occurred on a separate occasion, or as a result of a conviction of a separate violation of Section 23103, as specified in Section 23103.5, or Section 23140, 23152, or 23153, that violation occurred within 10 years of the offense in question. This subdivision shall be operative only so long as a one-year suspension of the driving privilege for a second or subsequent occurrence or offense, with no restricted or hardship licenses permitted, is required by Section 408 or 410 of Title 23 of the United States Code.

(e) This section shall become operative on September 20, 2005.

SEC. 11. Section 13354 of the Vehicle Code is amended to read:

13354. (a) Notwithstanding Section 13366, if (1) an abstract of conviction is received by the department for an offense which requires

the department to restrict, suspend, or revoke the privilege to operate a motor vehicle of a person after conviction or finding of a violation pursuant to Section 13352 or 13352.5, (2) there is a suspension of that person's privilege to operate a motor vehicle already in effect for refusal to consent to, or for failure to complete, a chemical test pursuant to Section 13353 or a suspension already in effect for driving with an excessive alcohol content in the person's blood pursuant to Section 13353.2, (3) that suspension is administratively final and resulted from the same arrest, and (4) the sentencing court orders these restrictions, suspensions, revocations, or a combination thereof to run consecutively, then the restriction, suspension, or revocation resulting from the conviction or finding pursuant to Section 13352 or 13352.5 shall commence after the suspension already in effect pursuant to Section 13353 or 13353.2 has terminated, except as provided in subdivision (c) of Section 13353.3.

(b) Notwithstanding Section 13366, if (1) the department is required to suspend a person's privilege to operate a motor vehicle for refusal to consent to, or for failure to complete, a chemical test pursuant to Section 13353 or to suspend a person's privilege to operate a motor vehicle for driving with an excessive alcohol content in the person's blood pursuant to Section 13353.2, (2) there is a restriction, suspension, or revocation of the person's privilege to operate a motor vehicle already in effect for a conviction or finding of a violation pursuant to Section 13352 or 13352.5 which resulted from the same arrest, and (3) the sentencing court orders these restrictions, suspensions, revocations, or a combination thereof to run consecutively, then the suspension for refusal to consent to, or for failure to complete, the chemical test pursuant to Section 13353 or the suspension of that person's privilege to operate a motor vehicle already in effect for driving with an excessive alcohol content in the person's blood pursuant to Section 13353.2 shall commence after the restriction, suspension, or revocation already in effect pursuant to Section 13352 or 13352.5 has terminated, except as provided in subdivision (c) of Section 13353.3.

(c) The purpose of this section is to require that any suspension under Section 13353 or 13353.2 and any restriction, suspension or revocation under Section 13352 or 13352.5 resulting from the same arrest are cumulative and shall be imposed consecutively, if so ordered by the court.

(d) This section shall become inoperative on September 20, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 12. Section 13954 of the Vehicle Code is amended to read:

13954. (a) Notwithstanding any other provision of this code, the department immediately shall suspend or revoke the driving privilege of any person who the department has reasonable cause to believe was in some manner involved in an accident while operating a motor vehicle under the following circumstances at the time of the accident:

(1) The person had 0.08 percent or more, by weight, of alcohol in his or her blood.

(2) He or she proximately caused the accident as a result of any act prohibited, or the neglect of any duty imposed, by law.

(3) The accident occurred within five years of the date of a violation of paragraph (3) of subdivision (c) of Section 192 of the Penal Code that resulted in a conviction.

(b) If an accident described in subdivision (a) does not result in a conviction or finding of violation of Section 23152 or 23153, the department shall suspend the driving privilege under this section for one year from the date of commencement of the original suspension. After the one-year suspension period, the driving privilege may be reinstated if evidence establishes to the satisfaction of the department that no grounds exist that would authorize the refusal to issue a license and that reinstatement of the driving privilege would not jeopardize the safety of the person or other persons upon the highways, and if the person gives proof of financial responsibility, as defined in Section 16430.

(c) If an accident described in subdivision (a) does result in a conviction or finding of a violation of Section 23152 or 23153, the department shall revoke the driving privilege under this section for three years from the date of commencement of the original revocation. After the three-year revocation period, the driving privilege may be reinstated if evidence establishes to the satisfaction of the department that no grounds exist that would authorize the refusal to issue a license and that reinstatement of the driving privilege would not jeopardize the safety of the person or other persons upon the highways, and if the person gives proof of financial responsibility.

(d) Any revocation action under subdivision (c) shall be imposed as follows:

(1) If the accident results in a first conviction of a violation of Section 23152 or 23153, or if the person was convicted of a separate violation of Section 23152 or 23153 that occurred within five years of the accident, the period of revocation under subdivision (c) shall be concurrent with any period of restriction, suspension, or revocation imposed under Section 13352, 13352.4, or 13352.5.

(2) If the person was convicted of two or more separate violations of Section 23152 or 23153, or both, that occurred within five years of the accident, the period of revocation under subdivision (c) shall be cumulative and shall be imposed consecutively with any period of

restriction, suspension, or revocation imposed under Section 13352 or 13352.5.

(e) The department immediately shall notify the person in writing of the action taken and, upon the person's request in writing and within 15 days from the date of receipt of that request, shall grant the person an opportunity for a hearing in the same manner and under the same conditions as provided in Article 3 (commencing with Section 14100) of Chapter 3, except as otherwise provided in this section. For purposes of this section, the scope of the hearing shall cover the following issues:

(1) Whether the peace officer had reasonable cause to believe the person had been driving a motor vehicle in violation of Section 23152 or 23153.

(2) Whether the person had been placed under lawful arrest.

(3) Whether a chemical test of the person's blood, breath, or urine indicated that the blood-alcohol level was 0.08 percent or more, by weight, at the time of testing.

If the department determines, upon a hearing of the matter, that the person had not been placed under lawful arrest, or that a chemical test of the person's blood, breath, or urine did not indicate a blood-alcohol level of 0.08 percent or more, by weight, at the time of testing, the suspension or revocation shall be terminated immediately.

(f) This section applies if the accident occurred on or after January 1, 1990, without regard for the dates of the violations referred to in subdivisions (a) and (d).

(g) Notwithstanding subdivision (f), if a person's privilege to operate a motor vehicle is required to be suspended or revoked pursuant to this section as it read before January 1, 1990, as a result of an accident that occurred before January 1, 1990, the privilege shall be suspended or revoked pursuant to this section as it read before January 1, 1990.

(h) This section shall become operative on September 20, 2005.

SEC. 13. Section 14601.2 of the Vehicle Code is amended to read:

14601.2. (a) No person shall drive a motor vehicle at any time when that person's driving privilege is suspended or revoked for a conviction of a violation of Section 23152 or 23153 if the person so driving has knowledge of the suspension or revocation.

(b) Except in full compliance with the restriction, no person shall drive a motor vehicle at any time when that person's driving privilege is restricted, if the person so driving has knowledge of the restriction.

(c) Knowledge of suspension or revocation of the driving privilege shall be conclusively presumed if mailed notice has been given by the department to the person pursuant to Section 13106. Knowledge of restriction of the driving privilege shall be presumed if notice has been given by the court to the person. The presumption established by this subdivision is a presumption affecting the burden of proof.

(d) Any person convicted of a violation of this section shall be punished as follows:

(1) Upon a first conviction, by imprisonment in the county jail for not less than 10 days or more than six months and by a fine of not less than three hundred dollars ($300) or more than one thousand dollars ($1,000), unless the person has been designated an habitual traffic offender under subdivision (b) of Section 23546, subdivision (d) of Section 23550, or subdivision (b) of Section 23550.5, in which case the person, in addition, shall be sentenced as provided in paragraph (3) of subdivision (e) of Section 14601.3.

(2) If the offense occurred within five years of a prior offense that resulted in a conviction of a violation of this section or Section 14601, 14601.1, or 14601.5, by imprisonment in the county jail for not less than 30 days or more than one year and by a fine of not less than five hundred dollars ($500) or more than two thousand dollars ($2,000), unless the person has been designated an habitual traffic offender under subdivision (b) of Section 23546, subdivision (b) of Section 23550, or subdivision (d) of Section 23550.5, in which case the person, in addition, shall be sentenced as provided in paragraph (3) of subdivision (e) of Section 14601.3.

(e) If a person is convicted of a first offense under this section and is granted probation, the court shall impose as a condition of probation that the person be confined in the county jail for at least 10 days.

(f) If the offense occurred within five years of a prior offense that resulted in a conviction of a violation of this section or Section 14601, 14601.1, or 14601.5 and is granted probation, the court shall impose as a condition of probation that the person be confined in the county jail for at least 30 days.

(g) If any person is convicted of a second or subsequent offense that results in a conviction of this section within seven years, but over five years, of a prior offense that resulted in a conviction of a violation of this section or Section 14601, 14601.1, or 14601.5 and is granted probation, the court shall impose as a condition of probation that the person be confined in the county jail for at least 10 days.

(h) Pursuant to Section 23575, the court shall require any person convicted of a violation of this section to install a certified ignition interlock device on any vehicle the person owns or operates.

(i) Nothing in this section prohibits a person who is participating in, or has completed, an alcohol or drug rehabilitation program from driving a motor vehicle that is owned or utilized by the person's employer, during the course of employment on private property that is owned or utilized by the employer, except an offstreet parking facility as defined in subdivision (c) of Section 12500.

(j) This section shall become operative on September 20, 2005.

SEC. 13.3. Section 14601.2 of the Vehicle Code is amended to read:

14601.2. (a) No person shall drive a motor vehicle at any time when that person's driving privilege is suspended or revoked for a conviction of a violation of Section 23152 or 23153 if the person so driving has knowledge of the suspension or revocation.

(b) Except in full compliance with the restriction, no person shall drive a motor vehicle at any time when that person's driving privilege is restricted, if the person so driving has knowledge of the restriction.

(c) Knowledge of suspension or revocation of the driving privilege shall be conclusively presumed if mailed notice has been given by the department to the person pursuant to Section 13106. Knowledge of restriction of the driving privilege shall be presumed if notice has been given by the court to the person. The presumption established by this subdivision is a presumption affecting the burden of proof.

(d) Any person convicted of a violation of this section shall be punished as follows:

(1) Upon a first conviction, by imprisonment in the county jail for not less than 10 days or more than six months and by a fine of not less than three hundred dollars ($300) or more than one thousand dollars ($1,000), unless the person has been designated an habitual traffic offender under subdivision (b) of Section 23546, subdivision (b) of Section 23550, or subdivision (b) of Section 23550.5, in which case the person, in addition, shall be sentenced as provided in paragraph (3) of subdivision (e) of Section 14601.3.

(2) If the offense occurred within five years of a prior offense that resulted in a conviction of a violation of this section or Section 14601, 14601.1, or 14601.5, by imprisonment in the county jail for not less than 30 days or more than one year and by a fine of not less than five hundred dollars ($500) or more than two thousand dollars ($2,000), unless the person has been designated an habitual traffic offender under subdivision (b) of Section 23546 or subdivision (b) of Section 23550, or subdivision (d) of Section 23550.5, in which case the person, in addition, shall be sentenced as provided in paragraph (3) of subdivision (e) of Section 14601.3.

(e) If any person is convicted of a first offense under this section and is granted probation, the court shall impose as a condition of probation that the person be confined in the county jail for at least 10 days.

(f) If the offense occurred within five years of a prior offense that resulted in a conviction of a violation of this section or Section 14601, 14601.1, or 14601.5 and is granted probation, the court shall impose as a condition of probation that the person be confined in the county jail for at least 30 days.

(g) If any person is convicted of a second or subsequent offense that results in a conviction of this section within seven years, but over five

years, of a prior offense that resulted in a conviction of a violation of this section or Section 14601, 14601.1, or 14601.5 and is granted probation, the court shall impose as a condition of probation that the person be confined in the county jail for at least 10 days.

(h) Pursuant to Section 23575, the court shall require any person convicted of a violation of this section to install a certified ignition interlock device on any vehicle the person owns or operates.

(i) Nothing in this section prohibits a person who is participating in, or has completed, an alcohol or drug rehabilitation program from driving a motor vehicle that is owned or utilized by the person's employer, during the course of employment on private property that is owned or utilized by the employer, except an offstreet parking facility as defined in subdivision (c) of Section 12500.

(j) This section also applies to the operation of an off-highway motor vehicle on those lands to which the Chappie-Z'berg Off-Highway Motor Vehicle Law of 1971 (Division 16.5 (commencing with Section 38000)) applies as to off-highway motor vehicles, as described in Section 38001.

(k) This section shall become inoperative on September 20, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 13.5. Section 14601.2 is added to the Vehicle Code, to read:

14601.2. (a) No person shall drive a motor vehicle at any time when that person's driving privilege is suspended or revoked for a conviction of a violation of Section 23152 or 23153 if the person so driving has knowledge of the suspension or revocation.

(b) Except in full compliance with the restriction, no person shall drive a motor vehicle at any time when that person's driving privilege is restricted, if the person so driving has knowledge of the restriction.

(c) Knowledge of suspension or revocation of the driving privilege shall be conclusively presumed if mailed notice has been given by the department to the person pursuant to Section 13106. Knowledge of restriction of the driving privilege shall be presumed if notice has been given by the court to the person. The presumption established by this subdivision is a presumption affecting the burden of proof.

(d) Any person convicted of a violation of this section shall be punished as follows:

(1) Upon a first conviction, by imprisonment in the county jail for not less than 10 days or more than six months and by a fine of not less than three hundred dollars ($300) or more than one thousand dollars ($1,000), unless the person has been designated an habitual traffic offender under subdivision (b) of Section 23546, subdivision (b) of Section 23550, or subdivision (d) of Section 23550.5, in which case the person, in addition,

shall be sentenced as provided in paragraph (3) of subdivision (e) of Section 14601.3.

(2) If the offense occurred within five years of a prior offense that resulted in a conviction of a violation of this section or Section 14601, 14601.1, or 14601.5, by imprisonment in the county jail for not less than 30 days or more than one year and by a fine of not less than five hundred dollars ($500) or more than two thousand dollars ($2,000), unless the person has been designated an habitual traffic offender under subdivision (b) of Section 23546, subdivision (b) of Section 23550, or subdivision (d) of Section 23550.5, in which case the person, in addition, shall be sentenced as provided in paragraph (3) of subdivision (e) of Section 14601.3.

(e) If a person is convicted of a first offense under this section and is granted probation, the court shall impose as a condition of probation that the person be confined in the county jail for at least 10 days.

(f) If the offense occurred within five years of a prior offense that resulted in a conviction of a violation of this section or Section 14601, 14601.1, or 14601.5 and is granted probation, the court shall impose as a condition of probation that the person be confined in the county jail for at least 30 days.

(g) If any person is convicted of a second or subsequent offense that results in a conviction of this section within seven years, but over five years, of a prior offense that resulted in a conviction of a violation of this section or Section 14601, 14601.1, or 14601.5 and is granted probation, the court shall impose as a condition of probation that the person be confined in the county jail for at least 10 days.

(h) Pursuant to Section 23575, the court shall require any person convicted of a violation of this section to install a certified ignition interlock device on any vehicle the person owns or operates.

(i) Nothing in this section prohibits a person who is participating in, or has completed, an alcohol or drug rehabilitation program from driving a motor vehicle that is owned or utilized by the person's employer, during the course of employment on private property that is owned or utilized by the employer, except an offstreet parking facility as defined in subdivision (c) of Section 12500.

(j) This section also applies to the operation of an off-highway motor vehicle on those lands to which the Chappie-Z'berg Off-Highway Motor Vehicle Law of 1971 (Division 16.5 (commencing with Section 38000)) applies as to off-highway motor vehicles, as described in Section 38001.

(k) This section shall become operative on September 20, 2005.

SEC. 14. Section 23521 of the Vehicle Code is amended to read:

23521. (a) Any finding of a juvenile court judge, juvenile hearing officer, or referee of a juvenile court of a commission of an offense in any state, territory, possession of the United States, the District of Columbia,

the Commonwealth of Puerto Rico, or the Dominion of Canada that, if committed in this state, would be a violation of Section 23152, is a conviction of a violation of Section 23152 for the purposes of Sections 13352, 13352.3, 13352.4, and 13352.5, and the finding of a juvenile court judge, juvenile hearing officer, or referee of a juvenile court of a commission of an offense that, if committed in this state, would be a violation of Section 23153 is a conviction of a violation of Section 23153 for the purposes of Sections 13352 and 13352.3.

(b) This section shall become operative on September 20, 2005.

SEC. 15. Section 23536 of the Vehicle Code is amended to read:

23536. (a) If a person is convicted of a first violation of Section 23152, that person shall be punished by imprisonment in the county jail for not less than 96 hours, at least 48 hours of which shall be continuous, nor more than six months, and by a fine of not less than three hundred ninety dollars ($390), nor more than one thousand dollars ($1,000).

(b) The court shall order that a person punished under subdivision (a), who is to be punished by imprisonment in the county jail, be imprisoned on days other than days of regular employment of the person, as determined by the court. If the court determines that 48 hours of continuous imprisonment would interfere with the person's work schedule, the court shall allow the person to serve the imprisonment whenever the person is normally scheduled for time off from work. The court may make this determination based upon a representation from the defendant's attorney or upon an affidavit or testimony from the defendant.

(c) The person's privilege to operate a motor vehicle shall be suspended by the department under paragraph (1) of subdivision (a) of Section 13352. The court shall require the person to surrender the driver's license to the court in accordance with Section 13550.

(d) Whenever, when considering the circumstances taken as a whole, the court determines that the person punished under this section would present a traffic safety or public safety risk if authorized to operate a motor vehicle during the period of suspension imposed under paragraph (1) of subdivision (a) of Section 13352, the court may disallow the issuance of a restricted driver's license required under Section 13352.4.

(e) This section shall become operative on September 20, 2005.

SEC. 16. Section 23538 of the Vehicle Code is amended to read:

23538. (a) (1) If the court grants probation to a person punished under Section 23536, in addition to the provisions of Section 23600 and any other terms and conditions imposed by the court, the court shall impose as a condition of probation that the person pay a fine of at least three hundred ninety dollars ($390), but not more than one thousand dollars ($1,000). The court may also impose, as a condition of probation,

that the person be confined in a county jail for at least 48 hours, but not more than six months.

(2) The person's privilege to operate a motor vehicle shall be suspended by the department under paragraph (1) of subdivision (a) of Section 13352. The court shall require the person to surrender the driver's license to the court in accordance with Section 13550.

(3) Whenever, when considering the circumstances taken as a whole, the court determines that the person punished under this section would present a traffic safety or public safety risk if authorized to operate a motor vehicle during the period of suspension imposed under paragraph (1) of subdivision (a) of Section 13352, the court may disallow the issuance of a restricted driver's license required under Section 13352.4.

(b) In any county where the board of supervisors has approved, and the State Department of Alcohol and Drug Programs has licensed, a program or programs described in Section 11837.3 of the Health and Safety Code, the court shall also impose as a condition of probation that the driver shall enroll and participate in, and successfully complete a driving-under-the-influence program, licensed pursuant to Section 11836 of the Health and Safety Code, in the driver's county of residence or employment, as designated by the court. For the purposes of this subdivision, enrollment in, participation in, and completion of an approved program shall be subsequent to the date of the current violation. Credit may not be given for any program activities completed prior to the date of the current violation.

(1) The court shall refer a first offender whose blood-alcohol concentration was less than 0.20 percent, by weight, to participate for at least three months or longer, as ordered by the court, in a licensed program that consists of at least 30 hours of program activities, including those education, group counseling, and individual interview sessions described in Chapter 9 (commencing with Section 11836) of Part 2 of Division 10.5 of the Health and Safety Code.

(2) The court shall refer a first offender whose blood-alcohol concentration was 0.20 percent or more, by weight, or who refused to take a chemical test, to participate for at least six months or longer, as ordered by the court, in a licensed program that consists of at least 45 hours of program activities, including those education, group counseling, and individual interview sessions described in Chapter 9 (commencing with Section 11836) of Part 2 of Division 10.5 of the Health and Safety Code.

(3) The court shall advise the person at the time of sentencing that the driving privilege shall not be restored until the person has provided proof satisfactory to the department of successful completion of a driving-under-the-influence program of the length required under this

code that is licensed pursuant to Section 11836 of the Health and Safety Code.

(c) (1) The court shall revoke the person's probation pursuant to Section 23602, except for good cause shown, for the failure to enroll in, participate in, or complete a program specified in subdivision (b).

(2) The court, in establishing reporting requirements, shall consult with the county alcohol program administrator. The county alcohol program administrator shall coordinate the reporting requirements with the department and with the State Department of Alcohol and Drug Programs. That reporting shall ensure that all persons who, after being ordered to attend and complete a program, may be identified for either (A) failure to enroll in, or failure to successfully complete, the program, or (B) successful completion of the program as ordered.

(d) This section shall become operative on September 20, 2005.

SEC. 16.3. Section 23538 of the Vehicle Code is amended to read:

23538. (a) Except as provided in subdivision (d), if the court grants probation to any person punished under Section 23536, in addition to the provisions of Section 23600 and any other terms and conditions imposed by the court, the court shall impose as a condition of probation that the person be subject to one of the following:

(1) Be confined in the county jail for at least 48 hours but not more than six months, and pay a fine of at least three hundred ninety dollars ($390), but not more than one thousand dollars ($1,000). Except as provided in paragraph (2), the person's privilege to operate a motor vehicle shall be suspended by the Department of Motor Vehicles pursuant to paragraph (1) of subdivision (a) of Section 13352. The court shall require the person to surrender the driver's license to the court in accordance with Section 13550.

(2) Pay a fine of at least three hundred ninety dollars ($390) but not more than one thousand dollars ($1,000), and, if the person gives proof of financial responsibility, as defined in Section 16430, to the Department of Motor Vehicles, have the privilege to operate a motor vehicle restricted for 90 days to necessary travel to and from that person's place of employment and to and from participation in a program described in subdivision (b). If driving a motor vehicle is necessary to perform the duties of the person's employment, the restriction also shall allow the person to drive to locations within the person's scope of employment. Whenever the driving privilege is restricted pursuant to this paragraph, the person shall maintain proof of financial responsibility for three years.

(3) If the court elects to order a 90-day restriction as provided for in paragraph (2), the court shall order and advise the person of the following matters:

(A) If the person's privilege to operate a motor vehicle is suspended under Section 13353.2, the court-ordered restriction does not allow the person to operate a motor vehicle unless the suspension under Section 13353.2 has either been served to completion or set aside, and his or her license has been reinstated. The restriction of the driver's license described in paragraph (2) shall commence upon the reinstatement of the privilege to operate a motor vehicle.

(B) If a suspension was not imposed pursuant to Section 13353.2, the person shall be advised by the court that the person's driving privilege may be suspended by the department pursuant to subdivision (c) of Section 13352.4 until proof of financial responsibility is provided.

(b) In any county where the board of supervisors has approved, and the State Department of Alcohol and Drug Programs has licensed, a program or programs described in Section 11837.3 of the Health and Safety Code, the court shall also impose as a condition of probation that the driver shall enroll and participate in, and successfully complete a driving-under-the-influence program, licensed pursuant to Section 11836 of the Health and Safety Code, in the driver's county of residence or employment, as designated by the court.

(1) The court shall refer a first offender whose blood-alcohol concentration was less than 0.20 percent, by weight, to participate for at least three months or longer, as ordered by the court, in a licensed program that consists of at least 30 hours of program activities, including those education, group counseling, and individual interview sessions described in Chapter 9 (commencing with Section 11836) of Part 2 of Division 10.5 of the Health and Safety Code.

(2) The court shall refer a first offender whose blood-alcohol concentration was 0.20 percent or more, by weight, or who refused to take a chemical test, to participate for at least six months or longer, as ordered by the court, in a licensed program that consists of at least 45 hours of program activities, including those education, group counseling, and individual interview sessions described in Chapter 9 (commencing with Section 11836) of Part 2 of Division 10.5 of the Health and Safety Code.

(3) The court shall advise the person at the time of sentencing that the driving privilege shall not be restored until proof satisfactory to the Department of Motor Vehicles of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code has been received in the department's headquarters.

(c) (1) The court shall revoke the person's probation pursuant to Section 23602, except for good cause shown, for the failure to enroll in, participate in, or complete a program specified in subdivision (b).

(2) The court, in establishing reporting requirements, shall consult with the county alcohol program administrator. The county alcohol program administrator shall coordinate the reporting requirements with the department and with the State Department of Alcohol and Drug Programs. That reporting shall ensure that all persons who, after being ordered to attend and complete a program, may be identified for either (A) failure to enroll in, or failure to successfully complete, the program, or (B) successful completion of the program as ordered.

(d) Notwithstanding subdivision (a), if the offense occurred in a vehicle requiring a driver with a class A or class B driver's license or with an endorsement specified in Section 15278, the court shall upon conviction order the department to suspend the driver's privilege pursuant to paragraph (1) of subdivision (a) of Section 13352.

(e) This section shall become inoperative on September 20, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 16.5. Section 23538 is added to the Vehicle Code, to read:

23538. (a) (1) If the court grants probation to person punished under Section 23536, in addition to the provisions of Section 23600 and any other terms and conditions imposed by the court, the court shall impose as a condition of probation that the person pay a fine of at least three hundred ninety dollars ($390), but not more than one thousand dollars ($1,000). The court may also impose, as a condition of probation, that the person be confined in a county jail for at least 48 hours, but not more than six months.

(2) The person's privilege to operate a motor vehicle shall be suspended by the department under paragraph (1) of subdivision (a) of Section 13352. The court shall require the person to surrender the driver's license to the court in accordance with Section 13550.

(3) Whenever, when considering the circumstances taken as a whole, the court determines that the person punished under this section would present a traffic safety or public safety risk if authorized to operate a motor vehicle during the period of suspension imposed under paragraph (1) of subdivision (a) of Section 13352, the court may disallow the issuance of a restricted driver's license required under Section 13352.4.

(b) In any county where the board of supervisors has approved, and the State Department of Alcohol and Drug Programs has licensed, a program or programs described in Section 11837.3 of the Health and Safety Code, the court shall also impose as a condition of probation that the driver shall enroll and participate in, and successfully complete a driving-under-the-influence program, licensed pursuant to Section 11836 of the Health and Safety Code, in the driver's county of residence or employment, as designated by the court. For the purposes of this

subdivision, enrollment in, participation in, and completion of an approved program shall be subsequent to the date of the current violation. Credit may not be given for any program activities completed prior to the date of the current violation.

(1) The court shall refer a first offender whose blood-alcohol concentration was less than 0.20 percent, by weight, to participate for at least three months or longer, as ordered by the court, in a licensed program that consists of at least 30 hours of program activities, including those education, group counseling, and individual interview sessions described in Chapter 9 (commencing with Section 11836) of Part 2 of Division 10.5 of the Health and Safety Code.

(2) The court shall refer a first offender whose blood-alcohol concentration was 0.20 percent or more, by weight, or who refused to take a chemical test, to participate for at least six months or longer, as ordered by the court, in a licensed program that consists of at least 45 hours of program activities, including those education, group counseling, and individual interview sessions described in Chapter 9 (commencing with Section 11836) of Part 2 of Division 10.5 of the Health and Safety Code.

(3) The court shall advise the person at the time of sentencing that the driving privilege shall not be restored until proof satisfactory to the department of successful completion of a driving-under-the-influence program of the length required under this code that is licensed pursuant to Section 11836 of the Health and Safety Code has been received in the department's headquarters.

(c) (1) The court shall revoke the person's probation pursuant to Section 23602, except for good cause shown, for the failure to enroll in, participate in, or complete a program specified in subdivision (b).

(2) The court, in establishing reporting requirements, shall consult with the county alcohol program administrator. The county alcohol program administrator shall coordinate the reporting requirements with the department and with the State Department of Alcohol and Drug Programs. That reporting shall ensure that all persons who, after being ordered to attend and complete a program, may be identified for either (A) failure to enroll in, or failure to successfully complete, the program, or (B) successful completion of the program as ordered.

(d) This section shall become operative on September 20, 2005.

SEC. 17. Section 23540 of the Vehicle Code is amended to read:

23540. (a) If a person is convicted of a violation of Section 23152 and the offense occurred within seven years of a separate violation of Section 23103, as specified in Section 23103.5, 23152, or 23153, that resulted in a conviction, that person shall be punished by imprisonment in the county jail for not less than 90 days nor more than one year and by a fine of not less than three hundred ninety dollars ($390) nor more

than one thousand dollars ($1,000). The person's privilege to operate a motor vehicle shall be suspended by the department pursuant to paragraph (3) of subdivision (a) of Section 13352. The court shall require the person to surrender the driver's license to the court in accordance with Section 13550.

(b) Whenever, when considering the circumstances taken as a whole, the court determines that the person punished under this section would present a traffic safety or public safety risk if authorized to operate a motor vehicle during the period of suspension imposed under paragraph (3) of subdivision (a) of Section 13352, the court may disallow the issuance of a restricted driver's license required under Section 13352.5.

(c) This section shall become operative on September 20, 2005.

SEC. 17.3. Section 23540 of the Vehicle Code is amended to read:

23540. (a) If a person is convicted of a violation of Section 23152 and the offense occurred within 10 years of a separate violation of Section 23103, as specified in Section 23103.5, 23152, or 23153, that resulted in a conviction, that person shall be punished by imprisonment in the county jail for not less than 90 days nor more than one year and by a fine of not less than three hundred ninety dollars ($390) nor more than one thousand dollars ($1,000). The person's privilege to operate a motor vehicle shall be suspended by the Department of Motor Vehicles pursuant to paragraph (3) of subdivision (a) of Section 13352. The court shall require the person to surrender the driver's license to the court in accordance with Section 13550.

(b) This section shall become inoperative on September 20, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 17.5. Section 23540 is added to the Vehicle Code, to read:

23540. (a) If a person is convicted of a violation of Section 23152 and the offense occurred within 10 years of a separate violation of Section 23103, as specified in Section 23103.5, 23152, or 23153, that resulted in a conviction, that person shall be punished by imprisonment in the county jail for not less than 90 days nor more than one year and by a fine of not less than three hundred ninety dollars ($390) nor more than one thousand dollars ($1,000). The person's privilege to operate a motor vehicle shall be suspended by the department pursuant to paragraph (3) of subdivision (a) of Section 13352. The court shall require the person to surrender the driver's license to the court in accordance with Section 13550.

(b) Whenever, when considering the circumstances taken as a whole, the court determines that the person punished under this section would present a traffic safety or public safety risk if authorized to operate a motor vehicle during the period of suspension imposed under paragraph

(3) of subdivision (a) of Section 13352, the court may disallow the issuance of a restricted driver's license required under Section 13352.5.

(c) This section shall become operative on September 20, 2005.

SEC. 18. Section 23542 of the Vehicle Code is amended to read:

23542. (a) (1) If the court grants probation to a person punished under Section 23540, in addition to the provisions of Section 23600 and any other terms and conditions imposed by the court, the court shall impose as conditions of probation that the person be confined in a county jail and fined under either of the following:

(A) For at least 10 days, but not more than one year, and pay a fine of at least three hundred ninety dollars ($390), but not more than one thousand dollars ($1,000).

(B) For at least 96 hours, but not more than one year, and pay a fine of at least three hundred ninety dollars ($390), but not more than one thousand dollars ($1,000). A sentence of 96 hours of confinement shall be served in two increments consisting of a continuous 48 hours each. The two 48-hour increments may be served nonconsecutively.

(2) The person's privilege to operate a motor vehicle shall be suspended by the department under paragraph (3) of subdivision (a) of Section 13352. The court shall require the person to surrender the driver's license to the court in accordance with Section 13550.

(b) In addition to the conditions specified in subdivision (a), the court shall require the person to do either of the following:

(1) Enroll and participate, for at least 18 months subsequent to the date of the underlying violation and in a manner satisfactory to the court, in a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as designated by the court. The person shall complete the entire program subsequent to, and shall not be given any credit for any program activities completed prior to, the date of the current violation. The program shall provide for persons who cannot afford the program fee pursuant to paragraph (2) of subdivision (b) of Section 11837.4 of the Health and Safety Code in order to enable those persons to participate.

(2) Enroll and participate, for at least 30 months subsequent to the date of the underlying violation and in a manner satisfactory to the court, in a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. The person shall complete the entire program subsequent to, and shall not be given any credit for any program activities completed prior to, the date of the current violation.

(c) The court shall advise the person at the time of sentencing that the driving privilege shall not be restored until the person has provided proof satisfactory to the Department of Motor Vehicles of successful completion of a driving-under-the-influence program of the length

required under this code licensed pursuant to Section 11836 of the Health and Safety Code.

(d) Whenever, when considering the circumstances taken as a whole, the court determines that the person punished under this section would present a traffic safety or public safety risk if authorized to operate a motor vehicle during the period of suspension imposed under paragraph (3) of subdivision (a) of Section 13352, the court may disallow the issuance of a restricted driver's license required under Section 13352.5.

(e) This section shall become operative on September 20, 2005.

SEC. 18.3. Section 23542 of the Vehicle Code is amended to read:

23542. If the court grants probation to any person punished under Section 23540, in addition to the provisions of Section 23600 and any other terms and conditions imposed by the court, the court shall impose as conditions of probation that the person be subject to either subdivision (a) or (b), as follows:

(a) Be confined in the county jail for at least 10 days but not more than one year, and pay a fine of at least three hundred ninety dollars ($390), but not more than one thousand dollars ($1,000). The person's privilege to operate a motor vehicle shall be suspended by the Department of Motor Vehicles pursuant to paragraph (3) of subdivision (a) of Section 13352. The court shall require the person to surrender the driver's license to the court in accordance with Section 13550.

(b) All of the following:

(1) Be confined in the county jail for at least 96 hours, but not more than one year. A sentence of 96 hours of confinement shall be served in two increments consisting of a continuous 48 hours each. The two 48-hour increments may be served nonconsecutively.

(2) Pay a fine of at least three hundred ninety dollars ($390), but not more than one thousand dollars ($1,000).

(3) Have the privilege to operate a motor vehicle be restricted by the Department of Motor Vehicles pursuant to Section 13352.5. Until all conditions prescribed in this section are met, the person's driving privilege is suspended pursuant to paragraph (3) of subdivision (a) of Section 13352. This paragraph does not apply if the offense occurred in a vehicle requiring a driver with a class A or class B driver's license or with an endorsement prescribed in Section 15278.

(4) Either of the following:

(A) Enroll and participate, for at least 18 months subsequent to the date of the underlying violation and in a manner satisfactory to the court, in a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as designated by the court. The person shall complete the entire program subsequent to, and shall not be given any credit for any program activities completed prior to, the date of the current violation. The program shall provide for persons who

cannot afford the program fee pursuant to paragraph (2) of subdivision (b) of Section 11837.4 of the Health and Safety Code in order to enable those persons to participate.

(B) Enroll and participate, for at least 30 months subsequent to the date of the underlying violation and in a manner satisfactory to the court, in a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. The person shall complete the entire program subsequent to, and shall not be given any credit for any program activities completed prior to, the date of the current violation.

(c) The court shall advise the person at the time of sentencing that the driving privilege shall not be restored until proof satisfactory to the Department of Motor Vehicles of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code has been received in the department's headquarters.

(d) This section shall become inoperative on September 20, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 18.5. Section 23542 is added to the Vehicle Code, to read:

23542. (a) (1) If the court grants probation to a person punished under Section 23540, in addition to the provisions of Section 23600 and any other terms and conditions imposed by the court, the court shall impose as conditions of probation that the person be confined in county jail and fined under either of the following:

(A) For at least 10 days, but not more than one year, and pay a fine of at least three hundred ninety dollars ($390), but not more than one thousand dollars ($1,000).

(B) For at least 96 hours, but not more than one year, and pay a fine of at least three hundred ninety dollars ($390), but not more than one thousand dollars ($1,000). A sentence of 96 hours of confinement shall be served in two increments consisting of a continuous 48 hours each. The two 48-hour increments may be served nonconsecutively.

(2) The person's privilege to operate a motor vehicle shall be suspended by the department under paragraph (3) of subdivision (a) of Section 13352. The court shall require the person to surrender the driver's license to the court in accordance with Section 13550.

(b) In addition to the conditions specified in subdivision (a), the court shall require the person to do either of the following:

(1) Enroll and participate, for at least 18 months subsequent to the date of the underlying violation and in a manner satisfactory to the court, in a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as designated by the court. The person shall complete the entire program subsequent to, and shall not be

given any credit for any program activities completed prior to, the date of the current violation. The program shall provide for persons who cannot afford the program fee pursuant to paragraph (2) of subdivision (b) of Section 11837.4 of the Health and Safety Code in order to enable those persons to participate.

(2) Enroll and participate, for at least 30 months subsequent to the date of the underlying violation and in a manner satisfactory to the court, in a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. The person shall complete the entire program subsequent to, and shall not be given any credit for any program activities completed prior to, the date of the current violation.

(c) The court shall advise the person at the time of sentencing that the driving privilege shall not be restored until proof satisfactory to the Department of Motor Vehicles of successful completion of a driving-under-the-influence program of the length required under this code licensed pursuant to Section 11836 of the Health and Safety Code has been received in the department's headquarters.

(d) Whenever, when considering the circumstances taken as a whole, the court determines that the person punished under this section would present a traffic safety or public safety risk if authorized to operate a motor vehicle during the period of suspension imposed under paragraph (3) of subdivision (a) of Section 13352, the court may disallow the issuance of a restricted driver's license required under Section 13352.5.

(e) This section shall become operative on September 20, 2005.

SEC. 19. Section 23548 of the Vehicle Code is amended to read:

23548. (a) (1) If the court grants probation to any person punished under Section 23546, in addition to the provisions of Section 23600 and any other terms and conditions imposed by the court, the court shall impose as conditions of probation that the person be confined in the county jail for at least 120 days but not more than one year and pay a fine of at least three hundred ninety dollars ($390) but not more than one thousand dollars ($1,000).

(2) The person's privilege to operate a motor vehicle shall be revoked by the department under paragraph (5) of subdivision (a) of Section 13352. The court shall require the person to surrender the driver's license to the court in accordance with Section 13550.

(b) In addition to subdivision (a), if the court grants probation to any person punished under Section 23546, the court may order as a condition of probation that the person participate, for at least 30 months subsequent to the underlying conviction and in a manner satisfactory to the court, in a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. In lieu of the minimum term of imprisonment specified in subdivision (a), the court shall impose as a condition of probation under this subdivision that the person be

confined in the county jail for at least 30 days but not more than one year. The court shall not order the treatment prescribed by this subdivision unless the person makes a specific request and shows good cause for the order, whether or not the person has previously completed a treatment program pursuant to paragraph (4) of subdivision (b) of Section 23542 or paragraph (4) of subdivision (b) of Section 23562. In order to enable all required persons to participate, each person shall pay the program costs commensurate with the person's ability to pay as determined pursuant to Section 11837.4 of the Health and Safety Code. No condition of probation required pursuant to this subdivision is a basis for reducing any other probation requirement in this section or Section 23600 or for avoiding the mandatory license revocation provisions of paragraph (5) of subdivision (a) of Section 13352.

(c) In addition to the provisions of Section 23600 and subdivision (a), if the court grants probation to any person punished under Section 23546 who has not previously completed a treatment program pursuant to paragraph (4) of subdivision (b) of Section 23542 or paragraph (4) of subdivision (b) of Section 23562, and unless the person is ordered to participate in and complete a driving-under-the-influence program under subdivision (b), the court shall impose as a condition of probation that the person, subsequent to the date of the current violation, enroll and participate, for at least 18 months and in a manner satisfactory to the court, in a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as designated by the court. The person shall complete the entire program subsequent to, and shall not be given any credit for program activities completed prior to, the date of the current violation. Any person who has previously completed a 12-month or 18-month program licensed pursuant to Section 11836 of the Health and Safety Code shall not be eligible for referral pursuant to this subdivision unless a 30-month licensed driving-under-the-influence program is not available for referral in the county of the person's residence or employment. The program shall provide for persons who cannot afford the program fee pursuant to paragraph (2) of subdivision (b) of Section 11837.4 of the Health and Safety Code in order to enable those persons to participate. No condition of probation required pursuant to this subdivision is a basis for reducing any other probation requirement in this section or Section 23600 or for avoiding the mandatory license revocation provisions of paragraph (5) of subdivision (a) of Section 13352.

(d) The court shall advise the person at the time of sentencing that the driving privilege may not be restored until the person provides proof satisfactory to the department of successful completion of a driving-under-the-influence program of the length required under this

code that is licensed pursuant to Section 11836 of the Health and Safety Code.

(e) This section shall become operative on September 20, 2005.

SEC. 20. Section 23552 of the Vehicle Code is amended to read:

23552. (a) (1) If the court grants probation to a person punished under Section 23550, in addition to the provisions of Section 23600 and any other terms and conditions imposed by the court, the court shall impose as conditions of probation that the person be confined in a county jail for at least 180 days but not more than one year and pay a fine of at least three hundred ninety dollars ($390) but not more than one thousand dollars ($1,000).

(2) The person's privilege to operate a motor vehicle shall be revoked by the department under paragraph (7) of subdivision (a) of Section 13352. The court shall require the person to surrender the driver's license to the court in accordance with Section 13550.

(b) In addition to subdivision (a), if the court grants probation to any person punished under Section 23550, the court may order as a condition of probation that the person participate, for at least 30 months subsequent to the underlying conviction and in a manner satisfactory to the court, in a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. In lieu of the minimum term of imprisonment in subdivision (a), the court shall impose as a condition of probation under this subdivision that the person be confined in the county jail for at least 30 days but not more than one year. The court shall not order the treatment prescribed by this subdivision unless the person makes a specific request and shows good cause for the order, whether or not the person has previously completed a treatment program pursuant to paragraph (4) of subdivision (b) of Section 23542 or paragraph (4) of subdivision (b) of Section 23562. In order to enable all required persons to participate, each person shall pay the program costs commensurate with the person's ability to pay as determined pursuant to Section 11837.4 of the Health and Safety Code. No condition of probation required pursuant to this subdivision is a basis for reducing any other probation requirement in this section or Section 23600 or for avoiding the mandatory license revocation provisions of paragraph (7) of subdivision (a) of Section 13352.

(c) In addition to the provisions of Section 23600 and subdivision (a), if the court grants probation to any person punished under Section 23550 who has not previously completed a treatment program pursuant to paragraph (4) of subdivision (b) of Section 23542 or paragraph (4) of subdivision (b) of Section 23562, and unless the person is ordered to participate in, and complete, a program under subdivision (b), the court shall impose as a condition of probation that the person, subsequent to the date of the current violation, enroll in and participate, for at least 18

months and in a manner satisfactory to the court, in a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as designated by the court. The person shall complete the entire program subsequent to, and shall not be given any credit for program activities completed prior to, the date of the current violation. A person who has previously completed a 12-month or 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code shall not be eligible for referral pursuant to this subdivision unless a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code is not available for referral in the county of the person's residence or employment. A condition of probation required pursuant to this subdivision is not a basis for reducing any other probation requirement in this section or Section 23600 or for avoiding the mandatory license revocation provisions of paragraph (7) of subdivision (a) of Section 13352.

(d) The court shall advise the person at the time of sentencing that the driving privilege may not be restored until the person provides proof satisfactory to the department of successful completion of a driving-under-the-influence program of the length required under this code that is licensed pursuant to Section 11836 of the Health and Safety Code.

(e) This section shall become operative on September 20, 2005.

SEC. 21. Section 23556 of the Vehicle Code is amended to read:

23556. (a) (1) If the court grants probation to any person punished under Section 23554, in addition to the provisions of Section 23600 and any other terms and conditions imposed by the court, the court shall impose as a condition of probation that the person be confined in the county jail for at least five days but not more than one year and pay a fine of at least three hundred ninety dollars ($390) but not more than one thousand dollars ($1,000).

(2) The person's privilege to operate a motor vehicle shall be suspended by the department under paragraph (2) of subdivision (a) of Section 13352. The court shall require the person to surrender the driver's license to the court in accordance with Section 13550.

(b) (1) In a county where the county alcohol program administrator has certified, and the board of supervisors has approved, a program or programs, the court shall also impose as a condition of probation that the driver shall participate in, and successfully complete, an alcohol and other drug education and counseling program, established pursuant to Section 11837.3 of the Health and Safety Code, as designated by the court.

(2) In any county where the board of supervisors has approved and the State Department of Alcohol and Drug Programs has licensed an alcohol

and other drug education and counseling program, the court shall also impose as a condition of probation that the driver enroll in, participate in, and successfully complete, a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, in the driver's county of residence or employment, as designated by the court. For the purposes of this paragraph, enrollment in, participation in, and completion of, an approved program shall be subsequent to the date of the current violation. Credit may not be given to any program activities completed prior to the date of the current violation.

(3) The court shall refer a first offender whose blood-alcohol concentration was less than 0.20 percent, by weight, to participate for three months or longer, as ordered by the court, in a licensed program that consists of at least 30 hours of program activities, including those education, group counseling, and individual interview sessions described in Chapter 9 (commencing with Section 11836) of Part 2 of Division 10.5 of the Health and Safety Code.

(4) The court shall refer a first offender whose blood-alcohol concentration was 0.20 percent or more, by weight, or who refused to take a chemical test, to participate for six months or longer, as ordered by the court, in a licensed program that consists of at least 45 hours of program activities, including those education, group counseling, and individual interview sessions described in Chapter 9 (commencing with Section 11836) of Part 2 of Division 10.5 of the Health and Safety Code.

(c) (1) The court shall revoke the person's probation pursuant to Section 23602, except for good cause shown, for the failure to enroll in, participate in, or complete a program specified in subdivision (b).

(2) The court, in establishing reporting requirements, shall consult with the county alcohol program administrator. The county alcohol program administrator shall coordinate the reporting requirements with the department and with the Department of Alcohol and Drug Programs. That reporting shall ensure that all persons who, after being ordered to attend and complete a program, may be identified for either (A) failure to enroll in, or failure to successfully complete, the program, or (B) successful completion of the program as ordered.

(d) The court shall advise the person at the time of sentencing that the driving privilege shall not be restored until the person has provided proof satisfactory to the department of successful completion of a driving-under-the-influence program of the length required under this code that is licensed pursuant to Section 11836 of the Health and Safety Code.

(e) This section shall become operative on September 20, 2005.

SEC. 22. Section 23562 of the Vehicle Code is amended to read:

23562. If the court grants probation to a person punished under Section 23560, in addition to the provisions of Section 23600 and any

other terms and conditions imposed by the court, the court shall impose as conditions of probation that the person be subject to either subdivision (a) or (b), as follows:

(a) Be confined in the county jail for at least 120 days and pay a fine of at least three hundred ninety dollars ($390), but not more than five thousand dollars ($5,000). The person's privilege to operate a motor vehicle shall be revoked by the department under paragraph (4) of subdivision (a) of Section 13352. The court shall require the person to surrender the driver's license to the court in accordance with Section 13550.

(b) All of the following apply:

(1) Be confined in the county jail for at least 30 days, but not more than one year.

(2) Pay a fine of at least three hundred ninety dollars ($390), but not more than one thousand dollars ($1,000).

(3) The privilege to operate a motor vehicle shall be revoked by the department under paragraph (4) of subdivision (a) of Section 13352. The court shall require the person to surrender the driver's license to the court in accordance with Section 13550.

(4) Either of the following:

(A) Enroll and participate, for at least 18 months subsequent to the date of the underlying violation and in a manner satisfactory to the court, in a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, as designated by the court. The person shall complete the entire program subsequent to, and shall not be given any credit for program activities completed prior to, the date of the current violation. The program shall provide for persons who cannot afford the program fee pursuant to paragraph (2) of subdivision (b) of Section 11837.4 of the Health and Safety Code in order to enable those persons to participate.

(B) Enroll and participate, for at least 30 months subsequent to the date of the underlying violation and in a manner satisfactory to the court, in a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment. The person shall complete the entire program subsequent to, and shall not be given any credit for program activities completed prior to, the date of the current violation.

(c) The court shall advise the person at the time of sentencing that the driving privilege shall not be restored until the person has provided proof satisfactory to the department of successful completion of a driving-under-the-influence program of the length required under this code that is licensed pursuant to Section 11836 of the Health and Safety Code.

(d) This section shall become operative on September 20, 2005.

SEC. 23. Section 23568 of the Vehicle Code is amended to read:

23568. (a) If the court grants probation to a person punished under Section 23566, in addition to the provisions of Section 23600 and any other terms and conditions imposed by the court, the court shall impose as conditions of probation that the person be confined in the county jail for at least one year, that the person pay a fine of at least three hundred ninety dollars ($390) but not more than five thousand dollars ($5,000), and that the person make restitution or reparation pursuant to Section 1203.1 of the Penal Code. The person's privilege to operate a motor vehicle shall be revoked by the department under paragraph (6) of subdivision (a) of Section 13352. The court shall require the person to surrender the driver's license to the court in accordance with Section 13550.

(b) In addition to Section 23600 and subdivision (a), if the court grants probation to a person punished under Section 23566, the court shall impose as a condition of probation that the person enroll in and complete, subsequent to the date of the underlying violation and in a manner satisfactory to the court, an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as designated by the court. The person shall complete the entire program subsequent to, and shall not be given any credit for program activities completed prior to, the date of the current violation. In lieu of the minimum term of imprisonment in subdivision (a), the court shall impose as a minimum condition of probation under this subdivision that the person be confined in the county jail for at least 30 days but not more than one year. Except as provided in this subdivision, if the court grants probation under this section, the court shall order the treatment prescribed by this subdivision, whether or not the person has previously completed a treatment program pursuant to paragraph (4) of subdivision (b) of Section 23542 or paragraph (4) of subdivision (b) of Section 23562. In order to enable all required persons to participate, each person shall pay the program costs commensurate with the person's ability to pay as determined pursuant to Section 11837.4 of the Health and Safety Code. No condition of probation required pursuant to this subdivision is a basis for reducing any other probation requirement in this section or Section 23600 or for avoiding the mandatory license revocation provisions of paragraph (6) of subdivision (a) of Section 13352.

(c) The court shall advise the person at the time of sentencing that the driving privilege may not be restored until the person provides proof

satisfactory to the department of successful completion of a driving-under-the-influence program of the length required under this code that is licensed pursuant to Section 11836 of the Health and Safety Code.

(d) This section shall become operative on September 20, 2005.

SEC. 24. Section 23660 of the Vehicle Code is amended to read:

23660. (a) If a person's privilege to operate a motor vehicle is required to be suspended or revoked by the department under other provisions of this code upon the conviction of an offense described in Article 2 (commencing with Section 23152) of Chapter 12 of Division 11, that person shall surrender each and every operator's license of that person to the court upon conviction. The court shall transmit the license or licenses required to be suspended or revoked to the department under Section 13550, and the court shall notify the department.

(b) This section does not apply to an administrative proceeding by the department to suspend or revoke the driving privilege of any person pursuant to other provisions of law.

(c) This section shall become operative on September 20, 2005.

SEC. 25. Section 23665 of the Vehicle Code is amended to read:

23665. (a) If a person is convicted of a violation of Section 20001, or of Section 23152 or 23153 and is sentenced to one year in a county jail or more than one year in the state prison under Section 23540, 23542, 23546, 23548, 23550, 23550.5, 23552, 23554, 23556, 23558, 23560, 23562, 23566, or 23568, the court may postpone the revocation or suspension of the person's driving privilege until the term of imprisonment is served.

(b) This section shall become operative on September 20, 2005.

SEC. 26. (a) Sections 3.1 and 3.2 of this bill incorporate amendments to Section 13352 of the Vehicle Code proposed by both this bill and SB 1541. Sections 3.1 and 3.2 shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 13352 of the Vehicle Code, (3) SB 1694 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after SB 1541, in which case Sections 3, 3.3, 3.4, 3.5, and 3.6 of this bill shall not become operative.

(b) Sections 3.3 and 3.4 of this bill incorporate amendments to Section 13352 of the Vehicle Code proposed by both this bill and SB 1694. Sections 3.3 and 3.4 shall only become operative if (1) both bills are enacted and become operative on or before January 1, 2005, (2) each bill amends Section 13352 of the Vehicle Code, (3) SB 1541 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after SB 1694, in which case Sections 3, 3.1, 3.2, 3.5, and 3.6 of this bill shall not become operative.

(c) Sections 3.5 and 3.6 of this bill incorporate amendments to Section 13352 of the Vehicle Code proposed by this bill, SB 1541 and SB 1694. Sections 3.5 and 3.6 shall only become operative if (1) all three bills are enacted and become effective January 1, 2005, (2) all three bills amend Section 13352 of the Vehicle Code, and (3) this bill is enacted after SB 1541 and SB 1694, in which case Sections 3, 3.1, 3.2, 3.3, and 3.4 shall not become operative.

SEC. 27. Sections 6.3 and 6.5 of this bill incorporate amendments to Section 13352.5 of the Vehicle Code proposed by both this bill and SB 1696. Sections 6.3 and 6.5 of this bill shall become operative only if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 13352.5 of the Vehicle Code, and (3) this bill is enacted after SB 1696, in which case Section 6 of this bill shall not become operative.

SEC. 28. (a) Sections 7.1 and 7.2 of this bill incorporate amendments to Section 13353 of the Vehicle Code proposed by both this bill and SB 1694. Sections 7.1 and 7.2 shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 13353 of the Vehicle Code, (3) AB 3049 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after SB 1694, in which case Sections 7, 7.4, and 7.5 of this bill shall not become operative.

(b) Section 7.4 of this bill incorporates amendments to Section 13353 of the Vehicle Code proposed by both this bill and AB 3049. Section 7.4 shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 13353 of the Vehicle Code, (3) SB 1694 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after AB 3049, in which case Sections 7, 7.1, 7.2, and 7.5 of this bill shall not become operative.

(c) Section 7.1 and 7.5 of this bill incorporate amendments to Section 13353 of the Vehicle Code proposed by this bill, AB 3049, and SB 1694. Sections 7.1 and 7.5 shall only become operative if (1) all three bills are enacted and become effective January 1, 2005, (2) all three bills amend Section 13353 of the Vehicle Code, and (3) this bill is enacted after AB 3049 and SB 1694, in which case Sections 7, 7.2, and 7.4 shall not become operative.

SEC. 29. Sections 8.3 and 8.5 of this bill incorporate amendments to Section 13353.3 of the Vehicle Code proposed by both this bill and SB 1694. Sections 8.3 and 8.5 of this bill shall become operative only if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 13353.3 of the Vehicle Code, and (3) this bill is enacted after SB 1694, in which case Section 8 of this bill shall not become operative.

SEC. 30. (a) Sections 10.1 and 10.2 of this bill incorporate amendments to Section 13353.7 of the Vehicle Code proposed by both this bill and SB 1694. Sections 10.1 and 10.2 shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 13353.7 of the Vehicle Code, (3) AB 3049 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after SB 1694, in which case Sections 10, 10.4, and 10.5 of this bill shall not become operative.

(b) Section 10.4 of this bill incorporates amendments to Section 13353.7 of the Vehicle Code proposed by both this bill and AB 3049. Section 10.4 shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 13353.7 of the Vehicle Code, (3) SB 1694 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after AB 3049, in which case Sections 10, 10.2, and 10.5 of this bill shall not become operative.

(c) Sections 10.1 and 10.5 of this bill incorporate amendments to Section 13353.7 of the Vehicle Code proposed by this bill, AB 3049, and SB 1697. Sections 10.1 and 10.5 shall only become operative if (1) all three bills are enacted and become effective January 1, 2005, (2) all three bills amend Section 13353.7 of the Vehicle Code, and (3) this bill is enacted after AB 3049 and SB 1697, in which case Sections 10, 10.2, and 10.4 shall not become operative.

SEC. 31. Sections 13.3 and 13.5 of this bill incorporate amendments to Section 14601.2 of the Vehicle Code proposed by both this bill and AB 2666. Sections 13.3 and 13.5 of this bill shall become operative only if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 14601.2 of the Vehicle Code, and (3) this bill is enacted after AB 2666, in which case Section 13 of this bill shall not become operative.

SEC. 32. Sections 16.3 and 16.5 of this bill incorporate amendments to Section 23538 of the Vehicle Code proposed by both this bill and SB 1696. Sections 16.3 and 16.5 of this bill shall become operative only if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 23538 of the Vehicle Code, and (3) this bill is enacted after SB 1696, in which case Section 16 of this bill shall not become operative.

SEC. 33. Sections 17.3 and 17.5 of this bill incorporate amendments to Section 23540 of the Vehicle Code proposed by both this bill and SB 1694. Sections 17.3 and 17.5 of this bill shall become operative only if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 23540 of the Vehicle Code, and (3) this bill is enacted after SB 1694, in which case Section 17 of this bill shall not become operative.

SEC. 34. Sections 18.3 and 18.5 of this bill incorporate amendments to Section 23542 of the Vehicle Code proposed by both this bill and SB 1696. Sections 18.3 and 18.5 of this bill shall become operative only if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 23542 of the Vehicle Code, and (3) this bill is enacted after SB 1696, in which case Section 18 of this bill shall not become operative.

CHAPTER 552

An act to amend Sections 17072, 17132.5, 17152, 17731, 18571, 23701w, and 23712 of, to add Sections 17160.5, 17202.5, and 23703.5 to, and to repeal and amend Section 17144.5 of, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 16, 2004. Filed with Secretary of State September 16, 2004.]

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

SECTION 1. Section 17072 of the Revenue and Taxation Code is amended to read:

17072. (a) Section 62 of the Internal Revenue Code, relating to adjusted gross income defined, applies, except as otherwise provided.

(b) The deduction allowed by Section 17204, relating to interest on education loans, is allowed in computing adjusted gross income.

(c) (1) The deductions allowed in computing adjusted gross income include the deductions allowed by Section 162 of the Internal Revenue Code, as modified by Section 17202.5, determined under Section 62(a)(2)(E) of the Internal Revenue Code, as added by the Military Family Tax Relief Act of 2003 (Public Law 108-121).

(2) The amendments made to this section by the act adding this subdivision shall apply to amounts paid or incurred in taxable years beginning after December 31, 2002.

SEC. 2. Section 17132.5 of the Revenue and Taxation Code is amended to read:

17132.5. Section 101 of the Internal Revenue Code, relating to certain death benefits, is modified as follows:

(a) Section 101(h) of the Internal Revenue Code, relating to survivor benefits attributable to service by a public safety officer who is killed in the line of duty, is modified to apply to amounts received in taxable years beginning after December 31, 1996, with respect to individuals dying after December 31, 1996.

(b) (1) The amendments made to Section 101 of the Internal Revenue Code by Section 102 of the Victims of Terrorism Tax Relief Act of 2001 (Public Law 107-134) shall apply to taxable years ending before, on, or after September 11, 2001.

(2) If a refund or a credit of any overpayment of tax resulting from the amendments made by the act amending and renumbering this section is precluded at any time before the close of the one-year period beginning on the operative date of that act by the operation of any law or rule of law, including res judicata, that refund or credit may nevertheless be made or allowed if a claim therefor is filed on or before the close of that one-year period.

(c) (1) Section 101 of the Internal Revenue Code, as modified by subdivision (b), is modified to additionally provide that Section 101(i) of the Internal Revenue Code shall apply to any astronaut whose death occurs in the line of duty.

(2) The amendments made to this section by the act adding this subdivision shall apply to amounts paid after December 31, 2002, with respect to deaths occurring after that date.

SEC. 3. Section 17144.5 of the Revenue and Taxation Code, as added by Section 13 of Chapter 34 of the Statutes of 2002, is repealed.

SEC. 4. Section 17144.5 of the Revenue and Taxation Code, as added by Section 13 of Chapter 35 of the Statutes of 2002, is amended to read:

17144.5. (a) Section 132 of the Internal Revenue Code, as amended by Title VI of the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16), and as amended by Section 103 of the Military Family Tax Relief Act of 2003 (Public Law 108-121), shall apply except as otherwise provided.

(b) The amendments made to this section by the act adding this subdivision shall apply to payments made after November 11, 2003.

SEC. 5. Section 17152 of the Revenue and Taxation Code is amended to read:

17152. Section 121 of the Internal Revenue Code, relating to exclusion of gain from sale of principal residence, is modified as follows:

(a) The two-year period in Section 121(a) of the Internal Revenue Code shall be reduced 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.

(b) If the taxpayer is prohibited from filing a joint return pursuant to Section 18521, Section 121(b)(2)(A) of the Internal Revenue Code shall nevertheless be treated as being satisfied if the taxpayer files a joint return for federal income tax purposes for the same taxable year. However, in no instance shall the total amount excludable from gross

income under Section 121(a) of the Internal Revenue Code with respect to any sale or exchange exceed the maximum amount allowed by Section 121(b) of the Internal Revenue Code.

(c) (1) If a taxpayer has, at any time, made an election for federal purposes under Section 121(f) of the Internal Revenue Code not to have Section 121 of the Internal Revenue Code apply to a sale or exchange, Section 121 of the Internal Revenue Code shall not apply to that sale or exchange for state purposes, a separate election for state purposes shall not be allowed under paragraph (3) of subdivision (e) of Section 17024.5, the federal election shall be binding for purposes of this part, and that election shall be treated as an election to include in gross income for purposes of this part all the gain from the sale or exchange of that property, including that amount which, but for that election, would have been excluded from income under Section 121(a) of the Internal Revenue Code for state purposes.

(2) If a taxpayer fails to make an election for federal purposes under Section 121(f) of the Internal Revenue Code to not have Section 121 of the Internal Revenue Code apply to a sale or exchange, no election under Section 121(f) of the Internal Revenue Code shall be allowed for state purposes, Section 121 of the Internal Revenue Code shall apply to that sale or exchange for state purposes, and a separate election for state purposes shall not be allowed under paragraph (3) of subdivision (e) of Section 17024.5.

(d) (1) If a taxpayer has, at any time, made an election for federal purposes under Section 312(d)(2) of the Taxpayer Relief Act of 1997 (Public Law 105-34), relating to sales before date of enactment, or Section 312(d)(4) of that act, relating to binding contracts, to not have the amendments made by Section 312 of the Taxpayer Relief Act of 1997 (Public Law 105-34) apply to a sale or exchange, the amendments made by the act adding this subdivision shall not apply to that sale or exchange, Sections 1, 4, and 6 of Chapter 610 of the Statutes of 1997 shall not apply to that sale or exchange, a separate election for state purposes shall not be allowed under paragraph (3) of subdivision (e) of Section 17024.5, and the federal election shall be binding for purposes of this part.

(2) If a taxpayer fails to make an election for federal purposes under Section 312(d)(2) of the Taxpayer Relief Act of 1997 (Public Law 105-34), relating to sales before date of enactment, or Section 312(d)(4) of that act, relating to binding contracts, to not have the amendments made by Section 312 of the Taxpayer Relief Act of 1997 (Public Law 105-34) apply to a sale or exchange, an election under Section 312(d)(2) of the Taxpayer Relief Act of 1997 (Public Law 105-34), relating to sales before date of enactment, or Section 312(d)(4) of that act, relating to binding contracts, shall not be allowed for state purposes, the amendments made by the act adding this subdivision shall apply to that

sale or exchange, Sections 1, 4, and 6 of Chapter 610 of the Statutes of 1997 shall apply to that sale or exchange, and a separate election for state purposes shall not be allowed under paragraph (3) of subdivision (e) of Section 17024.5.

(e) (1) At the election of an individual, the running of the five-year period described in Sections 121(a), 121(c)(1)(B), and 121(d)(7) of the Internal Revenue Code shall be suspended during any period that the individual or the individual's spouse is serving on qualified official extended duty as a member of the uniformed services or of the Foreign Service of the United States.

(2) The five-year period described in Section 121(a) of the Internal Revenue Code shall not be extended more than 10 years by reason of paragraph (1).

(3) For purposes of this subdivision:

(A) The term ''qualified official extended duty'' means any extended duty while serving at a duty station which is at least 50 miles from that property or while residing under government orders in government quarters.

(B) The term ''uniformed services'' has the same meaning given that term by Section 101(a)(5) of Title 10 of the United States Code, as in effect on November 11, 2003.

(C) The term ''member of the Foreign Service of the United States'' has the same meaning given the term ''member of the service'' by paragraph (1), (2), (3), (4), or (5) of Section 103 of the Foreign Service Act of 1980, as in effect on November 11, 2003.

(D) The term ''extended duty'' means any period of active duty pursuant to a call or order to that duty for a period in excess of 90 days or for an indefinite period.

(4) (A) An election under paragraph (1) with respect to any property may not be made if that election is in effect with respect to any other property.

(B) An election under paragraph (1) may be revoked at any time.

(C) If a taxpayer has, at any time, made or revoked an election for federal purposes under Section 121(d)(9) of the Internal Revenue Code, as added by the Military Family Tax Relief Act of 2003 (Public Law 108-121), to suspend the running of the five-year period described in Sections 121(a), 121(c)(1)(B), and 121(d)(7) of the Internal Revenue Code, that election or revocation of election to suspend the five-year period under this subdivision shall be applicable for state purposes, a separate election or revocation of election for purposes of this subdivision may not be allowed under paragraph (3) of subdivision (e) of Section 17024.5, and the federal election or revocation of election shall be binding for purposes of this part.

(D) If a taxpayer fails to make an election for federal purposes under Section 121(d)(9) of the Internal Revenue Code to suspend the running of the five-year period described in Sections 121(a), 121(c)(1)(B), and 121(d)(7) of the Internal Revenue Code, that five-year period may not be suspended under this subdivision with respect for state purposes, and a separate election for state purposes shall not be allowed under paragraph (3) of subdivision (e) of Section 17024.5.

(5) (A) The amendments made to this section by the act adding this subdivision shall be applied in the same manner and for the same periods as specified in the Military Family Tax Relief Act of 2003 (Public Law 108-121).

(B) If a refund or credit of any overpayment of tax resulting from the amendments made by the act adding this subdivision is prevented at any time before the close of the one-year period beginning on November 11, 2003, by the operation of any law or rule of law (including res judicata), that refund or credit may nevertheless be made or allowed if the claim therefor is filed before the close of that period.

SEC. 6. Section 17160.5 is added to the Revenue and Taxation Code, to read:

17160.5. (a) (1) Section 134 of the Internal Revenue Code, relating to certain military benefits, is modified to additionally provide that Section 134(b)(3)(A) of the Internal Revenue Code shall not apply to any adjustment to the amount of death gratuity payable under Chapter 75 of Title 10 of the United States Code, which is pursuant to a provision of law enacted after September 9, 1986.

(2) This subdivision shall apply with respect to deaths occurring after September 10, 2001.

(b) (1) Section 134(b) of the Internal Revenue Code, defining qualified military benefit, is modified to provide that for purposes of Section 134(b)(1) of the Internal Revenue Code, the term ''qualified military benefit'' includes any dependent care assistance program (as in effect on November 11, 2003) for any individual described in Section 134(b)(1)(A) of the Internal Revenue Code.

(2) This subdivision shall apply to taxable years beginning after December 31, 2002.

(3) No inference may be drawn from the amendments made by the act adding this subdivision with respect to the tax treatment of any amount under the program described in paragraph (1) for any taxable year beginning before January 1, 2003.

SEC. 7. Section 17202.5 is added to the Revenue and Taxation Code, to read:

17202.5. (a) Section 162 of the Internal Revenue Code, relating to trade or business expenses, is modified to additionally provide that for purposes of Section 162(a)(2) of the Internal Revenue Code, in the case

of an individual who performs services as a member of a reserve component of the Armed Forces of the United States at any time during the taxable year, the individual shall be deemed to be away from home in the pursuit of a trade or business for any period during which the individual is away from home in connection with that service.

(b) This section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2002.

SEC. 8. Section 17731 of the Revenue and Taxation Code is amended to read:

17731. (a) Subchapter J of Chapter 1 of Subtitle A of the Internal Revenue Code, relating to estates, trusts, beneficiaries, and decedents, shall apply, except as otherwise provided.

(b) (1) The amendments made to Section 692 of the Internal Revenue Code by Sections 101 and 113 of the Victims of Terrorism Tax Relief Act of 2001 (Public Law 107-134) shall apply to the same periods as applied under federal law, except as otherwise provided.

(2) Section 692(d)(2) of the Internal Revenue Code, relating to the ten-thousand-dollar ($10,000) minimum benefit, does not apply.

(c) If a refund or a credit of any overpayment of tax resulting from the amendments made by this section is prevented at any time before the close of the one-year period beginning on the date of enactment of this act by the operation of any law or rule of law (including res judicata), that refund or credit may nevertheless be made or allowed if a claim therefor is filed on or before the close of that one-year period.

(d) (1) Section 692(d) of the Internal Revenue Code is modified to additionally provide that Section 692(d) of the Internal Revenue Code, as modified by paragraph (1) of subdivision (b), applies to any astronaut whose death occurs in the line of duty, except that Section 692(d)(3)(B) of the Internal Revenue Code shall be applied by using the date of the death of the astronaut rather than September 11, 2001.

(2) The amendments made to this section by the act adding this subdivision shall apply with respect to any astronaut whose death occurs after December 31, 2002.

SEC. 9. Section 18571 of the Revenue and Taxation Code is amended to read:

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 a 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.

(d) (1) Section 7508(a) of the Internal Revenue Code, relating to time to be disregarded, is additionally modified by all of the following:

(A) Substituting the phrase ''section 112, or when deployed outside the United States away from the individual's permanent duty station while participating in an operation designated by the Secretary of Defense as a contingency operation (as defined in Section 101(a)(13) of title 10, United States Code) or which became such a contingency operation by operation of law'' for the phrase ''section 112'' contained therein.

(B) Substituting the phrase ''for purposes of such section or at any time during the period of such contingency operation'' for the phrase ''for purposes of such section'' contained therein.

(C) Substituting the phrase ''such an area or operation'' for the phrase ''such an area'' contained therein.

(D) Substituting the phrase ''such area or operation'' for the phrase ''such area'' contained therein.

(2) Section 7508(d) of the Internal Revenue Code, relating to missing status, is additionally modified by substituting the phrase ''area or contingency operation'' for the phrase ''area'' contained therein.

(3) The amendments made to this section by the act adding this subdivision shall apply to any period for performing an act which has not expired before November 11, 2003.

SEC. 10. Section 23701w of the Revenue and Taxation Code is amended to read:

23701w. (a) A veteran's organization, as defined by Section 501(c)(19) of the Internal Revenue Code, as amended by Section 105 of the Military Family Tax Relief Act of 2003 (Public Law 108-121).

(b) The amendments made to this section by the act adding this subdivision shall apply to taxable years beginning after November 11, 2003.

SEC. 11. Section 23703.5 is added to the Revenue and Taxation Code, to read:

23703.5. Section 501(p) of the Internal Revenue Code, as amended by Section 108 of the Military Family Relief Tax Act of 2003 (Public Law 108-121), relating to suspension of tax-exempt status of terrorist organizations, shall apply, except as otherwise provided:

(a) References to Section 501(a) of the Internal Revenue Code shall be modified to refer to Section 23701.

(b) Section 501(p)(4) of the Internal Revenue Code is modified by substituting the phrase ''under Part 10 (commencing with Section 17001) and this part'' for the phrase ''under any provision of this title,

including section 170, 545(b)(2), 556(b)(2), 642(c), 2055, 2106(a)(2), and 2522'' contained therein.

(c) This section shall apply only during the period described in Section 501(p)(3) of the Internal Revenue Code that the federal tax exemption of the organization described in Section 501(p)(2) of the Internal Revenue Code is suspended for federal income tax purposes under Section 501(p)(1) of the Internal Revenue Code.

(d) Section 501(p)(5) of the Internal Revenue Code shall not apply and in lieu thereof, notwithstanding any other provision of law, no organization or other person may challenge a suspension under this section, a designation or identification described in Section 501(p)(2) of the Internal Revenue Code, the period of suspension described in Section 501(p)(3) of the Internal Revenue Code, or a denial of a deduction under Section 501(p)(4) of the Internal Revenue Code as modified in subdivision (b) in any administrative or judicial proceeding relating to the California tax liability of the organization or other person.

(e) (1) Credit or refund (with interest) with respect to an overpayment shall be made if all of the following apply with respect to that overpayment:

(A) The tax exemption of any organization described in Section 501(p)(2) of the Internal Revenue Code is suspended under this section.

(B) Each designation and identification described in Section 501(p)(2) of the Internal Revenue Code which has been made with respect to that organization is determined to be erroneous under Section 501(p)(6) of the Internal Revenue Code for federal income tax purposes.

(C) The erroneous designations and identifications result in an overpayment of income tax for any taxable year by that organization.

(2) If the credit or refund of any overpayment of tax described in subparagraph (C) of paragraph (1) is prevented at any time by the operation of any law or rule of law (including res judicata), the credit or refund may nevertheless be allowed or made if the claim therefor is filed before the close of the one-year period beginning on the date of the last determination described in subparagraph (B) of paragraph (1).

(f) This section shall apply to designations made before, on, or after November 11, 2003.

SEC. 12. Section 23712 of the Revenue and Taxation Code is amended to read:

23712. Section 530 of the Internal Revenue Code, as amended by Sections 401 and 402 of the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16) and Section 411 of the Job Creation and Worker Assistance Act of 2002 (Public Law 107-147), relating to education savings accounts, shall apply, except as otherwise provided.

(a) Section 530(a) of the Internal Revenue Code is modified as follows:

(1) By substituting the phrase ''under Part 10 (commencing with Section 17001) and this part'' in lieu of the phrase ''under this subtitle.''

(2) By substituting ''Article 2 (commencing with Section 23731)'' in lieu of ''section 511.''

(b) For taxable years beginning before January 1, 2002, Section 530(b)(1) of the Internal Revenue Code, relating to the definition of education savings account, is modified to additionally require that upon the date that the designated beneficiary becomes 30 years of age, any balance to the credit of the beneficiary shall be distributed within 30 days after the date the beneficiary becomes 30 years of age to that beneficiary.

(c) Section 530(d) of the Internal Revenue Code is modified as follows:

(1) By substituting the phrase ''under Part 10 (commencing with Section 17001) in the manner as provided in Section 72(b) of the Internal Revenue Code, as modified by Part 10'' in lieu of the phrase ''in the manner as provided in Section 72(b)'' in Section 530(d)(1) of the Internal Revenue Code.

(2) (A) A taxpayer that has elected to waive the application of Section 530(d)(2) of the Internal Revenue Code for federal income tax purposes shall be treated as having waived the application of that paragraph for state purposes, a separate election for state purposes shall not be allowed under paragraph (3) of subdivision (e) of Section 17024.5 or paragraph (3) of subdivision (e) of Section 23051.5, and the federal election shall be binding for purposes of Part 10 (commencing with Section 17001) and this part.

(B) If a taxpayer fails to make an election under Section 530(d)(2)(C) of the Internal Revenue Code for federal income tax purposes to waive the application of Section 530(d)(2) of the Internal Revenue Code, an election under Section 530(d)(2)(C) of the Internal Revenue Code shall not be allowed for state purposes, Section 530(d)(2)(A) and (B) of the Internal Revenue Code shall apply for state purposes, and a separate election for state purposes shall not be allowed under paragraph (3) of subdivision (e) of Section 17024.5.

(3) (A) By substituting the phrase ''tax imposed by Part 10 (commencing with Section 17001)'' in lieu of the phrase ''tax imposed by this chapter'' in Section 530(d)(4)(A) of the Internal Revenue Code.

(B) By substituting the phrase ''increased by $2^1/_2$ percent'' in lieu of the phrase ''increased by 10 percent'' in Section 530(d)(4)(A) of the Internal Revenue Code.

(C) By substituting the phrase ''shall be included in the contributor's gross income under Part 10 (commencing with Section 17001) or this

part'' in lieu of the phrase ''shall be included in gross income'' in Section 530(d)(4)(C) of the Internal Revenue Code.

(D) (i) By additionally providing that Section 530(d)(4)(A) of the Internal Revenue Code, relating to additional tax for distributions not used for educational purposes, shall not apply if the payment or distribution is made on account of the attendance of the designated beneficiary at the United States Military Academy, the United States Naval Academy, the United States Air Force Academy, the United States Coast Guard Academy, or the United States Merchant Marine Academy, to the extent that the amount of the payment or distribution does not exceed the costs of advanced education (as defined by Section 2005(e)(3) of Title 10 of the United States Code, as in effect on November 11, 2003) attributable to that attendance.

(ii) The amendments made to this section by the act adding this subparagraph shall apply to taxable years beginning after December 31, 2002.

(d) For purposes of Part 10 (commencing with Section 17001) and this part, in the case of a custodial account treated as a trust by reason of Section 530(g) of the Internal Revenue Code, the custodian of that account shall be treated as the trustee thereof.

(e) A copy of the report, which is required to be filed with the Secretary of the Treasury under Section 530(h) of the Internal Revenue Code, shall be filed with the Franchise Tax Board at the same time and in the same manner as specified in that section.

SEC. 13. The Legislature declares that the tax relief provided by this act serves a public purpose of the state and conforms state law to the federal Military Family Tax Relief Act of 2003 (Public Law 108-121) that was enacted on November 11, 2003, which specifically provides retroactive tax relief.

SEC. 14. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 553

An act to add and repeal Section 1507 of the Fish and Game Code, relating to wildlife management.

[Approved by Governor September 16, 2004. Filed with Secretary of State September 16, 2004.]

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

SECTION 1. Section 1507 is added to the Fish and Game Code, to read:

1507. (a) (1) It is the intent of the Legislature to control mosquito production on managed wetland habitat that is owned or managed by the department, in a manner that does all of the following:

(A) Maintains or enhances the waterfowl and other wildlife values of that habitat.

(B) Minimizes financial costs to the department and local mosquito abatement districts.

(C) Reduces the need for chemical treatment or other nonecological control of mosquitos.

(D) Increases coordination and communication between the department, local mosquito abatement districts, and the State Department of Health Services.

(E) Maintains and protects humans, domestic animals, and wildlife from vector-borne diseases such as West Nile virus.

(2) The Legislature further finds and declares that the implementation of mosquito prevention best management practices on managed wetland habitat is critical to the department's effort to reduce mosquito production on its wildlife management areas.

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

(1) ''Managed wetland habitat'' means artificially irrigated and intensively managed wetland habitat administered primarily for the benefit of waterfowl and other wetland-dependent species.

(2) ''Best management practices'' means management strategies jointly developed by the department, the State Department of Health Services, and mosquito abatement districts, in consultation with the Central Valley Habitat Joint Venture, for the ecological control of mosquitoes on managed wetland habitat.

(3) ''Wildlife management area'' has the same meaning as set forth in subdivision (d) of Section 1504.

(4) ''Mosquito abatement district'' has the same meaning as set forth in subdivision (f) of Section 2002 of the Health and Safety Code.

(c) (1) A mosquito abatement district whose district boundaries include one or more wildlife management areas shall periodically, or at least semiannually, notify the department of those areas that exceed locally established mosquito population thresholds and associated mosquito control costs. The district shall provide the basis for the established thresholds to the department. Those thresholds and costs may be reviewed by the State Department of Health Services for conformity to generally acceptable mosquito control standards.

(2) In order to reduce mosquito production at those wildlife management areas described in paragraph (1), the department shall do all of the following:

(A) Identify best management practices for each applicable wildlife management area that, when implemented, would result in the mosquito population being reduced below the locally established threshold value while maintaining and enhancing the waterfowl and other wildlife values of that habitat.

(B) In consultation with the local mosquito abatement district, develop and implement a mosquito control plan that applies the best management practices and any other necessary management practices at each applicable wildlife management area.

(C) If capital improvements or other infrastructure are required to implement selected best management practices at a wildlife management area, the department shall work to secure any necessary funding through the board or other appropriate sources.

(D) In coordination with the local mosquito abatement district, develop each spring an annual work plan for each wildlife management area that specifies the intended management activities for each unit of the wildlife management area and that, to the extent practicable, employs best management practices.

(E) Implement the best management practices referenced in the annual work plan to the greatest extent possible, recognizing that unanticipated modifications to those plans are often necessary due to the uncertainty of water availability, water conveyance problems associated with beaver, muskrat and other animal activity, ditch, levee or pump failures, equipment breakdowns, rainfall or runoff-induced natural flooding, and other factors beyond the control of the department's wetland managers, all of which may require periodic alteration of wetland management plans.

(F) Meet with the local mosquito abatement district each summer to coordinate fall flooding of managed wetland habitat at each applicable wildlife management area and, if chemical treatment or other nonecological control is necessary, conduct post-fall flooding meetings to discuss the refinement of best management practices.

(G) If the wetland occupies land outside the jurisdictional boundaries of a mosquito abatement district, the department may consult with the State Department of Health Services to determine which best management practices can be implemented in the absence of an organized local mosquito control program.

(d) A mosquito abatement district whose boundaries include a wildlife management area described in paragraph (1) of subdivision (c) shall do all of the following:

(1) In consultation with the department, develop standardized monitoring procedures for mosquito surveillance for each managed wetland habitat at each wildlife management area, and, when the monitoring procedures are completed, provide a copy of the procedures to the department. These procedures may be reviewed by the State Department of Health Services for conformity to generally accepted mosquito control standards.

(2) Conduct posttreatment monitoring of wildlife management area lands and develop performance criteria to document mosquito control effectiveness.

(3) Provide an annual report to the department specifying the types and quantities of pesticides used, types of habitat sprayed, and the total number of acres treated in a wildlife management area. The annual report shall also include recommendations for the refinement of best management practices to reduce the need for any chemical treatment or other nonecological control.

(e) This section shall remain in effect only until January 1, 2010, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2010, deletes or extends that date.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a 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, within the meaning of Section 17556 of the Government Code.

CHAPTER 554

An act to amend Sections 66025.6, 69433.4, 69750, 69750.3, 69750.5, 69750.7, and 69751 of, and to repeal and add Section 69751.3 of, the Education Code, and to amend Section 981.8 of the Military and Veterans Code, relating to veterans.

[Approved by Governor September 16, 2004. Filed with Secretary of State September 16, 2004.]

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

SECTION 1. Section 66025.6 of the Education Code is amended to read:

66025.6. (a) As used in this section, the following terms have the following meanings:

(1) ''Active duty'' means either of the following:

(A) Active federal service or full-time national guard duty on behalf of the United States of America either voluntarily, or when involuntarily ordered to duty by appropriate authorities under Title 10 or Title 32 of the United States Code during a period of armed conflict, mobilization, contingency operations, or other crisis.

(B) (i) Active military duty in the service of the state when the Governor has issued a proclamation of a state of insurrection pursuant to Section 143 of the Military and Veterans Code or a proclamation of a state of emergency; or

(ii) When the National Guard is on active duty pursuant to Section 146 of the Military and Veterans Code, or is called to active service or duty under Chapter 7.5 (commencing with Section 400) of Part 1 of Division 2 of the Military and Veterans Code, and a certificate of satisfactory service, or an equivalent thereof, is issued by the Military Department.

(2) ''Qualifying member'' means a person who:

(A) Is a resident, as defined in Section 68017.

(B) Is currently an active member of, and has satisfactorily served for at least one year in, the California National Guard, the State Military Reserve, or the Naval Militia, and maintains satisfactory service throughout the period that he or she receives consideration pursuant to this section, or throughout the period that his or her student loan payments are assumed under Article 12.5 (commencing with Section 69750) of Chapter 2 of Part 42, whichever is longer.

(C) Has completed a baccalaureate degree, or is currently enrolled, and in good standing, in an undergraduate program of instruction, or has been admitted to a program in which he or she will be enrolled, on at least a half-time basis, at an institution of higher education in this state, or is enrolled and in good standing in or has completed a program of instruction in a vocational diploma program as defined in Section 94746 where enrollment qualifies a student for participation in the Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.) or any loan program approved by the Student Aid Commission.

(b) (1) Any qualifying member, and any member of the California National Guard, the State Military Reserve, or the Naval Militia who meets the qualifications of subparagraphs (A) and (B) of paragraph (2) of subdivision (a) and who is enrolled, and in good standing in a graduate program of instruction, who undertakes active duty is entitled to an academic leave of absence for any academic session that the person is unable to attend or complete because he or she is on active duty. It is the intent of the Legislature that a graduate or undergraduate student who is called to active military duty as a member of the California National Guard, the State Military Reserve, or the Naval Militia not be

academically penalized as a result of any academic leave of absence that he or she takes in accordance with this paragraph.

(2) The graduation requirements for a qualifying member who, within one year of returning from active duty, resumes his or her studies at the same postsecondary educational institution shall be, to the extent that it is feasible, the same as the graduation requirements at the time the qualifying member initially enrolled.

(c) The Military Department shall determine whether an individual meets the requirements of ''active duty'' and ''qualifying member,'' as they are set forth in subdivision (a). The department shall issue a certificate to individuals who meet those requirements.

(d) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2012, deletes or extends that date.

SEC. 1.5. Section 66025.6 of the Education Code is amended to read:

66025.6. (a) As used in this section, the following terms have the following meanings:

(1) ''Active duty'' means either of the following:

(A) Active federal service or full-time national guard duty on behalf of the United States of America either voluntarily, or when involuntarily ordered to duty by appropriate authorities under Title 10 or Title 32 of the United States Code during a period of armed conflict, mobilization, contingency operations, or other crisis.

(B) (i) Active military duty in the service of the state when the Governor has issued a proclamation of a state of insurrection pursuant to Section 143 of the Military and Veterans Code or a proclamation of a state of emergency; or

(ii) When the National Guard is on active duty pursuant to Section 146 of the Military and Veterans Code, or is called to active service or duty under Chapter 7.5 (commencing with Section 400) of Part 1 of Division 2 of the Military and Veterans Code, and a certificate of satisfactory service, or an equivalent thereof, is issued by the Military Department.

(2) ''Qualifying member'' means a person who:

(A) Is a resident, as defined in Section 68017.

(B) Is currently an active member of, and has satisfactorily served for at least one year in, the California National Guard, the State Military Reserve, or the Naval Militia, and maintains satisfactory service throughout the period that he or she receives consideration pursuant to this section, or throughout the period that his or her student loan payments are assumed under Article 12.5 (commencing with Section 69750) of Chapter 2 of Part 42, whichever is longer.

(C) Has completed a baccalaureate degree, or is currently enrolled, and in good standing, in an undergraduate program of instruction, or has been admitted to a program in which he or she will be enrolled, on at least a half-time basis, at an institution of higher education in this state, or is enrolled in or has completed a program of instruction in a vocational diploma program as defined in Section 94746 where enrollment qualifies a student for participation in the Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.) or any loan program approved by the Student Aid Commission.

(b) (1) (A) Any qualifying member, and any member of the California National Guard, the State Military Reserve, or the Naval Militia who meets the qualifications of subparagraphs (A) and (B) of paragraph (2) of subdivision (a) and who is enrolled, and in good standing in a graduate program of instruction, who undertakes active duty is entitled to an academic leave of absence for any academic session that the person is unable to attend or complete because he or she is on active duty.

(B) It is the intent of the Legislature that a graduate or undergraduate student who is called to active military duty as a member of the California National Guard, the State Military Reserve, or the Naval Militia not be academically penalized as a result of any academic leave of absence that he or she takes in accordance with this paragraph.

(2) To the extent that it is feasible, graduation requirements for a qualifying member who, within one year of returning from active duty, resumes his or her studies at the same postsecondary educational institution shall be the same as the graduation requirements at the time the qualifying member initially enrolled.

(c) The Military Department shall determine whether an individual meets the requirements of ''active duty'' and ''qualifying member,'' as they are set forth in subdivision (a). The department shall issue a certificate to individuals who meet those requirements.

(d) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2012, deletes or extends that date.

SEC. 2. Section 69433.4 of the Education Code is amended to read:

69433.4. (a) Notwithstanding any other provision of law, a recipient of a Cal Grant award who is a member of the National Guard, the State Military Reserve, or the Naval Militia on active duty within the meaning of Section 66025.6, who is obliged to withdraw from his or her studies because of that active duty, and who later resumes those studies no later than one year after completing that active duty, does not forfeit either any of the monetary value of the Cal Grant award or any of his or her period of eligibility for that award.

(b) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2012, deletes or extends that date.

SEC. 3. Section 69750 of the Education Code is amended to read:

69750. Commencing with the 2004–05 fiscal year, the National Guard Assumption Program of Loans for Education is established to provide an incentive for persons to enlist or reenlist in the National Guard, the State Military Reserve, or the Naval Militia within the meaning of Section 66025.6 who seek, or who have completed, degrees at institutions of higher education within this state, or who are enrolled in or have completed a program of instruction in a vocational diploma program, as defined in Section 94746, where enrollment qualifies a student for participation in the Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.) or any loan program approved by the Student Aid Commission for this purpose.

SEC. 4. Section 69750.3 of the Education Code is amended to read:

69750.3. (a) A person who meets all of the following conditions is eligible to enter into an agreement for loan assumption, to be redeemed pursuant to Section 69750.5:

(1) The applicant agrees to enlist, or reenlist, in the National Guard, the State Military Reserve, or the Naval Militia.

(2) The applicant is enrolled in an institution of higher education or a vocational diploma program, as defined in Section 94746, that participates in the loan assumption program set forth in this article.

(3) In order to meet the costs associated with obtaining a degree or enrollment in a qualified vocational diploma program as defined in Section 94746, the applicant has received, or is approved to receive, a loan under one or more of the following designated loan programs:

(A) The Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.).

(B) Any loan program approved by the Student Aid Commission.

(b) A person participating in the program pursuant to this article shall not be eligible to enter into more than one agreement under this article.

SEC. 5. Section 69750.5 of the Education Code is amended to read:

69750.5. The Student Aid Commission shall commence loan assumption payments, as required by Section 69750.7, upon receipt of a certificate from the Military Department verifying that the applicant has completed the enlistment and military service requirements, and upon determination that the applicant has otherwise met the requirements of the loan assumption agreement and all other conditions of this article.

SEC. 6. Section 69750.7 of the Education Code is amended to read:

69750.7. The terms of the loan assumption agreements granted under this article shall be as follows, subject to the specific terms of each warrant:

(a) After a program participant has completed one year of service as, or in the case of a participant who is eligible because he or she has agreed to reenlist, one year of additional service as, a qualifying member within the meaning of Section 66025.6, the Student Aid Commission shall assume up to two thousand dollars ($2,000) of the participant's outstanding liability, related to qualifying undergraduate or vocational education, under one or more of the designated loan programs.

(b) After a program participant has completed two consecutive years of service as, or in the case of a participant who is eligible because he or she has agreed to reenlist, two consecutive years of additional service as, a qualifying member within the meaning of Section 66025.6, the commission shall assume up to an additional three thousand dollars ($3,000) of the participant's outstanding liability, related to qualifying undergraduate or vocational education, under one or more of the designated loan programs, for a total loan assumption of up to five thousand dollars ($5,000).

(c) After a program participant has completed three consecutive years of service as, or in the case of a participant who is eligible because he or she has agreed to reenlist, three consecutive years of additional service as, a qualifying member within the meaning of Section 66025.6, the commission shall assume up to a maximum of an additional three thousand dollars ($3,000) of the participant's outstanding liability, related to qualifying undergraduate or vocational education, under one or more of the designated loan programs, for a total loan assumption of up to eight thousand dollars ($8,000).

(d) After a program participant has completed four consecutive years of service as, or in the case of a participant who is eligible because he or she has agreed to reenlist, four consecutive years of additional service as, a qualifying member within the meaning of Section 66025.6, the commission shall assume up to a maximum of an additional three thousand dollars ($3,000) of the participant's outstanding liability, related to qualifying undergraduate or vocational education, under one or more of the designated loan programs, for a total loan assumption of up to eleven thousand dollars ($11,000).

SEC. 7. Section 69751 of the Education Code is amended to read:

69751. (a) The Student Aid Commission shall administer this article, and, in consultation with the Military Department, shall adopt rules and regulations for that purpose. The rules and regulations shall include, but need not be limited to, provisions regarding the period of time for which a loan assumption agreement shall remain valid, the reallocation of funds that are not utilized, and the development of

projections for funding purposes. The commission shall solicit the advice of representatives from postsecondary education institutions regarding the proposed rules and regulations. The commission shall adopt initial regulations for the program within six months of the effective date of the initial appropriation funding the program.

(b) The Student Aid Commission shall work in conjunction with lenders participating in federal loan programs to develop a streamlined application process for participation in the program set forth in this article.

SEC. 7.5. Section 69751 of the Education Code is amended to read:

69751. (a) The Student Aid Commission shall administer this article, and, in consultation with the Military Department, shall adopt rules and regulations for that purpose. The rules and regulations shall include, but need not be limited to, provisions regarding the period of time for which a loan assumption agreement shall remain valid, the reallocation of funds that are not utilized, and the development of projections for funding purposes. The commission shall solicit the advice of representatives from postsecondary educational institutions regarding the proposed rules and regulations. The commission shall adopt initial regulations for the program within six months of the effective date of the initial appropriation funding the program.

(b) The Student Aid Commission shall work in conjunction with lenders participating in federal loan programs to develop a streamlined application process for participation in the program set forth in this article.

SEC. 8. Section 69751.3 of the Education Code is repealed.

SEC. 9. Section 69751.3 is added to the Education Code, to read:

69751.3. The Student Aid Commission shall report annually to the Legislature regarding program participation, including, but not necessarily limited to, both of the following, as categorized on the basis of age, ethnicity, and gender:

(a) The total number of participants in the program established by this article.

(b) The number of participants who receive a loan assumption benefit, classified by payment year.

SEC. 10. Section 981.8 of the Military and Veterans Code is amended to read:

981.8. (a) The Office of the Adjutant General is requested to annually make both of the following available to each member of the California National Guard, the State Military Reserve, and the Naval Militia who does not have a baccalaureate degree:

(1) A copy of the enrollment fee waiver application of the Board of Governors of the California Community Colleges.

(2) A copy of the Free Application for Federal Student Aid (FAFSA).

(b) The Office of the Adjutant General is requested to provide assistance as necessary to help the members complete the forms made available to them under subdivision (a).

(c) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2012, deletes or extends that date.

SEC. 11. Section 1.5 of this bill incorporates amendments to Section 66025.6 of the Education Code proposed by both this bill and Assembly Bill 1997. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 66025.6 of the Education Code, and (3) this bill is enacted after Assembly Bill 1997, in which case Section 1 of this bill shall not become operative.

SEC. 12. Section 7.5 of this bill incorporates amendments to Section 69751 of the Education Code proposed by both this bill and Assembly Bill 1997. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 69751 of the Education Code, and (3) this bill is enacted after Assembly Bill 1997, in which case Section 7 of this bill shall not become operative.

CHAPTER 555

An act to add and repeal Article 4 (commencing with Section 8228) of Chapter 2 of Part 6 of the Education Code, relating to child care, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 16, 2004. Filed with Secretary of State September 16, 2004.]

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

SECTION 1. Article 4 (commencing with Section 8228) is added to Chapter 2 of Part 6 of the Education Code, to read:

Article 4. California Helping Heroes Child Care Program

8228. (a) There is hereby established the California Helping Heroes Child Care Program to provide child care to California families who have one or more parents deployed outside of their local area by the armed services. The program shall be administered by the State Department of Education, and shall be implemented only if federal funding is made available for these purposes. These funds shall be

deposited in the Fund For Child Care For Deployed Military, which is hereby established in the State Treasury.

(b) Any California resident who is serving in the active military, reserves, or National Guard, has been deployed to Iraq, and meets income eligibility criteria pursuant to Section 8263.1, is eligible for a child care voucher pursuant to this article.

(c) Families who received child care prior to the deployment of the parent are eligible only for the cost of any additional hours of care that resulted from the deployment.

(d) A family is ineligible for a child care voucher under this section if it receives child care services from the United States military.

(e) Child care vouchers provided by this program shall be administered in accordance with the Alternative Payment Program established pursuant to Article 3 (commencing with Section 8220) except that the funding priorities set forth in Section 8263 that are made applicable to alternative payment programs pursuant to Section 8220 do not apply to the program.

(f) The State Department of Education may adopt regulations to implement this article. The adoption, amendment, or repeal of a regulation authorized by this section is hereby exempted from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(g) For the purposes of this article, ''deployed'' means activated to serve in an active military operation or national emergency.

(h) All other applicable provisions of this chapter apply to this program.

(i) This article shall remain in effect only until January 1, 2010, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2010, deletes or extends that date.

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.

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 immediate implementation of a program to provide adequate child care for persons on active duty with the military, it is necessary that this act take effect immediately.

CHAPTER 556

An act to add Section 66406 to the Education Code, relating to postsecondary education.

[Approved by Governor September 16, 2004. Filed with Secretary of State September 16, 2004.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) Textbooks are an essential part of a comprehensive and high-quality postsecondary education. The availability and affordability of textbooks directly impact the quality and affordability of postsecondary education. It is in the best interests of the state that high-quality course materials be available and affordable to students.

(b) Textbooks are expensive. Students report that they are required to purchase ''bundled'' materials that often include a textbook, workbook, and CD-ROM, and that they often do not use anything other than the textbook. Students also report that they are required to purchase new editions of textbooks and get very little money back when they sell the used edition back to the bookstore.

(c) To deliver high-quality materials to students that are affordable, all of the following should occur:

(1) Textbook publishers should provide students with the option of buying materials that are ''unbundled,'' disclose to faculty the cost to students of purchasing textbooks, and disclose to faculty how the new edition is different from previous editions.

(2) Faculty should consider the least costly practices in assigning textbooks when these practices are educationally sound, as determined by the appropriate faculty.

(3) College and university bookstores should work with faculty to review timelines and processes involved in ordering and stocking selected textbooks, disclose textbook costs to faculty and students, and actively promote and publicize book buyback programs.

SEC. 2. Section 66406 is added to the Education Code, to read:

66406. (a) The Legislature finds and declares that the production and pricing of college textbooks deserves a high level of attention from

educators and lawmakers because they impact the quality and affordability of higher education.

(b) The State of California urges textbook publishers to do all of the following:

(1) ''Unbundle'' the instruction materials to give students the option of buying textbooks, CD-ROMs, and workbooks ''a la carte'' or without additional materials.

(2) Provide all of the following information to faculty and departments when they are considering what textbooks to order, and post both of the following information on publishers' Web sites where it is easily accessible:

(A) A list of all the different products they sell, including both bundled and unbundled options, and the net price of each product.

(B) An explanation of how the newest edition is different from previous editions.

(3) Give preference to paper or online supplements to current editions rather than producing entirely new editions.

(4) Disclose to faculty the length of time they intend to produce the current edition so that professors know how long they can use the same book.

(5) Provide to faculty a free copy of each textbook selected by faculty for use in the classroom for placement on reserve in the campus library.

(c) The Trustees of the California State University and the Board of Governors of the California Community Colleges shall, and the Regents of the University of California are requested to, accomplish all of the following:

(1) Work with the academic senates of each respective segment to do all of the following:

(A) Encourage faculty to give consideration to the least costly practices in assigning textbooks, varying by discipline, such as adopting the least expensive edition when the educational content is equal, and using a selected textbook as long as it is educationally sound, as determined by the appropriate faculty.

(B) Encourage faculty to disclose both of the following to students:

(i) How new editions of textbooks are different from the previous editions.

(ii) The cost to students for textbooks selected for use in each course.

(C) Review procedures for faculty to inform college and university bookstores of textbook selections.

(D) Encourage faculty to work closely with publishers and college and university bookstores in creating bundles and packages if they are economically sound and deliver cost savings to students, and if bundles and packages have been requested by faculty. Students should have the

option of purchasing textbooks and other instructional materials that are ''unbundled.''

(2) Require college and university bookstores to work with the academic senates of each respective campus to do both of the following:

(A) Review issues relative to timelines and processes involved in ordering and stocking selected textbooks.

(B) Work closely with faculty or publishers, or both, to create bundles and packages that are economically sound and deliver cost savings to students.

(3) Encourage college and university bookstores to disclose retail textbook costs, on a per course basis, to faculty, and make this information otherwise publicly available.

(4) Encourage campuses to provide as many forums for students to have access to as many used books as possible, including, but not necessarily limited to, all of the following:

(A) Implementing campus-sponsored textbook rental programs.

(B) Encouraging students to consider on-campus and online book swaps so that students may buy and sell used books and set their own prices.

(C) Encouraging students to consider student book lending programs.

(D) Encouraging college and university bookstores that offer book buyback programs to actively promote and publicize these programs.

(E) Encouraging the establishment of textbook rental programs and any other appropriate approaches to providing high-quality materials that are affordable to students.

(d) It is the intent of the Legislature to encourage private colleges and universities to work with their respective academic senates and to encourage faculty to consider practices in selecting textbooks that will result in the lowest costs to students.

CHAPTER 557

An act to amend Sections 22440, 22441, 22442, 22442.2, 22443.1, and 22444 of, and to repeal Section 22442.4 of, the Business and Professions Code, relating to immigration consultants.

[Approved by Governor September 16, 2004. Filed with Secretary of State September 16, 2004.]

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

SECTION 1. Section 22440 of the Business and Professions Code is amended to read:

22440. It is unlawful for any person, for compensation, other than persons authorized to practice law or authorized by federal law to represent persons before the Board of Immigration Appeals or the United States Citizenship and Immigration Services, to engage in the business or act in the capacity of an immigration consultant within this state except as provided by this chapter.

SEC. 2. Section 22441 of the Business and Professions Code is amended to read:

22441. (a) A person engages in the business or acts in the capacity of an immigration consultant when that person gives nonlegal assistance or advice on an immigration matter. That assistance or advice includes, but is not limited to, the following:

(1) Completing a form provided by a federal or state agency but not advising a person as to their answers on those forms.

(2) Translating a person's answers to questions posed in those forms.

(3) Securing for a person supporting documents, such as birth certificates, which may be necessary to complete those forms.

(4) Submitting completed forms on a person's behalf and at their request to the United States Citizenship and Immigration Services.

(5) Making referrals to persons who could undertake legal representation activities for a person in an immigration matter.

(b) ''Immigration matter'' means any proceeding, filing, or action affecting the immigration or citizenship status of any person which arises under immigration and naturalization law, executive order or presidential proclamation, or action of the United States Citizenship and Immigration Services, the United States Department of State, or the United States Department of Labor.

(c) ''Compensation'' means money, property, or anything else of value.

(d) Every person engaged in the business or acting in the capacity of an immigration consultant shall only offer nonlegal assistance or advice in an immigration matter as defined in subdivision (a). Any act in violation of subdivision (a) is a violation of this chapter.

SEC. 3. Section 22442 of the Business and Professions Code is amended to read:

22442. (a) Every person engaged in the business or acting in the capacity of an immigration consultant who enters into a contract or agreement with a client to provide services shall, prior to providing any services, provide the client with a written contract, the contents of which

shall be prescribed by the Department of Consumer Affairs in regulations.

(b) The written contract shall include all provisions relating to the following:

(1) The services to be performed.

(2) The costs of the services to be performed.

(3) There shall be printed on the face of the contract in 10-point boldface type a statement that the immigration consultant is not an attorney and may not perform the legal services that an attorney performs.

(4) The written contract shall list the documents to be prepared by the immigration consultant, and shall explain the purpose and process of each document.

(5) The written contract shall state the purpose for which the immigration consultant has been hired and the actions to be taken by the immigration consultant regarding each document, including the agency and office where each document will be filed and the approximate processing times according to current published agency guidelines.

(c) An immigration consultant may not include provisions in the written contract relating to the following:

(1) Any guarantee or promise, unless the immigration consultant has some basis in fact for making the guarantee or promise.

(2) Any statement that the immigration consultant can or will obtain special favors from or has special influence with the United States Citizenship and Immigration Services, or any other governmental agency, employee, or official, that may have a bearing on a client's immigration matter.

(d) The provisions of the written contract shall be stated both in English and in the client's native language.

(e) A written contract is void if it is not written pursuant to subdivision (d).

(f) The client shall have the right to rescind the contract within 72 hours of signing the contract. The contents of this subdivision shall be conspicuously set forth in the written contract in both English and the client's native language.

(g) An immigration consultant may not make the statements described in subdivision (c) orally to a client.

(h) This section does not apply to employees of nonprofit, tax-exempt corporations who help clients complete application forms in an immigration matter free of charge or for a fee, including reasonable costs, consistent with that authorized by the Board of Immigration Appeals under Section 292.2 of Title 8 of the Code of Federal Regulations.

SEC. 4. Section 22442.2 of the Business and Professions Code is amended to read:

22442.2. (a) An immigration consultant shall conspicuously display in his or her office a notice that shall be at least 12 by 20 inches with boldface type or print with each character at least one inch in height and width in English and in the native language of the immigration consultant's clientele, that contains the following information:

(1) The full name, address, and evidence of compliance with any applicable bonding requirement including the bond number, if any.

(2) A statement that the immigration consultant is not an attorney.

(3) The services that the immigration consultant provides and the current and total fee for each service.

(4) The name of each immigration consultant employed at each location.

(b) Prior to providing any services, an immigration consultant shall provide the client with a written disclosure in the native language of the client that shall include the following information:

(1) The immigration consultant's name, address, and telephone number.

(2) The immigration consultant's agent for service of process.

(3) The legal name of the employee who consulted with the client, if different from the immigration consultant.

(4) Evidence of compliance with any applicable bonding requirement, including the bond number, if any.

(c) (1) Except as provided in paragraph (2) or (3), an immigration consultant who prints, displays, publishes, distributes, or broadcasts, or who causes to be printed, displayed, published, distributed, or broadcasted, any advertisement for services as an immigration consultant, within the meaning of Section 22441, shall include in that advertisement a clear and conspicuous statement that the immigration consultant is not an attorney.

(2) Notwithstanding paragraph (1), a person engaging in the business or acting in the capacity of an immigration consultant who is not licensed as an attorney in any state or territory of the United States, but is authorized by federal law to represent persons before the Board of Immigration Appeals or the United States Citizenship and Immigration Services, shall include in any advertisement for services as an immigration consultant a clear and conspicuous statement that the immigration consultant is not an attorney but is authorized by federal law to represent persons before the Board of Immigration Appeals or the United States Citizenship and Immigration Services.

(3) Notwithstanding paragraph (1), a person who is not an active member of the State Bar of California, but is an attorney licensed in another state or territory of the United States and is admitted to practice

before the Board of Immigration Appeals or the United States Citizenship and Immigration Services, shall include in any advertisement for immigration services a clear and conspicuous statement that he or she is not an attorney licensed to practice law in California but is an attorney licensed in another state or territory of the United States and is authorized by federal law to represent persons before the Board of Immigration Appeals or the United States Citizenship and Immigration Services.

(4) If an advertisement subject to this subdivision is in a language other than English, the statement required by this subdivision shall be in the same language as the advertisement.

SEC. 5. Section 22442.4 of the Business and Professions Code is repealed.

SEC. 6. Section 22443.1 of the Business and Professions Code is amended to read:

22443.1. (a) (1) Prior to engaging in the business or acting in the capacity of an immigration consultant, each person shall file with the Secretary of State a bond of fifty thousand dollars ($50,000) executed by a corporate surety admitted to do business in this state and conditioned upon compliance with this chapter. The total aggregate liability on the bond shall be limited to fifty thousand dollars ($50,000).

(2) The bond may be terminated pursuant to Section 995.440 of, and Article 13 (commencing with Section 996.310) of Chapter 2 of Title 14 of Part 2 of, the Code of Civil Procedure.

(b) The bond required by this section shall be in favor of, and payable to, the people of the State of California and shall be for the benefit of any person damaged by any fraud, misstatement, misrepresentation, unlawful act or omission, or failure to provide the services of the immigration consultant or the agents, representatives, or employees of the immigration consultant while acting within the scope of that employment or agency.

(c) An immigration consultant who is required to file a surety bond with the Secretary of State shall also file a disclosure form with the Secretary of State that contains all of the following information:

(1) The immigration consultant's name, date of birth, residence address, business address, residence telephone number, and business telephone number.

(2) The name and address of the immigration consultant's agent for service of process if one is required to be or has been appointed.

(3) Whether the immigration consultant has ever been convicted of a violation of this chapter or of Section 6126.

(4) If applicable, the name, business address, business telephone number, and agent for service of process of the corporation or partnership employing the immigration consultant.

(d) An immigration consultant shall notify the Secretary of State's office in writing within 30 days when the surety bond required by this section is renewed, and of any change of name, address, telephone number, or agent for service of process.

(e) The Secretary of State shall post information demonstrating that an immigration consultant is in compliance with the bond required by this section on its Web site. The Secretary of State shall ensure that the information is current and shall update the information at least every 30 days.

(f) The Secretary of State shall develop the disclosure form required to file a bond under this section and make it available to any immigration consultant filing a bond pursuant to this section.

(g) An immigration consultant shall submit with the disclosure form a copy of valid and current photo identification to determine the immigration consultant's identity, such as a California driver's license or identification card, passport, or other identification acceptable to the Secretary of State.

(h) The Secretary of State shall charge and collect a filing fee to cover the cost of filing the bond.

(i) The Secretary of State shall enforce the provisions of this chapter that govern the filing and maintenance of bonds.

(j) This section does not apply to employees of nonprofit, tax-exempt corporations who help clients complete application forms in an immigration matter free of charge or for a fee, including reasonable costs, consistent with that authorized by the Board of Immigration Appeals under Section 292.2 of Title 8 of the Code of Federal Regulations.

SEC. 7. Section 22444 of the Business and Professions Code is amended to read:

22444. It is unlawful for any person engaged in the business or acting in the capacity of an immigration consultant to do any of the following acts:

(a) Make false or misleading statements to a client while providing services to that client.

(b) Make any guarantee or promise to a client, unless the guarantee or promise is in writing and the immigration consultant has some basis in fact for making the guarantee or promise.

(c) Make any statement that the immigration consultant can or will obtain special favors from or has special influence with the United States Citizenship and Immigration Services, or any other governmental agency, employee, or official, that may have a bearing on a client's immigration matter.

(d) Charge a client a fee for referral of the client to another for services which the immigration consultant cannot or will not provide to the

client. A sign setting forth this prohibition shall be conspicuously displayed in the immigration consultant's office.

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 that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 558

An act to amend Section 1064 of the Government Code, relating to military service.

[Approved by Governor September 16, 2004. Filed with Secretary of State September 16, 2004.]

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

SECTION 1. Section 1064 of the Government Code is amended to read:

1064. No member of the governing board of a school district shall be absent from the state for more than 60 days, except in any of the following situations:

(a) Upon business of the school district with the approval of the board.

(b) With the consent of the governing board of the school district for an additional period not to exceed a total absence of 90 days.

(c) For federal military deployment, not to exceed an absence of a total of six months, as a member of the Armed Forces of the United States or the California National Guard. If the absence of a member of the governing board of a school district pursuant to this subdivision exceeds six months, the governing board may approve an additional six-month absence upon a showing that there is a reasonable expectation that the member will return within the second six-month period, and the governing board may appoint an interim member to serve in his or her absence. If two or more members of the governing board of a school district are absent by reason of the circumstances described in this subdivision, and those absences result in the inability to establish a quorum at a regular meeting, the governing board may immediately

appoint one or more interim members as necessary to enable the governing board to conduct business and discharge its responsibilities.

In the case of illness or other urgent necessity, and upon a proper showing thereof, the time limited for absence from the state may be extended by the governing board of the school district for an additional period not to exceed 30 days.

(d) The term of an interim member of a school district governing board appointed pursuant to subdivision (c) may not extend beyond the return of the absent member, nor may it extend beyond the next regularly scheduled election for that office.

CHAPTER 559

An act to add Section 13481.5 to the Water Code, relating to water.

[Approved by Governor September 16, 2004. Filed with Secretary of State September 16, 2004.]

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

SECTION 1. Section 13481.5 is added to the Water Code, to read:

13481.5. The board, for the purposes of administering the fund, shall give favorable consideration to the following types of eligible projects: projects that address public health problems or the pollution of impaired water bodies, projects necessary to comply with regulatory requirements, water recycling projects, projects undertaken to prevent or minimize water quality degradation, and projects undertaken in response to an administrative enforcement order.

CHAPTER 560

An act to amend Section 1150 of the Harbors and Navigation Code, relating to harbors.

[Approved by Governor September 16, 2004. Filed with Secretary of State September 16, 2004.]

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

SECTION 1. Section 1150 of the Harbors and Navigation Code is amended to read:

1150. (a) There is in the state government a Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun, consisting of seven members appointed by the Governor, with the consent of the Senate, as follows:

(1) Two members shall be pilots licensed pursuant to this division.

(2) Two members shall represent the industry and shall be persons currently engaged as owners, officers, directors, employees, or representatives of a firm or association of firms that is a substantial user of pilotage service in the Bay of San Francisco, San Pablo, Suisun, or Monterey, one of whom shall be engaged in the field of tanker company operations, and one of whom shall be engaged in dry cargo operations. The board of directors of a regional maritime trade association controlled by West Coast vessel operators that specifically represents the owners and operators of vessels or barges engaged in transportation by water of cargo or passengers from or to the Pacific area of the United States shall nominate, rank, and submit to the Governor the names of three persons for each category of industry member to be appointed.

(3) Three members shall be public members. Any person may serve as a public member unless otherwise prohibited by law, except that during his or her term of office or within the two years preceding his or her appointment, no public member appointed on or after January 1, 1991, may have (A) any financial or proprietary interest in the ownership, operation, or management of tugs, cargo, or passenger vessels, (B) sailed under the authority of a federal or state pilot license in waters under the jurisdiction of the board, (C) been employed by a company that is a substantial user of pilot services, or (D) been a consultant or other person providing professional services who had received more than 20 percent in the aggregate of his or her income from a company that is a substantial user of pilot services or an association of companies that are substantial users of pilot services. Ownership of less than one-tenth of 1 percent of the stock of a publicly traded corporation is not a financial or proprietary interest in the ownership of tugs, cargo, or passenger vessels.

(4) Notwithstanding any other provision of law, nothing in this chapter prohibits the Governor from notifying the nominating authority identified in paragraph (2) that persons nominated are unacceptable for appointment. Following that notification, the nominating authority shall submit a new list of nominees to the Governor, naming three persons, none of whom were previously nominated, from which the Governor may make the appointment. This process shall be continued until a person nominated by the nominating authority and satisfactory to the Governor has been appointed.

(b) Each of the members appointed pursuant to paragraphs (1) and (2) of subdivision (a) shall be appointed for a four-year term, and may not

be appointed for more than two terms. Members appointed pursuant to paragraph (3) of subdivision (a) shall be appointed with staggered four-year terms with the initial four-year terms expiring on December 31 of the years 1988, 1990, and 1991, respectively, and no person may be appointed for more than two terms. Vacancies on the board for both expired and unexpired terms shall be filled by the appointing power in the manner prescribed by subdivision (a).

(c) A quorum of the board members consists of four members. All actions of the board shall require the vote of four members, a quorum being present.

CHAPTER 561

An act to amend Sections 42301, 42310, 42310.2, 42325, and 42326 of, and to repeal Sections 42310.3 and 42324 of, the Public Resources Code, relating to solid waste.

[Approved by Governor September 16, 2004. Filed with Secretary of State September 16, 2004.]

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

SECTION 1. Section 42301 of the Public Resources Code is amended to read:

42301. For purposes of this chapter, the following definitions apply:

(a) ''Curbside collection program'' means a recycling program that collects materials set out by homeowners for collection at the curb at intervals not less than every two weeks. ''Curbside collection program'' does not include redemption centers, buyback locations, drop-off programs, material recovery facilities, or plastic recovery facilities.

(b) ''Refillable package'' means a rigid plastic packaging container that the board determines is routinely returned to and refilled by the product manufacturer at least five times with the original product contained by the package.

(c) ''Reusable package'' means a rigid plastic packaging container that the board determines is routinely reused by consumers at least five times to store the original product contained by the package.

(d) ''Manufacturer'' means the producer or generator of a product that is sold or offered for sale in the state and that is stored inside of a rigid plastic packaging container.

(e) ''Rigid plastic packaging container'' means any plastic package having a relatively inflexible finite shape or form, with a minimum capacity of eight fluid ounces or its equivalent volume and a maximum

capacity of five fluid gallons or its equivalent volume, that is capable of maintaining its shape while holding other products, including, but not limited to, bottles, cartons, and other receptacles, for sale or distribution in the state.

(f) ''Postconsumer material'' means a material that would otherwise be destined for solid waste disposal, having completed its intended end use and product lifecycle. Postconsumer material does not include materials and byproducts generated from, and commonly reused within, an original manufacturing and fabrication process.

(g) ''Recycled'' means a product or material that has been reused in the production of another product and has been diverted from disposal in a landfill.

(h) ''Recycling rate'' means either of the following:

(1) The proportion, as measured by weight, volume, or number, that a particular type of rigid plastic packaging container sold or offered for sale in the state, such as a milk jug, soft drink container, or detergent bottle, is being recycled in a given calendar year.

(2) The proportion, as measured by weight, volume, or number, that a product-associated rigid plastic packaging container sold or offered for sale in the state is being recycled in a given calendar year.

(i) (1) ''Source reduced container'' means either of the following:

(A) A rigid plastic packaging container for which the manufacturer seeks compliance as of January 1, 1995, whose package weight per unit or use of product has been reduced by 10 percent when compared with the packaging used for that product by the manufacturer from January 1, 1990, to December 31, 1994.

(B) A rigid plastic container for which the manufacturer seeks compliance after January 1, 1995, whose package weight per unit or use of product has been reduced by 10 percent when compared with one of the following:

(i) The packaging used for the product by the manufacturer on January 1, 1995.

(ii) The packaging used for that product by the manufacturer over the course of the first full year of commerce in this state.

(iii) The packaging used in commerce that same year for similar products whose containers have not been considered source reduced.

(2) A rigid plastic packaging container is not a source reduced container for the purposes of this chapter if the packaging reduction was achieved by any of the following:

(A) Substituting a different material type for a material that previously constituted the principal material of the container.

(B) Increasing a container's weight per unit or use of product after January 1, 1991.

(C) Packaging changes that adversely affect the potential for the rigid plastic packaging container to be recycled or to be made of postconsumer material.

(j) ''Product-associated rigid plastic packaging container'' means a brand-specific, rigid plastic packaging line that may have one or more sizes, shapes, or designs and that is used in conjunction with a particular generic product line.

(k) ''PETE'' means polyethylene terephthalate as specified in subdivision (a) of Section 18015.

(*l*) ''HDPE'' means high-density polyethylene.

SEC. 2. Section 42310 of the Public Resources Code is amended to read:

42310. Except as otherwise provided in this chapter, every rigid plastic packaging container sold or offered for sale in this state shall, on average, meet one of the following criteria:

(a) Be made from 25 percent postconsumer material.

(b) Have a recycling rate of 45 percent if it is a product-associated rigid plastic packaging container, as demonstrated to the board by the product maker, container manufacturer, or other entity. The board may take appropriate action to verify the demonstration, but the board is not required to expend state funds to conduct a survey or calculate the rate.

(c) Be a reusable package or a refillable package.

(d) Be a source reduced container.

(e) Is a container containing floral preservative that is subsequently reused by the floral industry for at least two years.

SEC. 3. Section 42310.2 of the Public Resources Code is amended to read:

42310.2. (a) On or before July 1, 1994, as part of the regulations required to be adopted pursuant to Section 42325, the board shall adopt regulations to carry out the requirements of paragraph (1) of subdivision (c) of Section 42310.1. In adopting regulations pursuant to this section, the board shall make every effort to limit paperwork and information to only those matters that are needed for the board to determine if manufacturers are taking all feasible actions to ensure the reduction, recycling, or reuse of the rigid plastic packaging containers described in subdivision (a) of Section 42310.1, and the development and expansion of markets for rigid plastic packaging containers.

(b) On or before February 1, 1996, the board shall review, and approve or disapprove, the reports required pursuant to paragraph (1) of subdivision (c) of Section 42310.1. If a report is not submitted pursuant to a schedule established by the board, or, if, based upon the report, the board determines that a manufacturer has not taken all feasible actions to ensure the reduction, recycling, or reuse of the containers and the development and expansion of markets for rigid plastic packaging

containers, the board may take one of the following actions, as selected by the manufacturer:

(1) Require the manufacturer to take additional actions, including, but not limited to, one or more of the measures described in paragraph (1) of subdivision (c) of Section 42310.1, to ensure that the manufacturer is taking, and will continue to take, all feasible actions to ensure the reduction, recycling, or reuse of the containers and the development and expansion of markets for rigid plastic packaging containers.

(2) Impose a civil penalty of up to one hundred thousand dollars ($100,000) pursuant to Section 42322. In imposing monetary penalties pursuant to this paragraph, the board shall take into consideration all of the following factors:

(A) The size and net worth of the manufacturer.

(B) The impact of the violation on the overall objectives of this chapter.

(C) The severity of the violation. A penalty imposed pursuant to this paragraph shall not be required to be paid by a manufacturer before January 1, 1997.

(c) If the board determines that the conditions in paragraphs (1) and (2) are met, the board shall enter into a contract, or other legally binding agreement, with one or more trade associations representing manufacturers of resin, manufacturers of rigid plastic packaging containers, or manufacturers of products packaged in rigid plastic packaging containers subject to this section and Section 42310.1. The agreement shall allow the trade association, in lieu of those individual manufacturers in the trade association who elect to be a party to the contract or agreement, to submit the report required pursuant to paragraph (1) of subdivision (c) of Section 42310.1 and to implement the actions identified in the report. The board shall enter into the agreement only if both of the following conditions exist:

(1) The agreement ensures that the report will contain sufficient information that otherwise would be required to be submitted by individual manufacturers pursuant to Section 42310.1, and any other information that is necessary and directly related to the board's ability to comply with this section.

(2) The agreement ensures that each manufacturer that elects to be a party to the agreement and that is a member of the trade association that submits the report shall be liable for the full amount of any civil penalties that may be imposed or shall comply with any requirement imposed by the board pursuant to paragraph (1) of subdivision (b), as selected by the manufacturer. A manufacturer subject to this paragraph shall not be liable for a civil penalty greater than one hundred thousand dollars ($100,000), regardless of the number of trade associations of which the manufacturer is a member.

(d) Notwithstanding any other provision of this section, a trade association representing resin manufacturers shall be responsible for submitting an additional report as provided pursuant to paragraph (1) of subdivision (c) of Section 42310.1. The resin manufacturer's trade association is subject to the review, penalties, and sanctions specified in paragraphs (1) and (2) of subdivision (b). No member of the resin manufacturer's trade association is liable for penalties and sanctions set forth in paragraph (1) or (2) of subdivision (b) pursuant to this subdivision if that member would not otherwise be subject to those penalties and sanctions.

(e) For the purposes of subdivision (b) and paragraph (1) of subdivision (c) of Section 42310.1, ''feasible'' means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

(f) For purposes of Section 42310.1 and this section regarding all reporting, compliance, and penalty obligations, ''manufacturer'' includes all subsidiaries and affiliates.

SEC. 4. Section 42310.3 of the Public Resources Code is repealed.

SEC. 5. Section 42324 of the Public Resources Code is repealed.

SEC. 6. Section 42325 of the Public Resources Code is amended to read:

42325. The board shall adopt regulations to implement this chapter. These regulations shall include, but shall not be limited to, all of the following:

(a) Procedures for certifying compliance with Article 2 (commencing with Section 42310), including a requirement that product manufacturers include in their specifications for rigid plastic packaging containers a requirement that the packaging manufacturer certify that the rigid plastic packaging containers comply with this chapter.

(b) Procedures for considering and granting waivers pursuant to Article 4 (commencing with Section 42330).

SEC. 7. Section 42326 of the Public Resources Code is amended to read:

42326. In developing the regulations required by Section 42325, the board shall consult with representatives of the manufacturers affected by this chapter, with representatives of environmental organizations, and other interested parties.

CHAPTER 562

An act to add and repeal Article 13.5 (commencing with Section 18845) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to public health.

[Approved by Governor September 16, 2004. Filed with Secretary of State September 16, 2004.]

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

SECTION 1. The Legislature finds and declares the following:

(a) Prostate cancer is the most common nonskin cancer in America, striking 230,000 men each year in the United States, including 27,000 in California.

(b) Over the next decade, as men reach the target zone for prostate cancer, beginning at age 50 years, the number of new cases will increase 50 percent. This will result in prostate cancer being the cancer with the most rapid increase in incidence.

(c) Each year, prostate cancer takes the lives of 30,000 American men, including 3,600 in California.

(d) As the home to many leading cancer research centers, California is also the home of some of the most promising cancer research programs.

SEC. 2. Article 13.5 (commencing with Section 18845) is added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, to read:

Article 13.5. California Prostate Cancer Research Fund

18845. (a) An individual may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the California Prostate Cancer Research Fund established by Section 18845.1. That designation is to be used as a voluntary contribution on the tax return.

(b) The contributions shall be in full dollar amounts and may be made individually by each signatory on a joint return.

(c) A designation shall be made for any taxable year on the initial return for that taxable year and once made is irrevocable. If payments and credits reported on the return, together with any other credits associated with the taxpayer's account, do not exceed the taxpayer's liability, the return shall be treated as though no designation has been made. If 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 administration of funds under this article.

(d) If an individual designates a contribution to more than one account or fund listed on the tax return, 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 ''California Prostate Cancer Research Fund'' to allow for the designation permitted. The form 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 further the research of prostate cancer.

(f) Notwithstanding any other provision of law, a voluntary contribution designation for the California Prostate Cancer Research Fund may not be added on the tax return until another voluntary contribution designation is removed.

(g) 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).

18845.1. There is in the State Treasury the California Prostate Cancer Research Fund to receive contributions made pursuant to Section 18845. 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 that taxpayers have designated pursuant to Section 18845 to be transferred to the California Prostate Cancer Research Fund. The Controller shall transfer from the Personal Income Tax Fund to the California Prostate Cancer Research Fund an amount not in excess of the sum of the amounts designated by individuals pursuant to Section 18845 for payment into that fund.

18845.2. All moneys transferred to the California Prostate 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 for allocation to the California Coalition to Cure Prostate Cancer for the award of grants to support prostate cancer research. The funds shall not be used for the administrative costs of the State Department of Health Services.

18845.3. (a) Except as otherwise provided in subdivision (b), this article shall remain in effect only until January 1 of the fifth taxable year following the first appearance of the California Prostate Cancer Research Fund on the tax return, and as of that date is repealed, unless a later enacted statute, that is enacted before the applicable date, deletes or extends that date.

(b) If, in the second calendar year after the first taxable year the California Prostate Cancer Research Fund appears on the tax return, 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) for subsequent taxable years, as may be applicable, then this article is repealed with respect to taxable years beginning on or after January 1 of that calendar year. 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 contribution.

(c) For each calendar year, beginning with the third calendar year that the California Prostate Cancer Research Fund appears on the tax return, 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 563

An act to amend Sections 8670.25.5 and 51018 of the Government Code, relating to oil and hazardous liquids.

[Approved by Governor September 16, 2004. Filed with Secretary of State September 16, 2004.]

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

SECTION 1. Section 8670.25.5 of the Government Code is amended to read:

8670.25.5. (a) Without regard to intent or negligence, any party responsible for the discharge or threatened discharge of oil in marine waters shall report the discharge immediately to the Office of EmergencyServices pursuant to Section 25507 of the Health and Safety Code.

(b) Immediately upon receiving notification pursuant to subdivision (a), the Office of Emergency Services shall notify the administrator, the State Lands Commission, the California Coastal Commission, and the California regional water quality control board having jurisdiction over the location of the discharged oil, and take the actions required by subdivision (d) of Section 8589.7. If the spill has occurred within the jurisdiction of the San Francisco Bay Conservation and Development Commission, the Office of Emergency Services shall notify that commission. Each public agency specified in this subdivision shall adopt an internal protocol over communications regarding the discharge of oil and file the internal protocol with the Office of Emergency Services.

(c) The 24-hour emergency telephone number of the Office of Emergency Services shall be posted at every terminal, at the area of control of every marine facility, and on the bridge of every tank ship in marine waters.

(d) This section does not apply to discharges, or potential discharges, of less than one barrel (42 gallons) of oil unless a more restrictive reporting standard is adopted in the California oil spill contingency plan prepared pursuant to Section 8574.1.

(e) Except as otherwise provided in this section and Section 8589.7, a notification made pursuant to this section shall satisfy any immediate notification requirement contained in any permit issued by a permitting agency.

SEC. 2. Section 51018 of the Government Code is amended to read:

51018. (a) Every rupture, explosion, or fire involving a pipeline, including a pipeline system otherwise exempted by subdivision (a) of Section 51010.5, and including a pipeline undergoing testing, shall be immediately reported by the pipeline operator to the fire department having fire suppression responsibilities and to the Office of Emergency Services. In addition, the pipeline operator shall, within 30 days of the rupture, explosion, or fire, file a report with the State Fire Marshal containing all the information that the State Fire Marshal may reasonably require to prepare the report required pursuant to subdivision (d).

(b) (1) The Office of Emergency Services shall immediately notify the State Fire Marshal of the incident, who shall immediately dispatch his or her employees to the scene. The State Fire Marshal or his or her employees, upon arrival, shall provide technical expertise and advise the

operator and all public agencies on activities needed to mitigate the hazard.

(2) For purposes of this subdivision, the Legislature does not intend to hinder or disrupt the workings of the ''incident commander system,'' but does intend to establish a recognized element of expertise and direction for the incident command to consult and acknowledge as an authority on the subject of pipeline incident mitigation. Furthermore, it is expected that the State Fire Marshal will recognize the expertise of the pipeline operator and any other emergency agency personnel who may be familiar with the particular location of the incident and respect their knowledgeable input regarding the mitigation of the incident.

(c) For purposes of this section, ''rupture'' includes every unintentional liquid leak, including any leak that occurs during hydrostatic testing, except that a crude oil leak of less than five barrels from a pipeline or flow line in a rural area, or any crude oil or petroleum product leak in any in-plant piping system of less than five barrels, when no fire, explosion, or bodily injury results or no waterway is contaminated thereby, does not constitute a rupture for purposes of the reporting requirements of subdivision (a).

(d) The State Fire Marshal shall, every fifth year commencing in 1999, issue a report identifying pipeline leak incident rate trends, reviewing current regulatory effectiveness with regard to pipeline safety, and recommending any necessary changes to the Legislature. This report shall include an assessment of the condition of each pipeline and shall include all of the following: total length of regulated pipelines, total length of regulated piggable pipeline, total number of line sections, average length of each section, number of leaks during study period, average spill size, average damage per incident, average age of leak pipe, average diameter of leak pipe, injuries during study period, cause of the leak or spill, fatalities during study period, and other information as deemed appropriate by the State Fire Marshal.

(e) This section does not preempt any other applicable federal or state reporting requirement.

(f) Except as otherwise provided in this section and Section 8589.7, a notification made pursuant to this section shall satisfy any immediate notification requirement contained in any permit issued by a permitting agency.

(g) This section does not apply to pipeline ruptures involving nonreportable crude oil spills under Section 3233 of the Public Resources Code, unless the spill involves a fire or explosion.

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 that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates

a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 564

An act relating to mosquito abatement, and making an appropriation therefor.

[Approved by Governor September 16, 2004. Filed with Secretary of State September 16, 2004.]

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

SECTION 1. (a) The sum of seven hundred fifty thousand dollars ($750,000) is hereby appropriated from the General Fund to the Department of Fish and Game to carry out Section 1507 of the Fish and Game Code.

(b) This section shall become operative only if Assembly Bill 1982 of the 2003–04 Regular Session is chaptered and becomes operative on or before January 1, 2005.

CHAPTER 565

An act to add Article 1.5 (commencing with Section 680) to Chapter 5 of Division 3 of the Harbors and Navigation Code, relating to boating safety.

[Approved by Governor September 17, 2004. Filed with Secretary of State September 17, 2004.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) Carbon monoxide (CO) is a potentially deadly gas that is odorless, colorless, and tasteless and is found as a byproduct of internal combustion engines. CO enters the bloodstream through the lungs and displaces the oxygen needed by the body with a resulting hypoxia (suffocating) of body tissues. Symptoms of CO poisoning include rapid onset of headache, fatigue, nausea, dizziness, confusion, convulsions, and death.

(b) Marine engines are not subject to the same federal and state-mandated emission controls as automobiles and therefore have been able to emit dangerously high CO concentrations into the atmosphere, increasing the chance of exposure to potentially lethal amounts of CO.

(c) Federal officials have found that CO can gather in deadly concentrations behind ski boats, cabin cruisers, and even personal watercraft due to their propulsion engines.

(d) Dangerous levels of CO are often around swim decks and areas where occupants frequently sit or swim at the stern of the boat because the exhaust ports for both propulsion engines and generators are located nearby.

(e) The new trends of ''teak surfing,'' ''platform dragging,'' or ''bodysurfing'' seem to have increased the number of these poisonings. Victims can be overcome by carbon monoxide in a matter of minutes, even when monitored by other boat occupants.

(f) The National Institute for Occupational Safety and Health (NIOSH) within the Centers for Disease Control and Prevention (CDC), the United States Department of the Interior, and the United States Coast Guard have studied this issue extensively and have reported that these poisonings have reached ''epidemic proportions.''

(g) These agencies have tracked 101 deaths and 402 poisonings through October 2003, with 34 poisonings in California alone. These numbers likely underreport the actual number of incidents because many deaths may be misdiagnosed simply as a drowning.

(h) There is a lack of awareness and knowledge among recreational boaters of the dangers of CO poisoning, which has resulted in many deaths and injuries.

(i) Three California families have recently suffered a devastating loss due to CO poisoning around boats. In May of 2003, 11-year old Anthony Farr of El Dorado Hills died at Folsom Lake after being overcome by carbon monoxide while bodysurfing behind a family friend's boat. In September of 2001, 62-year old Bruce Allen (Skip) Bauer died while swimming near his boat at Lake Shasta. In July of 2000, 15-year old Stacy Beckett of Ontario died while platform dragging behind a boat in Mexico. Many others have lost their lives or have been poisoned in the same way around the country just in the last three years.

SEC. 2. It is the intent of the Legislature to do all of the following:

(a) Educate Californians and raise awareness about the dangers of carbon monoxide poisoning while boating.

(b) Make it a crime to operate a motorized vessel, or have the engine of a motorized vessel run idle, when someone is teak surfing, bodysurfing, or platform dragging behind the motorized vessel, or when

someone is occupying or holding onto the swim platform, swim deck, swim step, or swim ladder.

(c) Urge manufacturers of motorboats to invest in research and development to do both of the following:

(1) Reduce the carbon monoxide emissions from their engines as soon as possible.

(2) Design a motorboat that would better protect boaters from all CO emissions.

SEC. 3. Article 1.5 (commencing with Section 680) is added to Chapter 5 of Division 3 of the Harbors and Navigation Code, to read:

Article 1.5. Anthony Farr and Stacy Beckett Boating Safety Act of 2004

680. This act shall be known as the Anthony Farr and Stacy Beckett Boating Safety Act of 2004, and may be cited as Anthony and Stacy's Law.

681. (a) It is unlawful to operate a motorized vessel or have the engine of a motorized vessel run idle while an individual is teak surfing, platform dragging, or bodysurfing behind the motorized vessel.

(b) It is unlawful to operate a motorized vessel or have the engine of a motorized vessel run idle while an individual is occupying or holding onto the swim platform, swim deck, swim step, or swim ladder of the vessel.

(c) Subdivision (b) does not apply when an individual is occupying the swim platform, swim deck, swim step, or swim ladder for a very brief period of time while assisting with the docking or departure of the vessel, while exiting or entering the vessel, or while the vessel is engaged in law enforcement or emergency rescue activity.

(d) ''Teak surfing'' or ''platform dragging'' means holding onto the swim platform, swim deck, swim step, swim ladder, or any portion of the exterior of the transom of a motorized vessel for any amount of time while the motorized vessel is underway at any speed.

(e) ''Bodysurfing'' means swimming or floating on one's stomach or on one's back on or in the wake directly behind a motorized vessel that is underway.

(f) ''Vessel'' has the same meaning as set forth in subdivision (e) of Section 775.5.

(g) A violation of this section is an infraction punishable by a fine of up to one hundred dollars ($100). Nothing in this subdivision shall be considered in relation to a suspension, restriction, or delay of driving privileges, or in the determination of a violation point count as provided in Section 12810 of the Vehicle Code.

682. All state-sponsored boating safety courses and all boating safety courses that require state approval by the Department of Boating and Waterways shall incorporate information about the dangers of being overcome by carbon monoxide poisoning at the stern of a motorized vessel and how to prevent that poisoning.

683. (a) When a new or used motorized vessel is sold in California, the two carbon monoxide poisoning warning stickers developed by the Department of Boating and Waterways shall be placed on the motorized vessel. The smaller sticker shall be placed in the interior of the motorized vessel where it is immediately visible to the person operating the motorized vessel the larger sticker shall be placed facing out on the exterior of the stern or transom of the motorized vessel, unless the motorized vessel is inflatable and the sticker would not adhere to the surface of the stern.

(b) For a motorized vessel sold by a dealer, the dealer shall ensure that both warning stickers have been affixed prior to the completion of the transaction.

(c) For a motorized vessel sold by an individual, both stickers shall be included by the Department of Motor Vehicles in the new registration material provided to the new owner, and the new owner of the motorized vessel shall be notified that he or she is required to affix the smaller sticker in the interior of the motorized vessel where it is immediately visible to the operator of the motorized vessel and the larger sticker facing out on the exterior of the stern or transom of the motorized vessel, unless the motorized vessel is inflatable and the sticker would not adhere to the surface of the stern.

(d) A warning sticker already developed by the boating manufacturer may satisfy the requirements of this section if it has been approved in advance by the Department of Boating and Waterways.

(e) This section shall become operative on May 1, 2005.

684. (a) The Department of Motor Vehicles shall insert the Department of Boating and Waterways' informational brochure and warning stickers about the dangers of carbon monoxide poisoning and boats into the registration renewal materials mailed by the Department of Motor Vehicles to vessel owners for two consecutive two-year registration cycles and, thereafter, upon the recommendation of the Director of Boating and Waterways. These materials shall instruct vessel owners to place the two stickers in the motorized vessel so that the smaller sticker is visible to the person operating the motorized vessel and the larger sticker is facing out on the exterior of the stern or transom of the motorized vessel, unless the motorized vessel is inflatable and the sticker would not adhere to the surface of the stern.

(b) This section shall become operative on May 1, 2005.

685. The Department of Boating and Waterways pursuant to subdivision (a) of Section 85.2 may use funds in the Harbors and Watercraft Revolving Fund, created pursuant to Section 85, to administer this chapter and to reimburse the Department of Motor Vehicles for its costs to administer this chapter.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 566

An act to amend Section 7030 of, to add Sections 7159.4, 7159.5, 7159.6, 7159.10, 7159.11, 7159.12, 7159.13, and 7159.14 to, to repeal Section 7018.5 of, and to repeal and add Sections 7159 and 7159.3 of, the Business and Professions Code, and to amend Sections 1689.5, 1689.6, and 1689.7 of, to add Section 1689.15 to, and to repeal and add Section 1689.13 of, the Civil Code, relating to home improvement contracts.

[Approved by Governor September 17, 2004. Filed with Secretary of State September 17, 2004.]

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

SECTION 1. Section 7018.5 of the Business and Professions Code is repealed.

SEC. 2. Section 7030 of the Business and Professions Code is amended to read:

7030. (a) Except for contractors writing home improvement contracts pursuant to Section 7151.2 and contractors writing service and repair contracts pursuant to Section 7159.10, every person licensed pursuant to this chapter shall include the following statement in at least 10-point type on all written contracts with respect to which the person is a prime contractor:

''Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation.

A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, CA 95826.''

(b) Every person licensed pursuant to this chapter shall include the following statement in at least 12-point type in all home improvement contracts written pursuant to Section 7151.2 and service and repair contracts written pursuant to Section 7159.10:

''Information about the Contractors' State License Board (CSLB): CSLB is the state consumer protection agency that licenses and regulates construction contractors.

Contact CSLB for information about the licensed contractor you are considering, including information about disclosable complaints, disciplinary actions and civil judgments that are reported to CSLB.

Use only licensed contractors. If you file a complaint against a licensed contractor within the legal deadline (usually four years), CSLB has authority to investigate the complaint. If you use an unlicensed contractor, CSLB may not be able to help you resolve your complaint. Your only remedy may be in civil court, and you may be liable for damages arising out of any injuries to the unlicensed contractor or the unlicensed contractor's employees.

For more information:

Visit CSLB's Web site at www.cslb.ca.gov

Call CSLB at 800-321-CSLB (2752)

Write CSLB at P.O. Box 26000, Sacramento, CA 95826.''

(c) Failure to comply with the notice requirements set forth in subdivision (a) or (b) of this section is cause for disciplinary action.

SEC. 3. Section 7159 of the Business and Professions Code is repealed.

SEC. 4. Section 7159 is added to the Business and Professions Code, to read:

7159. This section and Sections 7159.3 to 7159.6, inclusive, apply to all home improvement contracts, as defined in Section 7151.2, between a contractor, whether a general or a specialty contractor, who is licensed or subject to be licensed pursuant to this chapter with regard to the transaction and who contracts with an owner or tenant for home improvement work, except that this section and Sections 7159.3 to 7159.6, inclusive, do not apply to service and repair contracts as defined in Section 7159.10.

A violation of this section by a licensee or a person subject to be licensed under this chapter, or by his or her agent or salesperson, is cause for discipline.

(a) A home improvement contract and any changes to the contract shall be in writing and signed by the parties.

(b) The writing shall be legible.

(c) Any printed form shall be readable. Unless a larger typeface is specified in this article, text in any printed form shall be in at least 10-point typeface and the headings shall be in at least 10-point boldface type.

(d) Before any work is started, the contractor shall give the buyer a copy of the contract signed and dated by both the contractor and the buyer. The buyer's receipt of the copy triggers the buyer's rights under the Home Solicitation Act, if the right to cancel is applicable, provided that the contract complies with the Home Solicitation Act.

(e) A change-order form for changes or extra work shall be incorporated into the contract and shall become part of the contract if it is in writing and signed by the parties.

(f) Change orders required by the building department at the jobsite shall be considered incorporated into the contract without being signed by both the parties.

(g) The provisions of this section are not exclusive and do not relieve the contractor from compliance with any other applicable provision of law.

SEC. 5. Section 7159.3 of the Business and Professions Code is repealed.

SEC. 6. Section 7159.3 is added to the Business and Professions Code, to read:

7159.3. This section applies to all home improvement contracts, as defined in Section 7151.2, between an owner or tenant and a contractor, whether a general contractor or a specialty contractor, who is licensed or subject to be licensed pursuant to this chapter with regard to the transaction. Failure by the licensee, or a person subject to be licensed under this chapter, or by his or her agent or salesperson, to provide the following information, notices, and disclosures in the contract is cause for discipline:

(a) The name, business address, and license number of the contractor and the description of the license classification relevant to the project.

(b) The name and registration number of the home improvement salesperson, if any.

(c) A notice concerning commercial general liability insurance. This notice may be provided as an attachment to the contract if the contract includes the statement, ''A notice concerning commercial general liability insurance is attached to this contract.'' The notice shall include the heading ''Commercial General Liability Insurance (CGL),'' followed by whichever of the following statements is both relevant and correct:

(1) ''(The name on the license or 'This contractor') does not carry commercial general liability insurance.''

(2) ''(The name on the license or 'This contractor') carries commercial general liability insurance written by (the insurance company). You may call the (insurance company) at _____ to check the contractor's insurance coverage.''

(3) ''(The name on the license or 'This contractor') is self-insured.''

(d) A notice concerning workers' compensation insurance. This notice may be provided as an attachment to the contract if the contract includes the statement ''A notice concerning workers' compensation insurance is attached to this contract.'' The notice shall include the heading ''Workers' Compensation Insurance'' followed by whichever of the following statements is correct:

(1) ''(The name on the license or 'This contractor') has no employees and is exempt from workers' compensation requirements.''

(2) ''(The name on the license or 'This contractor') carries workers' compensation insurance for all employees.''

SEC. 7. Section 7159.4 is added to the Business and Professions Code, to read:

7159.4. This section applies to all home improvement contracts, as defined in Section 7151.2, between an owner or tenant and a contractor, whether a general contractor or a specialty contractor, who is licensed or subject to be licensed pursuant to this chapter with regard to the transaction. Failure by the licensee, or a person subject to be licensed under this chapter, or by his or her agent or salesperson, to provide the following information, notices, and disclosures in the contract is cause for discipline:

(a) Notice of the type of contract in at least 10-point boldface type: ''Home Improvement.''

(b) The notice in at least 12-point boldface type: ''Notice to the Buyer: You are entitled to a completely filled in copy of this agreement, signed by both you and the contractor, before any work may be started.''

(c) The heading: ''Contract Price,'' followed by the amount of the contract in dollars and cents.

(d) If a finance charge will be charged, the heading: ''Finance Charge'' followed by the amount in dollars and cents. The finance charge is to be set out separately from the contract amount.

(e) The heading: ''Description of the Project and Description of the Significant Materials to be Used and Equipment to be Installed,'' followed by a description of the project and a description of the significant materials to be used and equipment to be installed.

(f) For swimming pools, in addition to the project description required under subdivision (e), a plan and scale drawing showing the

shape, size, dimensions, and the construction and equipment specifications.

(g) If a down payment will be charged, the heading: ''Down Payment'' and a space where the actual down payment appears followed by the text in at least 12-point boldface type: ''THE DOWNPAYMENT MAY NOT EXCEED $1,000 OR 10 PERCENT OF THE CONTRACT PRICE, WHICHEVER IS LESS.''

(h) If any payment, besides the down payment, is to be made before the project is completed, the contract shall include a schedule with a heading labeled ''Schedule of Progress Payments,'' stated in dollars and cents and specifically referencing the amount of work or services to be performed and any materials and equipment to be supplied, and the following statement in at least 12-point boldface type:

''The schedule of progress payments must specifically describe each phase of work, including the type and amount of work or services scheduled to be supplied in each phase, along with the amount of each proposed progress payment. IT IS AGAINST THE LAW FOR A CONTRACTOR TO COLLECT PAYMENT FOR WORK NOT YET COMPLETED, OR FOR MATERIALS NOT YET DELIVERED. HOWEVER, A CONTRACTOR MAY REQUIRE A DOWNPAYMENT.''

(i) The heading: ''Approximate Start Date'' and ''Approximate Completion Date,'' each followed by the approximate dates for start and completion.

(j) If applicable, the heading, ''List of Documents to be Incorporated into the Contract,'' followed by the list of documents incorporated into the contract.

(k) The heading: ''Note about Extra Work and Change Orders'' followed by the following statement:

''Extra Work and Change Orders become part of the contract once the order is prepared in writing and signed by the parties. The order must describe the scope of the extra or change, the cost to be added or subtracted from the contract, and the effect the order will have on the schedule of progress payments. Change orders required by the building department at the jobsite shall be considered incorporated into the contract without being signed by both parties.''

(*l*) (1) Except when the contract is negotiated at the contractor's place of business, the statement found in paragraph (4) of subdivision (a) of Section 1689.7 of the Civil Code for the three-day right to cancel or the statement found in paragraph (2) of subdivision (e) of Section 1689.7 for the seven-day right to cancel, whichever is relevant. A statement that complies with Section 1689.7 may be attached to the contract if the contract includes a checkbox and whichever statement is relevant in at least 12-point boldface type:

(A) ''The law requires that the contractor give you a notice explaining your right to cancel. Initial the checkbox if the contractor has given you a 'Notice of the Three-Day Right to Cancel.' ''

(B) ''The law requires that the contractor give you a notice explaining your right to cancel. Initial the checkbox if the contractor has given you a 'Notice of the Seven-Day Right to Cancel.' ''

(2) This subdivision does not apply to home improvement contracts entered into by a person who holds an alarm company operator's license issued pursuant to Chapter 11.6 (commencing with Section 7590), provided the person complies with Sections 1689.5, 1689.6, and 1689.7 of the Civil Code, as applicable.

(m) The signatures of the contractor or the contractor's representative, and the buyer.

(n) The date the contract was signed.

(o) A statement with the heading ''Mechanics' Lien Warning'' as follows:

''MECHANICS LIEN WARNING:

Anyone who helps improve your property, but who is not paid, may record what is called a mechanics' lien on your property. A mechanics' lien is a claim, like a mortgage or home equity loan, made against your property and recorded with the county recorder.

Even if you pay your contractor in full, unpaid subcontractors, suppliers, and laborers who helped to improve your property may record mechanics' liens and sue you in court to foreclose the lien. If a court finds the lien is valid, you could be forced to pay twice or have a court officer sell your home to pay the lien. Liens can also affect your credit.

To preserve their right to record a lien, each subcontractor and material supplier must provide you with a document called a '20-day Preliminary Notice.' This notice is not a lien. The purpose of the notice is to let you know that the person who sends you the notice has the right to record a lien on your property if he or she is not paid.

BE CAREFUL. The Preliminary Notice can be sent up to 20 days after the subcontractor starts work or the supplier provides material. This can be a big problem if you pay your contractor before you have received the Preliminary Notices.

You will not get Preliminary Notices from your prime contractor or from laborers who work on your project. The law assumes that you already know they are improving your property.

PROTECT YOURSELF FROM LIENS. You can protect yourself from liens by getting a list from your contractor of all the subcontractors and material suppliers that work on your project. Find out from your

contractor when these subcontractors started work and when these suppliers delivered goods or materials. Then wait 20 days, paying attention to the Preliminary Notices you receive.

PAY WITH JOINT CHECKS. One way to protect yourself is to pay with a joint check. When your contractor tells you it is time to pay for the work of a subcontractor or supplier who has provided you with a Preliminary Notice, write a joint check payable to both the contractor and the subcontractor or material supplier.

For other ways to prevent liens, visit CSLB's Web site at www.cslb.ca.gov or call CSLB at 800-321-CSLB (2752).

REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING A LIEN PLACED ON YOUR HOME. This can mean that you may have to pay twice, or face the forced sale of your home to pay what you owe.''

SEC. 8. Section 7159.5 is added to the Business and Professions Code, to read:

7159.5. This section applies to all home improvement contracts, as defined in Section 7151.2, between an owner or tenant and a contractor, whether a general contractor or a specialty contractor, who is licensed or subject to be licensed pursuant to this chapter with regard to the transaction.

(a) Failure by the licensee or a person subject to be licensed under this chapter, or by his or her agent or salesperson to comply with the following provisions is cause for discipline:

(1) The contract shall include the agreed contract amount in dollars and cents. The contract amount shall include the entire cost of the contract, including profit, labor, and materials, but excluding finance charges.

(2) If there is a separate finance charge between the contractor and the person contracting for home improvement, the finance charge shall be set out separately from the contract amount.

(3) If a down payment will be charged, the down payment may not exceed one thousand dollars ($1,000) or 10 percent of the contract amount, whichever is less.

(4) If, in addition to a down payment, the contract provides for payments to be made prior to completion of the work, the contract shall include a schedule of payments in dollars and cents specifically referencing the amount of work or services to be performed and any materials and equipment to be supplied.

(5) Except for a down payment, the contractor may neither request nor accept payment that exceeds the value of the work performed or material delivered.

(6) Upon any payment by the person contracting for home improvement, and prior to any further payment being made, the contractor shall, if requested, obtain and furnish to the person a full and unconditional release from any potential lien claimant claim or mechanic's lien pursuant to Section 3114 of the Civil Code for any portion of the work for which payment has been made. The person contracting for home improvement may withhold all further payments until these releases are furnished.

(7) If the contract provides for a payment of a salesperson's commission out of the contract price, that payment shall be made on a pro rata basis in proportion to the schedule of payments made to the contractor by the disbursing party in accordance with paragraph (4).

(8) A contractor furnishing a performance and payment bond, lien and completion bond, or a bond equivalent or joint control approved by the registrar covering full performance and payment is exempt from paragraphs (3), (4), and (5), and need not include, as part of the contract, the Mechanics' Lien Warning found in subdivision (o) of Section 7159.4. A contractor furnishing these bonds, bond equivalents, or a joint control approved by the registrar may accept payment prior to completion. If the contract provides for a contractor to furnish joint control, the contractor shall not have any financial or other interest in the joint control.

(b) A violation of paragraph (1), (3), or (5) of subdivision (a) by a licensee or a person subject to be licensed under this chapter, or by his or her agent or salesperson, is a misdemeanor punishable by a fine of not less than one hundred dollars ($100) nor more than five thousand dollars ($5,000), or by imprisonment in a county jail not exceeding one year, or by both fine and imprisonment.

(1) An indictment or information against a person who is not licensed but who is required to be licensed under this chapter shall be brought, or a criminal complaint filed, for a violation of this section within four years from the date the buyer signs the contract.

(2) An indictment or information against a person who is licensed under this chapter shall be brought, or a criminal complaint filed, for a violation of this section within two years from the date the buyer signs the contract.

(3) The limitations on actions in this subdivision shall not apply to any administrative action filed against a licensed contractor.

(c) Any person who violates this section as part of a plan or scheme to defraud an owner or tenant of a residential or nonresidential structure, including a mobilehome or manufactured home, in connection with the offer or performance of repairs to the structure for damage caused by a natural disaster, shall be ordered by the court to make full restitution to the victim based on the person's ability to pay, as defined in subdivision

(e) of Section 1203.1b of the Penal Code. In addition to full restitution, and imprisonment authorized by this section, the court may impose a fine of not less than five hundred dollars ($500) nor more than twenty-five thousand dollars ($25,000), based upon the defendant's ability to pay. This subdivision applies to natural disasters for which a state of emergency is proclaimed by the Governor pursuant to Section 8625 of the Government Code, or for which an emergency or major disaster is declared by the President of the United States.

SEC. 9. Section 7159.6 is added to the Business and Professions Code, to read:

7159.6. (a) An extra work or change order is not enforceable against a buyer unless the change order sets forth all of the following:

(1) The scope of work encompassed by the order.

(2) The amount to be added or subtracted from the contract.

(3) The effect the order will make in the progress payments or the completion date.

(b) The buyer may not require a contractor to perform extra or change-order work without providing written authorization.

(c) Failure to comply with the requirements of this section does not preclude the recovery of compensation for work performed based upon legal or equitable remedies designed to prevent unjust enrichment.

SEC. 10. Section 7159.10 is added to the Business and Professions Code, to read:

7159.10. (a) ''Service and repair contract'' means an agreement between a contractor or salesperson for a contractor, whether a general contractor or a specialty contractor, who is licensed or subject to be licensed pursuant to this chapter with regard to the transaction, and a homeowner or a tenant, for the performance of a home improvement as defined in Section 7151, that meets the following requirements:

(1) The contract amount is seven hundred fifty dollars ($750) or less.

(2) The prospective buyer initiated contact with the contractor to request the work.

(3) The contractor does not sell the buyer goods or services beyond those reasonably necessary to take care of the particular problem that caused the buyer to contact the contractor.

(4) No payment is due until the work is completed.

(b) A bona fide service repairperson employed by a licensed contractor or subcontractor hired by a licensed contractor may enter into a service and repair contract on behalf of that contractor.

SEC. 11. Section 7159.11 is added to the Business and Professions Code, to read:

7159.11. This section applies to service and repair contracts as defined in Section 7159.10. A violation of this section by a licensee, or

a person subject to be licensed under this chapter, or by his or her agent or salesperson, is cause for discipline.

(a) A service and repair contract and any changes to the contract shall be in writing and signed by the parties.

(b) The writing shall be legible.

(c) Any printed form shall be readable. Unless a larger typeface is specified in this article, the text shall be in at least 10-point typeface and the headings shall be in at least 10-point boldface type.

(d) Before any work is started, the contractor shall give the buyer a copy of the contract signed and dated by the buyer and the contractor. The buyer's receipt of the copy triggers the buyer's rights under the Home Solicitation Act, if the right to cancel is applicable, provided that the contract complies with the Home Solicitation Act.

(e) The provisions of this section are not exclusive and do not relieve the contractor from compliance with any other applicable provision of law.

SEC. 12. Section 7159.12 is added to the Business and Professions Code, to read:

7159.12. This section applies to service and repair contracts, as defined in Section 7159.10. Failure by the licensee, or a person subject to be licensed under this chapter, or by his or her agent or salesperson, to provide the following information, notices, and disclosures in the contract is cause for discipline:

(a) The name, business address, and license number of the contractor and the description of the license classification relevant to the project.

(b) The name and registration number of the home improvement salesperson, if any.

(c) A notice concerning commercial general liability insurance. This notice may be provided as an attachment to the contract if the contract includes the statement, ''The notice concerning commercial general liability insurance is attached to this contract.'' The notice shall include the heading ''Commercial General Liability Insurance (CGL)'' followed by whichever of the following statements is both relevant and correct:

(1) ''(The name on the license or 'This contractor') does not carry commercial general liability insurance.''

(2) ''(The name on the license or 'This contractor') carries commercial general liability insurance written by (the insurance company). You may call the (insurance company) at _____ to check the contractor's insurance coverage.''

(3) ''(The name on the license or 'This contractor') is self-insured.''

(d) A notice concerning workers' compensation insurance. This notice may be provided as an attachment to the contract if the contract includes the statement ''A notice concerning workers' compensation insurance is attached to this contract.'' The notice shall include the

heading "Workers' Compensation Insurance" followed by whichever of the following statements is correct:

(1) "(The name on the license or 'This contractor') has no employees and is exempt from workers' compensation requirements."

(2) "(The name on the license or 'This contractor') carries workers' compensation insurance for all employees."

SEC. 13. Section 7159.13 is added to the Business and Professions Code, to read:

7159.13. This section applies to service and repair contracts as defined in Section 7159.10. Failure by the licensee, or a person subject to be licensed under this chapter, or by his or her agent or salesperson, to provide the following information, notices, and disclosures in the contract is cause for discipline:

(a) Notice of the type of contract in at least 10-point boldface type: "Service and Repair."

(b) A notice in at least 12-point boldface type, signed and dated by the buyer: "Notice to the Buyer: The law requires that service and repair contracts must meet all of the following requirements:

(1) The price must be no more than seven hundred and fifty dollars ($750).

(2) You, the buyer, must have initiated contact with the contractor to request the work.

(3) The contractor must not sell you goods or services beyond those reasonably necessary to take care of the particular problem that caused you to contact the contractor.

(4) No payment is due until the work is completed."

(c) The notice in at least 12-point boldface type: "Notice to the Buyer: You are entitled to a completely filled in and signed copy of this agreement before any work may be started."

(d) Where the contract is a fixed contract amount, the heading: "Contract Price" followed by the amount of the contract in dollars and cents.

(e) If a finance charge will be charged, the heading: "Finance Charge" followed by the amount in dollars and cents. The finance charge is to be set out separately from the contract amount.

(f) Where the contract is estimated by a time and materials formula, the heading "Estimated Contract Price" followed by the estimated contract amount in dollars and cents. The contract must disclose the set rate and the estimated cost of materials. The contract must also disclose how time will be computed: for example, in increments of quarter hours, half hours, or hours, and the statement: "The actual contract amount of a time and materials contract may not exceed the estimated contract amount without written authorization from the buyer."

(g) The heading: ''Description of the Project and Materials to be Used and Equipment to be Installed'' followed by a description of the project and materials to be used and equipment to be installed.

(h) The heading: ''The law requires that the contractor offer you any parts that were replaced during the service call. If you do not want the parts, initial the checkbox labeled 'OK for contractor to take replaced parts.' ''

(i) A checkbox labeled ''OK for contractor to take replaced parts.''

(j) If a service charge is charged, the heading ''Amount of Service Charge'' followed by the service charge, and the statement ''You may be charged only one service charge, including any trip charge or inspection fee''.

(k) If applicable, the heading ''List of documents to be incorporated into the contract,'' followed by the list of documents to be incorporated into the contract.

(*l*) (1) Except when the contract is negotiated at the contractor's place of business, the statement found in paragraph (5) of subdivision (a) of Section 1689.7 of the Civil Code for the right to cancel or the statement found in paragraph (2) of subdivision (e) of Section 1689.7 for the right to cancel, whichever is relevant. A statement that complies with Section 1689.7 may be attached to the contract if the contract includes a checkbox and whichever statement is relevant in at least 12-point boldface type:

(A) ''The law requires that the contractor give you a notice explaining your right to cancel. Initial the checkbox if the contractor has given you a 'Notice of Your Right to Cancel.' ''

(B) ''The law requires that the contractor give you a notice explaining your right to cancel contracts for the repair or restoration of residential premises damaged by a disaster. Initial the checkbox if the contractor has given you a 'Notice of Your Right to Cancel.' ''

(2) This subdivision does not apply to home improvement contracts entered into by a person who holds an alarm company operator's license issued pursuant to Chapter 11.6 (commencing with Section 7590), provided the person complies with Sections 1689.5, 1689.6, and 1689.7 of the Civil Code, as applicable.

(m) The signatures of the contractor or the contractor's representative, and the buyer.

(n) The date the contract was signed.

SEC. 14. Section 7159.14 is added to the Business and Professions Code, to read:

7159.14. (a) This section applies to a service and repair contract as defined in Section 7159.10. A violation of this section by a licensee or a person subject to be licensed under this chapter, or by his or her agent or salesperson, is cause for discipline.

(1) The contract may not exceed seven hundred fifty dollars ($750).

(2) The contract shall state the agreed contract amount, which may be stated as either a fixed contract amount in dollars and cents or, if a time and materials formula is used, as an estimated contract amount in dollars and cents.

(3) The contract amount shall include the entire cost of the contract including profit, labor and materials but excluding finance charges.

(4) The actual contract amount of a time and materials contract may not exceed the estimated contract amount without written authorization from the buyer.

(5) The prospective buyer must have initiated contact with the contractor to request work.

(6) The contractor may not sell the buyer goods or services beyond those reasonably necessary to take care of the particular problem that caused the buyer to contact the contractor.

(7) No payment may be due before the project is completed.

(8) A service and repair contractor may charge only one service charge. For purposes of this chapter, a service charge includes such charges as a service or trip charge, or an inspection fee.

(9) A service and repair contractor charging a service charge must disclose in all advertisements that there is a service charge and, when the customer initiates the call for service, must disclose the amount of the service charge.

(10) The service and repair contractor must offer to the customer any parts that were replaced.

(11) Upon any payment by the buyer, the contractor shall, if requested, obtain and furnish to the buyer a full and unconditional release from any potential lien claimant claim or mechanics' lien pursuant to Section 3114 of the Civil Code for any portion of the work for which payment has been made.

(b) A violation of paragraph (1), (2), (3), (4), (5), (6), or (8) of subdivision (a) by a licensee or a person subject to be licensed under this chapter, or by his or her agent or salesperson, is a misdemeanor punishable by a fine of not less than one hundred dollars ($100) nor more than five thousand dollars ($5,000) or by imprisonment in a county jail not exceeding one year, or by both fine and imprisonment.

(1) An indictment or information against a person who is not licensed but who is required to be licensed under this chapter shall be brought, or a criminal complaint filed, for a violation of this section within four years from the date the buyer signs the contract.

(2) An indictment or information against a person who is licensed under this chapter shall be brought, or a criminal complaint filed, for a violation of this section within two years from the date the buyer signs the contract.

(3) The limitations on actions in this subdivision shall not apply to any administrative action filed against a licensed contractor.

(c) Any person who violates this section as part of a plan or scheme to defraud an owner or tenant of a residential or nonresidential structure, including a mobilehome or manufactured home, in connection with the offer or performance of repairs to the structure for damage caused by a natural disaster, shall be ordered by the court to make full restitution to the victim based on the person's ability to pay, as defined in subdivision (e) of Section 1203.1b of the Penal Code. In addition to full restitution, and imprisonment authorized by this section, the court may impose a fine of not less than five hundred dollars ($500) nor more than twenty-five thousand dollars ($25,000), based upon the defendant's ability to pay. This subdivision applies to natural disasters for which a state of emergency is proclaimed by the Governor pursuant to Section 8625 of the Government Code, or for which an emergency or major disaster is declared by the President of the United States.

SEC. 15. Section 1689.5 of the Civil Code is amended to read:

1689.5. As used in Sections 1689.6 to 1689.11, inclusive, and in Section 1689.14:

(a) ''Home solicitation contract or offer'' means any contract, whether single or multiple, or any offer which is subject to approval, for the sale, lease, or rental of goods or services or both, made at other than appropriate trade premises in an amount of twenty-five dollars ($25) or more, including any interest or service charges. ''Home solicitation contract'' does not include any contract under which the buyer has the right to rescind pursuant to Title 1, Chapter 2, Section 125 of the Federal Consumer Credit Protection Act (P.L. 90-321) and the regulations promulgated pursuant thereto.

(b) ''Appropriate trade premises,'' means premises where either the owner or seller normally carries on a business, or where goods are normally offered or exposed for sale in the course of a business carried on at those premises.

(c) ''Goods'' means tangible chattels bought for use primarily for personal, family, or household purposes, including certificates or coupons exchangeable for these goods, and including goods that, at the time of the sale or subsequently, are to be so affixed to real property as to become a part of the real property whether or not severable therefrom, but does not include any vehicle required to be registered under the Vehicle Code, nor any goods sold with this vehicle if sold under a contract governed by Section 2982, and does not include any mobilehome, as defined in Section 18008 of the Health and Safety Code, nor any goods sold with this mobilehome if either are sold under a contract subject to Section 18036.5 of the Health and Safety Code.

(d) ''Services'' means work, labor and services, including, but not limited to, services furnished in connection with the repair, restoration, alteration, or improvement of residential premises, or services furnished in connection with the sale or repair of goods as defined in Section 1802.1, and courses of instruction, regardless of the purpose for which they are taken, but does not include the services of attorneys, real estate brokers and salesmen, securities dealers or investment counselors, physicians, optometrists, or dentists, nor financial services offered by banks, savings institutions, credit unions, industrial loan companies, personal property brokers, consumer finance lenders, or commercial finance lenders, organized pursuant to state or federal law, that are not connected with the sale of goods or services, as defined herein, nor the sale of insurance that is not connected with the sale of goods or services as defined herein, nor services in connection with the sale or installation of mobilehomes or of goods sold with a mobilehome if either are sold or installed under a contract subject to Section 18036.5 of the Health and Safety Code, nor services for which the tariffs, rates, charges, costs, or expenses, including in each instance the time sale price, is required by law to be filed with and approved by the federal government or any official, department, division, commission, or agency of the United States or of the state.

(e) ''Business day'' means any calendar day except Sunday, or the following business holidays: New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day.

SEC. 16. Section 1689.6 of the Civil Code is amended to read:

1689.6. (a) (1) Except for a contract written pursuant to Section 7151.2 or 7159.10 of the Business and Professions Code, in addition to any other right to revoke an offer, the buyer has the right to cancel a home solicitation contract or offer until midnight of the third business day after the day on which the buyer signs an agreement or offer to purchase which complies with Section 1689.7.

(2) In addition to any other right to revoke an offer, the buyer has the right to cancel a home solicitation contract written pursuant to Section 7151.2 of the Business and Professions Code until midnight of the third business day after the buyer receives a signed and dated copy of the contract or offer to purchase that complies with Section 1689.7 of this code.

(3) In addition to any other right to revoke an offer, the buyer has the right to cancel a home solicitation contract or offer to purchase written pursuant to Section 7159.10 of the Business and Professions Code, until the buyer receives a signed and dated copy of a service and repair contract that complies with Section 1689.7 of this code and meets the

contract requirements found in Section 7159.10 of the Business and Professions Code and the work commences.

(b) In addition to any other right to revoke an offer, any buyer has the right to cancel a home solicitation contract or offer for the purchase of a personal emergency response unit until midnight of the seventh business day after the day on which the buyer signs an agreement or offer to purchase which complies with Section 1689.7. This subdivision shall not apply to a personal emergency response unit installed with, and as part of, a home security alarm system subject to the Alarm Company Act (Chapter 11.6 (commencing with Section 7590) of Division 3 of the Business and Professions Code) which has two or more stationary protective devices used to enunciate an intrusion or fire and is installed by an alarm company operator operating under a current license issued pursuant to the Alarm Company Act, which shall instead be subject to subdivision (a).

(c) In addition to any other right to revoke an offer, a buyer has the right to cancel a home solicitation contract or offer for the repair or restoration of residential premises damaged by a disaster that was not void pursuant to Section 1689.14, until midnight of the seventh business day after the buyer signs and dates the contract.

(d) Cancellation occurs when the buyer gives written notice of cancellation to the seller at the address specified in the agreement or offer.

(e) Notice of cancellation, if given by mail, is effective when deposited in the mail properly addressed with postage prepaid.

(f) Notice of cancellation given by the buyer need not take the particular form as provided with the contract or offer to purchase and, however expressed, is effective if it indicates the intention of the buyer not to be bound by the home solicitation contract or offer.

(g) ''Personal emergency response unit,'' for purposes of this section, means an in-home radio transmitter device or two-way radio device generally, but not exclusively, worn on a neckchain, wrist strap, or clipped to clothing, and connected to a telephone line through which a monitoring station is alerted of an emergency and emergency assistance is summoned.

SEC. 17. Section 1689.7 of the Civil Code is amended to read:

1689.7. (a) (1) Except for contracts written pursuant to Sections 7151.2 and 7159.10 of the Business and Professions Code, in a home solicitation contract or offer, the buyer's agreement or offer to purchase shall be written in the same language, e.g., Spanish, as principally used in the oral sales presentation, shall be dated, shall be signed by the buyer, and except as provided in paragraph (2), shall contain in immediate proximity to the space reserved for his or her signature a conspicuous statement in a size equal to at least 10-point boldface type, as follows:

"You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right."

(2) The statement required pursuant to this subdivision for a home solicitation contract or offer for the purchase of a personal emergency response unit, as defined in Section 1689.6, which is not installed with and as part of a home security alarm system subject to the Alarm Company Act (Chapter 11.6 (commencing with Section 7590) of Division 3 of the Business and Professions Code) which has two or more stationary protective devices used to enunciate an intrusion or fire and is installed by an alarm company operator operating under a current license issued pursuant to the Alarm Company Act, is as follows: "You, the buyer, may cancel this transaction at any time prior to midnight of the seventh business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right."

(3) Except for contracts written pursuant to Sections 7151.2 and 7159.10 of the Business and Professions Code, the statement required pursuant to this subdivision for the repair or restoration of residential premises damaged by a disaster pursuant to subdivision (c) of Section 1689.6 is as follows: "You, the buyer, may cancel this transaction at any time prior to midnight of the seventh business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right."

(4) A home solicitation contract written pursuant to Section 7151.2 of the Business and Professions Code shall be written in the same language, e.g., Spanish, as principally used in the oral sales presentation. The contract, or an attachment to the contract that complies with subdivision (*l*) of Section 7159.4 of the Business and Professions Code shall include in immediate proximity to the space reserved for his or her signature, the following statement in a size equal to at least 12-point boldface type, which shall be dated and signed by the buyer:

"Three-Day Right to Cancel

You, the buyer, have the right to cancel this contract within three business days. You may cancel by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business by midnight of the third business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially

as good condition as you received it, any goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the contractor's instructions on how to return the goods at the contractor's expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract.''

(5) A home solicitation contract written pursuant to Section 7159.10 of the Business and Professions Code shall be written in the same language, e.g., Spanish, as principally used in the oral sales presentation. The contract, or an attachment to the contract that complies with subdivision (k) of Section 7159.13 of the Business and Professions Code shall include, in immediate proximity to the space reserved for his or her signature, the following statement in a size equal at least to 12-point boldface type, which shall be dated and signed by the buyer:

''YOUR RIGHTS TO CANCEL BEFORE WORK BEGINS

You, the buyer, have the right to cancel this contract until:

1. You receive a copy of this contract signed and dated by you and the contractor; and

2. The contractor starts work.

However, even if the work has begun you, the buyer, may still cancel the contract within three business days if the contract price is more than seven hundred fifty dollars ($750), or if you, did not initiate the contact with the contractor to request the work, or if the contractor sold you goods or services beyond those reasonably necessary to take care of the particular problem that caused you to contact the contractor, or if the payment was due before the work was complete.

If any of these reasons for canceling occurred, you may cancel the contract by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business within three business days of the date you received a signed and dated copy of this contract. Include your name, your address, and the date you received a signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received it, any goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the contractor's instructions on how to return the goods at the contractor's

expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract.''

(b) The agreement or offer to purchase shall contain on the first page, in a type size no smaller than that generally used in the body of the document, the following: (1) the name and address of the seller to which the notice is to be mailed, and (2) the date the buyer signed the agreement or offer to purchase.

(c) Except as provided in subdivision (d), the agreement or offer to purchase shall be accompanied by a completed form in duplicate, captioned ''Notice of Cancellation'' which shall be attached to the agreement or offer to purchase and be easily detachable, and which shall contain in type of at least 10-point the following statement written in the same language, e.g., Spanish, as used in the contract:

''Notice of Cancellation''

/enter date of transaction/

_____

(Date)

You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a telegram to _____, /name of seller/ at _____ /address of seller's place of business/ not later than midnight of _____. (Date)

I hereby cancel this transaction. _____ (Date)

_____ (Buyer's signature)

(d) Any agreement or offer to purchase a personal emergency response unit, as defined in Section 1689.6, which is not installed with and as part of a home security alarm system subject to the Alarm Company Act which has two or more stationary protective devices used to enunciate an intrusion or fire and is installed by an alarm company operator operating under a current license issued pursuant to the Alarm Company Act, shall be subject to the requirements of subdivision (c), and shall be accompanied by the ''Notice of Cancellation'' required by subdivision (c), except that the first paragraph of that notice shall be deleted and replaced with the following paragraph:

You may cancel this transaction, without any penalty or obligation, within seven business days from the above date.

(e) (1) Except for contracts written pursuant to Sections 7151.2 and 7159.10 of the Business and Professions Code, any agreement or offer to purchase services for the repair or restoration of residential premises damaged by a disaster that is subject to subdivision (c) of Section 1689.6, shall be subject to the requirements of subdivision (c) of this section, and shall be accompanied by the ''Notice of Cancellation'' required by subdivision (c) of this section, except that the first paragraph of that notice shall be deleted and replaced with the following paragraph:

You may cancel this transaction, without any penalty or obligation, within seven business days from the above date.

(2) A home solicitation contract written pursuant to Section 7151.2 of the Business and Professions Code for the repair or restoration of residential premises damaged by a disaster that is subject to subdivision (c) of Section 1689.6, shall be written in the same language, e.g. Spanish, as principally used in the oral sales presentation. The contract, or an attachment to the contract that complies with subdivision (*l*) of Section

7159.4 of the Business and Professions Code shall include, in immediate proximity to the space reserved for his or her signature, the following statement in a size equal to at least 12-point boldface type, which shall be signed and dated by the buyer:

"Seven-Day Right to Cancel

You, the buyer, have the right to cancel this contract within seven business days. You may cancel by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business by midnight of the seventh business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received it, any goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the contractor's instructions on how to return the goods at the contractor's expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract."

(3) A home solicitation contract written pursuant to Section 7159.10 of the Business and Professions Code for the repair or restoration of residential premises damaged by a disaster that is subject to subdivision (c) of Section 1689.6, be written in the same language, e.g. Spanish, as principally used in the oral sales presentation. The contract, or an attachment to the contract that complies with subdivision (k) of Section 7159.4 of the Business and Professions Code shall include, in immediate proximity to the space reserved for his or her signature, the following statement in a size equal to at least 12-point boldface type, which shall be signed and dated by the buyer:

"YOUR RIGHTS TO CANCEL BEFORE WORK BEGINS

You, the buyer, have the right to cancel until both of the following events have occurred:

1. You receive a copy of this contract, signed and dated by you and the contractor; and

2. The contractor starts work.

However, even if the work has begun, you, the buyer, may still cancel the contract within seven business days if the contract price is more than seven hundred fifty dollars ($750), or if you did not initiate the contact with the contractor to request the work, or if the contractor sold you goods or services beyond those reasonably necessary to take care of the particular problem that caused you to contact the contractor, or if the payment was due before the work was complete.

If any of these reasons for canceling occurred, you may cancel the contract by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business within seven business days of the date you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received a signed copy of the contract and this notice.

(f) The seller shall provide the buyer with a copy of the contract or offer to purchase and the attached notice of cancellation, and shall inform the buyer orally of his or her right to cancel and the requirement that cancellation be in writing, at the time the home solicitation contract or offer is executed.

(g) Until the seller has complied with this section the buyer may cancel the home solicitation contract or offer.

(h) ''Contract or sale'' as used in subdivision (c) means ''home solicitation contract or offer'' as defined by Section 1689.5.

SEC. 18. Section 1689.13 of the Civil Code is repealed.

SEC. 19. Section 1689.13 is added to the Civil Code, to read:

1689.13. Sections 1689.5, 1689.6, 1689.7, 1689.10, 1689.12, and 1689.14 do not apply to a contract that meets all of the following requirements:

(a) The contract is initiated by the buyer or his or her agent or insurance representative.

(b) The contract is executed in connection with making of emergency or immediately necessary repairs that are necessary for the immediate protection of persons or real or personal property.

(c) The buyer gives the seller a separate statement that is dated and signed that describes the situation that requires immediate remedy, and expressly acknowledges and waives the right to cancel the sale within three or seven business days, whichever applies.

SEC. 20. Section 1689.15 is added to the Civil Code, to read:

1689.15. Notwithstanding any other provision of law, a contractor who is duly licensed pursuant to Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code may commence work on a service and repair project as soon as the buyer receives a signed and dated copy of a service and repair contract that meets the contract requirements found in Section 7159.10 of the

Business and Professions Code. The buyer retains any right of cancellation applicable to home solicitations under Sections 1689.5 to 1689.14, inclusive, until such time as the buyer receives a signed and dated copy of a service and repair contract that meets the contract requirements found in Section 7159.10 of the Business and Professions Code and complies with Section 1689.7, and the licensee in fact commences that project, at which time the buyer is deemed to have waived, and has waived, any cancellation right provided in Sections 1689.5 to 1689.14, inclusive.

SEC. 21. This act shall become operative on July 1, 2005.

SEC. 22. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 567

An act to amend Section 798.71 of the Civil Code, and to amend Sections 18024, 18060.5, 18062.2, and 18063 of, and to add Sections 18014.5 and 18061.6 to, the Health and Safety Code, relating to manufactured homes and mobilehomes.

[Approved by Governor September 17, 2004. Filed with Secretary of State September 17, 2004.]

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

SECTION 1. Section 798.71 of the Civil Code is amended to read:

798.71. (a) (1) The management may not show or list for sale a manufactured home or mobilehome without first obtaining the owner's written authorization. The authorization shall specify the terms and conditions regarding the showing or listing.

(2) Management may require that a homeowner advise management in writing that his or her manufactured home or mobilehome is for sale. If management requires that a homeowner advise management in writing that his or her manufactured home or mobilehome is for sale, failure to comply with this requirement does not invalidate a transfer.

(b) The management shall prohibit neither the listing nor the sale of a manufactured home or mobilehome within the park by the homeowner,

an heir, joint tenant, or personal representative of the estate who gains ownership of a manufactured home or mobilehome in the mobilehome park through the death of the owner of the manufactured home or mobilehome who was a homeowner at the time of his or her death, or the agent of any such person other than the management.

(c) The management shall not require the selling homeowner, or an heir, joint tenant, or personal representative of the estate who gains ownership of a manufactured home or mobilehome in the mobilehome park through the death of the owner of the manufactured home or mobilehome who was a homeowner at the time of his or her death, to authorize the management or any other specified broker, dealer, or person to act as the agent in the sale of a manufactured home or mobilehome as a condition of resale of the home in the park or of management's approval of the buyer or prospective homeowner for residency in the park.

(d) Nothing in this section shall be construed as affecting the provisions of the Health and Safety Code governing the licensing of manufactured home or mobilehome salespersons or dealers.

SEC. 2. Section 18014.5 is added to the Health and Safety Code, to read:

18014.5. For purposes of this part, a ''net listing agreement'' means any agreement entered into by a seller of a manufactured home or mobilehome that is not a new manufactured home or mobilehome and a licensed dealer in which the seller agrees to accept a specific purchase price and under which the dealer may receive as a commission all proceeds from the sale in excess of that purchase price.

SEC. 3. Section 18024 of the Health and Safety Code is amended to read:

18024. (a) If, upon inspection or investigation, based upon a complaint or otherwise, the department has cause to believe that a person is acting in the capacity, or engaging in the business, of a dealer within this state without having a license in good standing therefor, and the person is not otherwise exempt pursuant to subdivision (b) of Section 18002.6, the department may issue a citation to that person in writing, describing with particularity the basis of the citation. Each citation may contain an order of abatement and assessment of a civil penalty not to exceed two thousand dollars ($2,000). All civil penalties collected under this section shall be deposited in the Mobilehome-Manufactured Home Revolving Fund provided for in Section 18016.5.

(b) The department may adopt regulations prescribing procedures for issuance of citations under this section and covering the assessment of a civil penalty which shall give due consideration to the gravity of the violation, the good faith of the person cited, and any history of previous violations.

(c) The sanctions authorized under this section shall be separate from, and in addition to, all other civil or criminal remedies.

SEC. 4. Section 18060.5 of the Health and Safety Code is amended to read:

18060.5. With respect to business practices, it is unlawful to do any of the following:

(a) Knowingly purchase, sell, or otherwise acquire or dispose of a stolen manufactured home, mobilehome, or commercial modular.

(b) Violate any of the terms or provisions of regulations promulgated under the authority of Section 18015.

(c) Cause the state or any person to suffer any loss or damage by reason of any fraud or deceit practiced on them or fraudulent representations made to any person in the sale or purchase of a manufactured home, mobilehome, or commercial modular or parts or accessories thereof.

(d) Violate any of the terms and conditions of Chapter 3 (commencing with Section 1797) of Title 1.7 of Part 4 of Division 3 of the Civil Code.

(e) Move a manufactured home, mobilehome, or commercial modular subject to registration pursuant to this part from a mobilehome park or other site of installation to another location, without obtaining from the legal owner, written consent for the move as prescribed in Section 18099.5.

(f) Include as an added cost to the selling price of a manufactured home, mobilehome, or commercial modular, an amount for licensing or transfer of title of the manufactured home, mobilehome, or commercial modular, which amount is not due to the state unless, prior to the sale, the amount has been paid by a dealer to the state in order to avoid penalties that would have accrued because of late payment of those fees. However, a dealer may collect from the second purchaser of a manufactured home, mobilehome, or commercial modular, a prorated fee based upon the number of months remaining in the registration year for that manufactured home, mobilehome, or commercial modular, if the manufactured home, mobilehome, or commercial modular was previously sold by the dealer and the sale was subsequently rescinded and all the fees that were paid, as required by this part and Chapter 2 (commencing with Section 10751) of Division 2 of the Revenue and Taxation Code, were returned to the first purchaser of the manufactured home, mobilehome, or commercial modular.

(g) Participate in the sale of a manufactured home, mobilehome, or commercial modular reported to the department pursuant to this part without making the return and payment of any sales tax due and required by Section 6451 of the Revenue and Taxation Code.

(h) Fail to exercise reasonable supervision over the activities of employees who negotiate or promote the sale of manufactured homes, mobilehomes, or commercial modulars.

(i) Display for sale, offer for sale, or sell, a manufactured home, mobilehome, or commercial modular, representing that manufactured home, mobilehome, or commercial modular to be of a year model different from the year model designated at the time of manufacture or first assembly as a completed manufactured home, mobilehome, or commercial modular.

(j) Directly or indirectly authorize or advise another licensee to change the year model of a manufactured home, mobilehome, or commercial modular in the inventory of the other licensee.

(k) Fail, at the time that the seller enters into a net listing agreement, to disclose in writing as part of the listing agreement in 12-point boldface type all of the following:

(1) That a buyer's offer may be in excess of the amount that the seller has agreed to accept as a purchase price in the listing agreement.

(2) That the dealer may retain any amount in excess of the amount the seller has agreed to as the purchase price in the listing agreement as the dealer's compensation or commission.

(3) That additional costs or payments involved in the sales transaction may be deducted or made from the amount the seller has agreed to accept as the purchase price in the listing agreement by the close of escrow.

(*l*) Fail, within three days after the date a buyer's written offer to purchase a mobilehome or manufactured home that is not a new mobilehome or manufactured home is accepted, but no less than 48 hours prior to the close of escrow or transfer of title to the mobilehome or manufactured home from the seller to the buyer, to disclose to the seller in a document, signed or initialed by the seller and the dealer, that is an addendum to the disclosure required in subdivision (k), the exact amount of the buyer's offer and the specific amounts of any commission. The dealer shall submit a copy of the disclosure required by subdivision (k) and this subdivision into escrow and maintain, at the dealer's place of business, a copy of that disclosure for three years from the date of sale. The escrow agent shall ensure that the disclosure deposited into escrow is executed and complete. However, nothing in this subdivision shall be construed to require the escrow agent to be responsible for determining the accuracy of any of the statements in that disclosure.

SEC. 5. Section 18061.6 is added to the Health and Safety Code to read:

18061.6. (a) Notwithstanding the prohibition in subdivision (d) of Section 18061 or any regulation to the contrary, a dealer may, alternatively, post in a prominent location immediately outside the

primary entrance to a new manufactured home, mobilehome, or commercial modular a conspicuous notice that the unit was previously installed as a model, display unit, or used for other occupancy. Additionally, a similarly conspicuous and prominent notice, requiring a buyer's separate initials, shall be included in any purchase agreement for that unit.

(b) Notwithstanding Section 5050 of Title 25 of the California Code of Regulations, an advertisement of any new manufactured home, mobilehome, or commercial modular is not required to contain the year of manufacture of the unit provided the new unit is not more than three years old.

(c) Notwithstanding Section 5050 of Title 25 of the California Code of Regulations, an advertisement of any manufactured home, mobilehome, or commercial modular is not required to contain the model name of any unit if the model name is disclosed in a conspicuous and prominent notice, requiring the buyer's separate initials, in any purchase agreement for that unit.

SEC. 6. Section 18062.2 of the Health and Safety Code is amended to read:

18062.2. It is also unlawful for a dealer to do any of the following:

(a) Engage in the business for which the dealer is licensed without at all times maintaining an established place of business.

(b) Employ any person as a salesperson who is not licensed pursuant to this part, or whose license or 90-day certificate is not displayed on the premises of the dealer as provided in Section 18063.

(c) Permit the use of the dealer's license, supplies, or books by any other person for the purpose of permitting that person to engage in the sale of manufactured homes, mobilehomes, or commercial modulars, or to permit the use of the dealer's license, supplies, or books to operate a secondary location to be used by any other person, if the licensee has no financial or equitable interest or investment in the manufactured homes, mobilehomes, or commercial modulars sold by, or the business of, or secondary location used by, the person, or has no such interest or investment other than commissions, compensations, fees, or any other thing of value received for the use of the dealer's license, supplies, or books to engage in the sale of manufactured homes, mobilehomes, or commercial modulars.

(d) Advertise any specific manufactured home, mobilehome, or commercial modular for sale without identifying the manufactured home, mobilehome, or commercial modular by its serial number or by the number on its federal label or insignia of approval issued by the department.

(e) Advertise the total price of a manufactured home, mobilehome, or commercial modular without including all costs to the purchaser at the

time of delivery at the dealer's premises, except sales tax, title and registration fees, finance charges, and any dealer documentary preparation charge. The dealer documentary preparation charge shall not exceed twenty dollars ($20).

(f) Exclude from the advertisement of a manufactured home, mobilehome, or commercial modular for sale information to the effect that there will be added to the advertised total price at the time of sale, charges for sales tax, title and registration fees, escrow fees, and any dealer documentary preparation charge.

(g) Represent the dealer documentary preparation charge as a governmental fee.

(h) Refuse to sell the manufactured home, mobilehome, or commercial modular to any person at the advertised total price for that manufactured home, mobilehome, or commercial modular, exclusive of sales tax, title fee, finance charges, and dealer documentary preparation charge, which charge shall not exceed twenty dollars ($20), while it remains unsold, unless the advertisement states the advertised total price is good only for a specified time and that time has elapsed.

(i) Not post the salesperson's license in a place conspicuous to the public on the premises where they are actually engaged in the selling of manufactured homes, mobilehomes, and commercial modulars for the employing dealer. The license shall be displayed continuously during their employment. If a salesperson's employment is terminated, the dealer shall return the license to the salesperson.

(j) Offer for sale, rent, or lease within this state a new manufactured home, mobilehome, or commercial modular whose manufacturer is not licensed under this part.

(k) To violate Section 798.71 or 798.74 of the Civil Code, or both.

(*l*) When the dealer is an owner or manager, or an agent of the owner or manager, of a mobilehome park and serves as the dealer for a manufactured home or mobilehome to be installed or sold in the park, to knowingly violate Section 798.72, 798.73, 798.73.5, 798.75.5, or 798.83 of the Civil Code.

SEC. 7. Section 18063 of the Health and Safety Code is amended to read:

18063. It is unlawful for a salesperson to do any of the following:

(a) At the time of employment, not deliver to his or her employing dealer his or her salesperson's license or 90-day certificate.

(b) Fail to report in writing to the department every change of residence within five days of the change.

(c) Act or attempt to act as a salesperson while not employed by a dealer. For purposes of this subdivision, ''employment by a dealer'' means employment reported to the department pursuant to subdivision (c) of Section 18060.

(d) To violate Section 798.71 or 798.74 of the Civil Code, or both.

(e) When the salesperson is an owner or manager, or an agent of the owner or manager, of a mobilehome park and serves as the salesperson for a manufactured home or mobilehome to be installed or sold in the park, to knowingly violate Section 798.72, 798.73, 798.73.5, 798.75.5, or 798.83 of the Civil Code.

SEC. 8. Any regulations adopted by the Department of Housing and Community Development in Title 25 of the California Code of Regulations to implement and interpret the amendments in Sections 2 to 6, inclusive, of this act shall be deemed to not materially alter any requirement, right, responsibility, condition, prescription, or other regulatory element as provided in Section 100 of Title 1 of the California Code of Regulations if the regulations consist of amendments, repeals, or adoptions that are substantially the same in content as the provisions of Sections 2 to 6, inclusive, of this act.

SEC. 9. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 568

An act to amend Sections 1950.5, 1954.52, and 1954.53 of, and to amend and repeal Section 827 of, the Civil Code, to amend Section 1161.2 of the Code of Civil Procedure, and to amend Section 7060.4 of, and to amend and repeal Section 12955 of, the Government Code, relating to tenancy.

[Approved by Governor September 17, 2004. Filed with Secretary of State September 17, 2004.]

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

SECTION 1. Section 827 of the Civil Code, as amended by Section 33 of Chapter 664 of the Statutes of 2002, is amended to read:

827. (a) Except as provided in subdivision (b), in all leases of lands or tenements, or of any interest therein, from week to week, month to month, or other period less than a month, the landlord may, upon giving notice in writing to the tenant, in the manner prescribed by Section 1162

of the Code of Civil Procedure, change the terms of the lease to take effect, as to tenancies for less than one month, upon the expiration of a period at least as long as the term of the hiring itself, and, as to tenancies from month to month, to take effect at the expiration of not less than 30 days, but if that change takes effect within a rental term, the rent accruing from the first day of the term to the date of that change shall be computed at the rental rate obtained immediately prior to that change; provided, however, that it shall be competent for the parties to provide by an agreement in writing that a notice changing the terms thereof may be given at any time not less than seven days before the expiration of a term, to be effective upon the expiration of the term.

The notice, when served upon the tenant, shall in and of itself operate and be effectual to create and establish, as a part of the lease, the terms, rents, and conditions specified in the notice, if the tenant shall continue to hold the premises after the notice takes effect.

(b) (1) In all leases of a residential dwelling, or of any interest therein, from week to week, month to month, or other period less than a month, the landlord may increase the rent provided in the lease or rental agreement, upon giving written notice to the tenant, as follows, by either of the following procedures:

(A) By delivering a copy to the tenant personally.

(B) By serving a copy by mail under the procedures prescribed in Section 1013 of the Code of Civil Procedure.

(2) If the proposed rent increase for that tenant is 10 percent or less of the rental amount charged to that tenant at any time during the 12 months prior to the effective date of the increase, either in and of itself or when combined with any other rent increases for the 12 months prior to the effective date of the increase, the notice shall be delivered at least 30 days prior to the effective date of the increase, and subject to Section 1013 of the Code of Civil Procedure if served by mail.

(3) For an increase in rent greater than the amount described in paragraph (2), the minimum notice period required pursuant to that paragraph shall be increased by an additional 30 days, and subject to Section 1013 of the Code of Civil Procedure if served by mail. This paragraph does not apply to an increase in rent caused by a change in a tenant's income or family composition as determined by a recertification required by statute or regulation.

(c) If a state or federal statute, state or federal regulation, recorded regulatory agreement, or contract provides for a longer period of notice regarding a rent increase than that provided in subdivision (a) or (b), the personal service or mailing of the notice shall be in accordance with the longer period.

SEC. 2. Section 827 of the Civil Code, as amended by Section 34 of Chapter 664 of the Statutes of 2002, is repealed.

SEC. 3. Section 1950.5 of the Civil Code is amended to read:

1950.5. (a) This section applies to security for a rental agreement for residential property that is used as the dwelling of the tenant.

(b) As used in this section, ''security'' means any payment, fee, deposit or charge, including, but not limited to, any payment, fee, deposit, or charge, except as provided in Section 1950.6, that is imposed at the beginning of the tenancy to be used to reimburse the landlord for costs associated with processing a new tenant or that is imposed as an advance payment of rent, used or to be used for any purpose, including, but not limited to, any of the following:

(1) The compensation of a landlord for a tenant's default in the payment of rent.

(2) The repair of damages to the premises, exclusive of ordinary wear and tear, caused by the tenant or by a guest or licensee of the tenant.

(3) The cleaning of the premises upon termination of the tenancy necessary to return the unit to the same level of cleanliness it was in at the inception of the tenancy. The amendments to this paragraph enacted by the act adding this sentence shall apply only to tenancies for which the tenant's right to occupy begins after January 1, 2003.

(4) To remedy future defaults by the tenant in any obligation under the rental agreement to restore, replace, or return personal property or appurtenances, exclusive of ordinary wear and tear, if the security deposit is authorized to be applied thereto by the rental agreement.

(c) A landlord may not demand or receive security, however denominated, in an amount or value in excess of an amount equal to two months' rent, in the case of unfurnished residential property, and an amount equal to three months' rent, in the case of furnished residential property, in addition to any rent for the first month paid on or before initial occupancy.

This subdivision does not prohibit an advance payment of not less than six months' rent if the term of the lease is six months or longer.

This subdivision does not preclude a landlord and a tenant from entering into a mutual agreement for the landlord, at the request of the tenant and for a specified fee or charge, to make structural, decorative, furnishing, or other similar alterations, if the alterations are other than cleaning or repairing for which the landlord may charge the previous tenant as provided by subdivision (e).

(d) Any security shall be held by the landlord for the tenant who is party to the lease or agreement. The claim of a tenant to the security shall be prior to the claim of any creditor of the landlord.

(e) The landlord may claim of the security only those amounts as are reasonably necessary for the purposes specified in subdivision (b). The landlord may not assert a claim against the tenant or the security for damages to the premises or any defective conditions that preexisted the

tenancy, for ordinary wear and tear or the effects thereof, whether the wear and tear preexisted the tenancy or occurred during the tenancy, or for the cumulative effects of ordinary wear and tear occurring during any one or more tenancies.

(f) (1) Within a reasonable time after notification of either party's intention to terminate the tenancy, or before the end of the lease term, the landlord shall notify the tenant in writing of his or her option to request an initial inspection and of his or her right to be present at the inspection. The requirements of this subdivision do not apply when the tenancy is terminated pursuant to subdivision (2), (3), or (4) of Section 1161 of the Code of Civil Procedure. At a reasonable time, but no earlier than two weeks before the termination or the end of lease date, the landlord, or an agent of the landlord, shall, upon the request of the tenant, make an initial inspection of the premises prior to any final inspection the landlord makes after the tenant has vacated the premises. The purpose of the initial inspection shall be to allow the tenant an opportunity to remedy identified deficiencies, in a manner consistent with the rights and obligations of the parties under the rental agreement, in order to avoid deductions from the security. If a tenant chooses not to request an initial inspection, the duties of the landlord under this subdivision are discharged. If an inspection is requested, the parties shall attempt to schedule the inspection at a mutually acceptable date and time. The landlord shall give at least 48 hours' prior written notice of the date and time of the inspection if either a mutual time is agreed upon, or if a mutually agreed time cannot be scheduled but the tenant still wishes an inspection. The tenant and landlord may agree to forgo the 48-hour prior written notice by both signing a written waiver. The landlord shall proceed with the inspection whether the tenant is present or not, unless the tenant previously withdrew his or her request for the inspection.

(2) Based on the inspection, the landlord shall give the tenant an itemized statement specifying repairs or cleaning that are proposed to be the basis of any deductions from the security the landlord intends to make pursuant to paragraphs (1) to (4), inclusive of subdivision (b). This statement shall also include the texts of paragraphs (1) to (4), inclusive, of subdivision (b). The statement shall be given to the tenant, if the tenant is present for the inspection, or shall be left inside the premises.

(3) The tenant shall have the opportunity during the period following the initial inspection until termination of the tenancy to remedy identified deficiencies, in a manner consistent with the rights and obligations of the parties under the rental agreement, in order to avoid deductions from the security.

(4) Nothing in this subdivision shall prevent a landlord from using the security for deductions itemized in the statement provided for in

paragraph (2) that were not cured by the tenant so long as the deductions are for damages authorized by this section.

(5) Nothing in this subdivision shall prevent a landlord from using the security for any purpose specified in paragraphs (1) to (4), inclusive, of subdivision (b) that occurs between completion of the initial inspection and termination of the tenancy or was not identified during the initial inspection due to the presence of a tenant's possessions.

(g) (1) No later than 21 calendar days after the tenant has vacated the premises, but not earlier than the time that either the landlord or the tenant provides a notice to terminate the tenancy under Section 1946 or 1946.1, Section 1161 of the Code of Civil Procedure, or not earlier than 60 calendar days prior to the expiration of a fixed-term lease, the landlord shall furnish the tenant, by personal delivery or by first-class mail, postage prepaid, a copy of an itemized statement indicating the basis for, and the amount of, any security received and the disposition of the security and shall return any remaining portion of the security to the tenant.

(2) Along with the itemized statement, the landlord shall also include copies of documents showing charges incurred and deducted by the landlord to repair or clean the premises, as follows:

(A) If the landlord or landlord's employee did the work, the itemized statement shall reasonably describe the work performed. The itemized statement shall include the time spent and the reasonable hourly rate charged.

(B) If the landlord or landlord's employee did not do the work, the landlord shall provide the tenant a copy of the bill, invoice, or receipt supplied by the person or entity performing the work. The itemized statement shall provide the tenant with the name, address, and telephone number of the person or entity, if the bill, invoice, or receipt does not include that information.

(C) If a deduction is made for materials or supplies, the landlord shall provide a copy of the bill, invoice, or receipt. If a particular material or supply item is purchased by the landlord on an ongoing basis, the landlord may document the cost of the item by providing a copy of a bill, invoice, receipt, vendor price list, or other vendor document that reasonably documents the cost of the item used in the repair or cleaning of the unit.

(3) If a repair to be done by the landlord or the landlord's employee cannot reasonably be completed within 21 calendar days after the tenant has vacated the premises, or if the documents from a person or entity providing services, materials, or supplies are not in the landlord's possession within 21 calendar days after the tenant has vacated the premises, the landlord may deduct the amount of a good faith estimate of the charges that will be incurred and provide that estimate with the

itemized statement. If the reason for the estimate is because the documents from a person or entity providing services, materials, or supplies are not in the landlord's possession, the itemized statement shall include the name, address, and telephone number of the person or entity. Within 14 calendar days of completing the repair or receiving the documentation, the landlord shall complete the requirements in paragraphs (1) and (2) in the manner specified.

(4) The landlord need not comply with paragraph (2) or (3) if either of the following apply:

(A) The deductions for repairs and cleaning together do not exceed one hundred twenty-five dollars ($125).

(B) The tenant waived the rights specified in paragraphs (2) and (3). The waiver shall only be effective if it is signed by the tenant at the same time or after a notice to terminate a tenancy under Section 1946 or 1946.1 has been given, a notice under Section 1161 of the Code of Civil Procedure has been given, or no earlier than 60 calendar days prior to the expiration of a fixed-term lease. The waiver shall substantially include the text of paragraph (2).

(5) Notwithstanding paragraph (4), the landlord shall comply with paragraphs (2) and (3) when a tenant makes a request for documentation within 14 calendar days after receiving the itemized statement specified in paragraph (1). The landlord shall comply within 14 calendar days after receiving the request from the tenant.

(6) Any mailings to the tenant pursuant to this subdivision shall be sent to the address provided by the tenant. If the tenant does not provide an address, mailings pursuant to this subdivision shall be sent to the unit that has been vacated.

(h) Upon termination of the landlord's interest in the premises, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord or the landlord's agent shall, within a reasonable time, do one of the following acts, either of which shall relieve the landlord of further liability with respect to the security held:

(1) Transfer the portion of the security remaining after any lawful deductions made under subdivision (e) to the landlord's successor in interest. The landlord shall thereafter notify the tenant by personal delivery or by first-class mail, postage prepaid, of the transfer, of any claims made against the security, of the amount of the security deposited, and of the names of the successors in interest, their address, and their telephone number. If the notice to the tenant is made by personal delivery, the tenant shall acknowledge receipt of the notice and sign his or her name on the landlord's copy of the notice.

(2) Return the portion of the security remaining after any lawful deductions made under subdivision (e) to the tenant, together with an accounting as provided in subdivision (g).

(i) Prior to the voluntary transfer of a landlord's interest in the premises, the landlord shall deliver to the landlord's successor in interest a written statement indicating the following:

(1) The security remaining after any lawful deductions are made.

(2) An itemization of any lawful deductions from any security received.

(3) His or her election under paragraph (1) or (2) of subdivision (h).

This subdivision does not affect the validity of title to the real property transferred in violation of this subdivision.

(j) In the event of noncompliance with subdivision (h), the landlord's successors in interest shall be jointly and severally liable with the landlord for repayment of the security, or that portion thereof to which the tenant is entitled, when and as provided in subdivisions (e) and (g). A successor in interest of a landlord may not require the tenant to post any security to replace that amount not transferred to the tenant or successors in interest as provided in subdivision (h), unless and until the successor in interest first makes restitution of the initial security as provided in paragraph (2) of subdivision (h) or provides the tenant with an accounting as provided in subdivision (g).

This subdivision does not preclude a successor in interest from recovering from the tenant compensatory damages that are in excess of the security received from the landlord previously paid by the tenant to the landlord.

Notwithstanding this subdivision, if, upon inquiry and reasonable investigation, a landlord's successor in interest has a good faith belief that the lawfully remaining security deposit is transferred to him or her or returned to the tenant pursuant to subdivision (h), he or she is not liable for damages as provided in subdivision (*l*), or any security not transferred pursuant to subdivision (h).

(k) Upon receipt of any portion of the security under paragraph (1) of subdivision (h), the landlord's successors in interest shall have all of the rights and obligations of a landlord holding the security with respect to the security.

(*l*) The bad faith claim or retention by a landlord or the landlord's successors in interest of the security or any portion thereof in violation of this section, or the bad faith demand of replacement security in violation of subdivision (j), may subject the landlord or the landlord's successors in interest to statutory damages of up to twice the amount of the security, in addition to actual damages. The court may award damages for bad faith whenever the facts warrant that award, regardless of whether the injured party has specifically requested relief. In any action under this section, the landlord or the landlord's successors in interest shall have the burden of proof as to the reasonableness of the

amounts claimed or the authority pursuant to this section to demand additional security deposits.

(m) No lease or rental agreement may contain any provision characterizing any security as ''nonrefundable.''

(n) Any action under this section may be maintained in small claims court if the damages claimed, whether actual or statutory or both, are within the jurisdictional amount allowed by Section 116.220 of the Code of Civil Procedure.

(o) Proof of the existence of and the amount of a security deposit may be established by any credible evidence, including, but not limited to, a canceled check, a receipt, a lease indicating the requirement of a deposit as well as the amount, prior consistent statements or actions of the landlord or tenant, or a statement under penalty of perjury that satisfies the credibility requirements set forth in Section 780 of the Evidence Code.

(p) The amendments to this section made during the 1985 portion of the 1985–86 Regular Session of the Legislature that are set forth in subdivision (e) are declaratory of existing law.

(q) The amendments to this section made during the 2003 portion of the 2003–04 Regular Session of the Legislature that are set forth in paragraph (1) of subdivision (f) are declaratory of existing law.

SEC. 4. Section 1954.52 of the Civil Code is amended to read:

1954.52. (a) Notwithstanding any other provision of law, an owner of residential real property may establish the initial and all subsequent rental rates for a dwelling or a unit about which any of the following is true:

(1) It has a certificate of occupancy issued after February 1, 1995.

(2) It has already been exempt from the residential rent control ordinance of a public entity on or before February 1, 1995, pursuant to a local exemption for newly constructed units.

(3) (A) It is alienable separate from the title to any other dwelling unit or is a subdivided interest in a subdivision, as specified in subdivision (b), (d), or (f) of Section 11004.5 of the Business and Professions Code.

(B) This paragraph does not apply to either of the following:

(i) A dwelling or unit where the preceding tenancy has been terminated by the owner by notice pursuant to Section 1946.1 or has been terminated upon a change in the terms of the tenancy noticed pursuant to Section 827.

(ii) A condominium dwelling or unit that has not been sold separately by the subdivider to a bona fide purchaser for value. The initial rent amount of the unit for purposes of this chapter shall be the lawful rent in effect on May 7, 2001, unless the rent amount is governed by a different provision of this chapter. However, if a condominium dwelling

or unit meets the criteria of paragraph (1) or (2) of subdivision (a), or if all the dwellings or units except one have been sold separately by the subdivider to bona fide purchasers for value, and the subdivider has occupied that remaining unsold condominium dwelling or unit as his or her principal residence for at least one year after the subdivision occurred, then subparagraph (A) of paragraph (3) shall apply to that unsold condominium dwelling or unit.

(C) Where a dwelling or unit in which the initial or subsequent rental rates are controlled by an ordinance or charter provision in effect on January 1, 1995, the following shall apply:

(i) An owner of real property as described in this paragraph may establish the initial and all subsequent rental rates for all existing and new tenancies in effect on or after January 1, 1999, if the tenancy in effect on or after January 1, 1999, was created between January 1, 1996, and December 31, 1998.

(ii) Commencing on January 1, 1999, an owner of real property as described in this paragraph may establish the initial and all subsequent rental rates for all new tenancies if the previous tenancy was in effect on December 31, 1995.

(iii) The initial rental rate for a dwelling or unit as described in this paragraph in which the initial rental rate is controlled by an ordinance or charter provision in effect on January 1, 1995, may not, until January 1, 1999, exceed the amount calculated pursuant to subdivision (c) of Section 1954.53. An owner of residential real property as described in this paragraph may, until January 1, 1999, establish the initial rental rate for a dwelling or unit only where the tenant has voluntarily vacated, abandoned, or been evicted pursuant to paragraph (2) of Section 1161 of the Code of Civil Procedure.

(b) Subdivision (a) does not apply where the owner has otherwise agreed by contract with a public entity in consideration for a direct financial contribution or any other forms of assistance specified in Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code.

(c) Nothing in this section shall be construed to affect the authority of a public entity that may otherwise exist to regulate or monitor the basis for eviction.

(d) This section does not apply to any dwelling or unit that contains serious health, safety, fire, or building code violations, excluding those caused by disasters for which a citation has been issued by the appropriate governmental agency and which has remained unabated for six months or longer preceding the vacancy.

SEC. 5. Section 1954.53 of the Civil Code is amended to read:

1954.53. (a) Notwithstanding any other provision of law, an owner of residential real property may establish the initial rental rate for a dwelling or unit, except where any of the following applies:

(1) The previous tenancy has been terminated by the owner by notice pursuant to Section 1946.1 or has been terminated upon a change in the terms of the tenancy noticed pursuant to Section 827, except a change permitted by law in the amount of rent or fees. For the purpose of this paragraph, the owner's termination or nonrenewal of a contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant, shall be construed as a change in the terms of the tenancy pursuant to Section 827.

(A) In a jurisdiction that controls by ordinance or charter provision the rental rate for a dwelling or unit, an owner who terminates or fails to renew a contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant may not set an initial rent for three years following the date of the termination or nonrenewal of the contract or agreement. For any new tenancy established during the three-year period, the rental rate for a new tenancy established in that vacated dwelling or unit shall be at the same rate as the rent under the terminated or nonrenewed contract or recorded agreement with a governmental agency that provided for a rent limitation to a qualified tenant, plus any increases authorized after the termination or cancellation of the contract or recorded agreement.

(B) Subparagraph (A) does not apply to any new tenancy of 12 months or more duration established after January 1, 2000, pursuant to the owner's contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant, unless the prior vacancy in that dwelling or unit was pursuant to a nonrenewed or canceled contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant as set forth in that subparagraph.

(2) The owner has otherwise agreed by contract with a public entity in consideration for a direct financial contribution or any other forms of assistance specified in Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code.

(3) The initial rental rate for a dwelling or unit whose initial rental rate is controlled by an ordinance or charter provision in effect on January 1, 1995, may not until January 1, 1999, exceed the amount calculated pursuant to subdivision (c).

(b) Subdivision (a) applies to, and includes, renewal of the initial hiring by the same tenant, lessee, authorized subtenant, or authorized sublessee for the entire period of his or her occupancy at the rental rate established for the initial hiring.

(c) The rental rate of a dwelling or unit whose initial rental rate is controlled by ordinance or charter provision in effect on January 1, 1995, shall, until January 1, 1999, be established in accordance with this subdivision. Where the previous tenant has voluntarily vacated, abandoned, or been evicted pursuant to paragraph (2) of Section 1161 of Code of Civil Procedure, an owner of residential real property may, no more than twice, establish the initial rental rate for a dwelling or unit in an amount that is no greater than 15 percent more than the rental rate in effect for the immediately preceding tenancy or in an amount that is 70 percent of the prevailing market rent for comparable units, whichever amount is greater.

The initial rental rate established pursuant to this subdivision may not substitute for or replace increases in rental rates otherwise authorized pursuant to law.

(d) (1) Nothing in this section or any other provision of law shall be construed to preclude express establishment in a lease or rental agreement of the rental rates to be applicable in the event the rental unit subject thereto is sublet. Nothing in this section shall be construed to impair the obligations of contracts entered into prior to January 1, 1996.

(2) If the original occupant or occupants who took possession of the dwelling or unit pursuant to the rental agreement with the owner no longer permanently reside there, an owner may increase the rent by any amount allowed by this section to a lawful sublessee or assignee who did not reside at the dwelling or unit prior to January 1, 1996.

(3) This subdivision does not apply to partial changes in occupancy of a dwelling or unit where one or more of the occupants of the premises, pursuant to the agreement with the owner provided for above, remains an occupant in lawful possession of the dwelling or unit, or where a lawful sublessee or assignee who resided at the dwelling or unit prior to January 1, 1996, remains in possession of the dwelling or unit. Nothing contained in this section shall be construed to enlarge or diminish an owner's right to withhold consent to a sublease or assignment.

(4) Acceptance of rent by the owner does not operate as a waiver or otherwise prevent enforcement of a covenant prohibiting sublease or assignment or as a waiver of an owner's rights to establish the initial rental rate, unless the owner has received written notice from the tenant that is party to the agreement and thereafter accepted rent.

(e) Nothing in this section shall be construed to affect any authority of a public entity that may otherwise exist to regulate or monitor the grounds for eviction.

(f) This section does not apply to any dwelling or unit if all the following conditions are met:

(1) The dwelling or unit has been cited in an inspection report by the appropriate governmental agency as containing serious health, safety,

fire, or building code violations, as defined by Section 17920.3 of the Health and Safety Code, excluding any violation caused by a disaster.

(2) The citation was issued at least 60 days prior to the date of the vacancy.

(3) The cited violation had not been abated when the prior tenant vacated and had remained unabated for 60 days or for a longer period of time. However, the 60-day time period may be extended by the appropriate governmental agency that issued the citation.

SEC. 6. Section 1161.2 of the Code of Civil Procedure is amended to read:

1161.2. (a) The clerk may allow access to limited civil case records filed under this chapter, including the court file, index, and register of actions, only as follows:

(1) To a party to the action, including a party's attorney.

(2) To any person who provides the clerk with the names of at least one plaintiff and one defendant and the address of the premises, including the apartment or unit number, if any.

(3) To a resident of the premises who provides the clerk with the name of one of the parties or the case number and shows proof of residency.

(4) To any person by order of the court, which may be granted ex parte, on a showing of good cause.

(5) To any other person 60 days after the complaint has been filed, unless a defendant prevails in the action within 60 days of the filing of the complaint, in which case the clerk may not allow access to any court records in the action, except as provided in paragraphs (1) to (4), inclusive.

(b) For purposes of this section, ''good cause'' includes, but is not limited to, the gathering of newsworthy facts by a person described in Section 1070 of the Evidence Code. It is the intent of the Legislature that a simple procedure be established to request the ex parte order described in subdivision (a).

(c) Upon the filing of any case so restricted, the court clerk shall mail notice to each defendant named in the action. The notice shall be mailed to the address provided in the complaint. The notice shall contain a statement that an unlawful detainer complaint (eviction action) has been filed naming that party as a defendant, and that access to the court file will be delayed for 60 days except to a party, an attorney for one of the parties, or any other person who (1) provides to the clerk the names of at least one plaintiff and one defendant in the action and provides to the clerk the address, including any applicable apartment, unit, or space number, of the subject premises, or (2) provides to the clerk the name of one of the parties in the action or the case number and can establish through proper identification that he or she lives at the subject premises. The notice shall also contain a statement that access to the court index,

register of actions, or other records is not permitted until 60 days after the complaint is filed, except pursuant to an order upon a showing of good cause therefor. The notice shall contain on its face the name and telephone number of the county bar association and the name and telephone number of an office funded by the federal Legal Services Corporation that provides legal services to low-income persons in the county in which the action is filed. The notice shall state that these numbers may be called for legal advice regarding the case. The notice shall be issued between 24 and 48 hours of the filing of the complaint, excluding weekends and holidays. One copy of the notice shall be addressed to ''all occupants'' and mailed separately to the subject premises. The notice shall not constitute service of the summons and complaint.

(d) Notwithstanding any other provision of law, the court shall charge an additional fee of four dollars ($4) for filing a first appearance by the plaintiff. This fee shall be included as part of the total filing fee for actions filed under this chapter.

(e) This section does not apply to a case that seeks to terminate a mobilehome park tenancy if the statement of the character of the proceeding in the caption of the complaint clearly indicates that the complaint seeks termination of a mobilehome park tenancy.

SEC. 7. Section 7060.4 of the Government Code is amended to read:

7060.4. (a) Any public entity which, by a valid exercise of its police power, has in effect any control or system of control on the price at which accommodations are offered for rent or lease, may require by statute or ordinance, or by regulation as specified in Section 7060.5, that the owner notify the entity of an intention to withdraw those accommodations from rent or lease and may require that the notice contain statements, under penalty of perjury, providing information on the number of accommodations, the address or location of those accommodations, the name or names of the tenants or lessees of the accommodations, and the rent applicable to each residential rental unit.

Information respecting the name or names of the tenants, the rent applicable to any residential rental unit, or the total number of accommodations, is confidential information and for purposes of this chapter shall be treated as confidential information by any public entity for purposes of the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code). A public entity shall, to the extent required by the preceding sentence, be considered an ''agency,'' as defined by subdivision (d) of Section 1798.3 of the Civil Code.

(b) The statute, ordinance, or regulation of the public entity may require that the owner record with the county recorder a memorandum summarizing the provisions, other than the confidential provisions, of

the notice in a form which shall be prescribed by the statute, ordinance, or regulation, and require a certification with that notice that actions have been initiated as required by law to terminate any existing tenancies. In that situation, the date on which the accommodations are withdrawn from rent or lease for purposes of this chapter is 120 days from the delivery in person or by first-class mail of that notice to the public entity. However, if the tenant or lessee is at least 62 years of age or disabled, and has lived in his or her accommodations for at least one year prior to the date of delivery to the public entity of the notice of intent to withdraw pursuant to subdivision (a), then the date of withdrawal of the accommodations of that tenant or lessee shall be extended to one year after the date of delivery of that notice to the public entity, provided that the tenant or lessee gives written notice of his or her entitlement to an extension to the owner within 60 days of the date of delivery to the public entity of the notice of intent to withdraw. In that situation, the following provisions shall apply:

(1) The tenancy shall be continued on the same terms and conditions as existed on the date of delivery to the public entity of the notice of intent to withdraw, subject to any adjustments otherwise available under the system of control.

(2) No party shall be relieved of the duty to perform any obligation under the lease or rental agreement.

(3) The owner may elect to extend the date of withdrawal on any other accommodations up to one year after date of delivery to the public entity of the notice of intent to withdraw, subject to paragraphs (1) and (2).

(4) Within 30 days of the notification by the tenant or lessee to the owner of his or her entitlement to an extension, the owner shall give written notice to the public entity of the claim that the tenant or lessee is entitled to stay in their accommodations for one year after date of delivery to the public entity of the notice of intent to withdraw.

(5) Within 90 days of date of delivery to the public entity of the notice of intent to withdraw, the owner shall give written notice to the public entity and the affected tenant or lessee of the owner's election to extend the date of withdrawal and the new date of withdrawal under paragraph (3).

(c) The statute, ordinance, or regulation of the public entity adopted pursuant to subdivision (a) may also require the owner to notify any tenant or lessee displaced pursuant to this chapter of the following:

(1) That the public entity has been notified pursuant to subdivision (a).

(2) That the notice to the public entity specified the name and the amount of rent paid by the tenant or lessee as an occupant of the accommodations.

(3) The amount of rent the owner specified in the notice to the public entity.

(4) Notice to the tenant or lessee of his or her rights under paragraph (3) of subdivision (b) of Section 7060.2.

(5) Notice to the tenant or lessee of the following:

(A) If the tenant or lessee is at least 62 years of age or disabled, and has lived in his or her accommodations for at least one year prior to the date of delivery to the public entity of the notice of intent to withdraw, then tenancy shall be extended to one year after date of delivery to the public entity of the notice of intent to withdraw, provided that the tenant or lessee gives written notice of his or her entitlement to the owner within 60 days of date of delivery to the public entity of the notice of intent to withdraw.

(B) The extended tenancy shall be continued on the same terms and conditions as existed on date of delivery to the public entity of the notice of intent to withdraw, subject to any adjustments otherwise available under the system of control.

(C) No party shall be relieved of the duty to perform any obligation under the lease or rental agreement during the extended tenancy.

(d) The statute, ordinance, or regulation of the public entity adopted pursuant to subdivision (a) may also require the owner to notify the public entity in writing of an intention to again offer the accommodations for rent or lease.

SEC. 8. Section 12955 of the Government Code, as amended by Section 9.7 of Chapter 592 of the Statutes of 1999, is amended to read:

12955. It shall be unlawful:

(a) For the owner of any housing accommodation to discriminate against or harass any person because of the race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, or disability of that person.

(b) For the owner of any housing accommodation to make or to cause to be made any written or oral inquiry concerning the race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, or disability of any person seeking to purchase, rent or lease any housing accommodation.

(c) For any person to make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a housing accommodation that indicates any preference, limitation, or discrimination based on race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, or disability or an intention to make that preference, limitation, or discrimination.

(d) For any person subject to the provisions of Section 51 of the Civil Code, as that section applies to housing accommodations, to

discriminate against any person on the basis of sex, sexual orientation, color, race, religion, ancestry, national origin, familial status, marital status, disability, source of income, or on any other basis prohibited by that section.

(e) For any person, bank, mortgage company or other financial institution that provides financial assistance for the purchase, organization, or construction of any housing accommodation to discriminate against any person or group of persons because of the race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, or disability in the terms, conditions, or privileges relating to the obtaining or use of that financial assistance.

(f) For any owner of housing accommodations to harass, evict, or otherwise discriminate against any person in the sale or rental of housing accommodations when the owner's dominant purpose is retaliation against a person who has opposed practices unlawful under this section, informed law enforcement agencies of practices believed unlawful under this section, has testified or assisted in any proceeding under this part, or has aided or encouraged a person to exercise or enjoy the rights secured by this part. Nothing herein is intended to cause or permit the delay of an unlawful detainer action.

(g) For any person to aid, abet, incite, compel, or coerce the doing of any of the acts or practices declared unlawful in this section, or to attempt to do so.

(h) For any person, for profit, to induce any person to sell or rent any dwelling by representations regarding the entry or prospective entry into the neighborhood of a person or persons of a particular race, color, religion, sex, sexual orientation, marital status, ancestry, disability, source of income, familial status, or national origin.

(i) For any person or other organization or entity whose business involves real estate-related transactions to discriminate against any person in making available a transaction, or in the terms and conditions of a transaction, because of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, source of income, familial status, or disability.

(j) To deny a person access to, or membership or participation in, a multiple listing service, real estate brokerage organization, or other service because of race, color, religion, sex, sexual orientation, marital status, ancestry, disability, familial status, source of income, or national origin.

(k) To otherwise make unavailable or deny a dwelling based on discrimination because of race, color, religion, sex, sexual orientation, familial status, source of income, disability, or national origin.

(*l*) To discriminate through public or private land use practices, decisions, and authorizations because of race, color, religion, sex, sexual orientation, familial status, marital status, disability, national origin, source of income, or ancestry. Discrimination includes, but is not limited to, restrictive covenants, zoning laws, denials of use permits, and other actions authorized under the Planning and Zoning Law (Title 7 (commencing with Section 65000)), that make housing opportunities unavailable.

Discrimination under this subdivision also includes the existence of a restrictive covenant, regardless of whether accompanied by a statement that the restrictive covenant is repealed or void. This paragraph shall become operative on January 1, 2001.

(m) As used in this section, ''race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, or disability'' includes a perception that the person has any of those characteristics or that the person is associated with a person who has, or is perceived to have, any of those characteristics.

(n) To use a financial or income standard in the rental of housing that fails to account for the aggregate income of persons residing together or proposing to reside together on the same basis as the aggregate income of married persons residing together or proposing to reside together.

(o) In instances where there is a government rent subsidy, to use a financial or income standard in assessing eligibility for the rental of housing that is not based on the portion of the rent to be paid by the tenant.

(p) (1) For the purposes of this section, ''source of income'' means lawful, verifiable income paid directly to a tenant or paid to a representative of a tenant. For the purposes of this section, a landlord is not considered a representative of a tenant.

(2) For the purposes of this section, it shall not constitute discrimination based on source of income to make a written or oral inquiry concerning the level or source of income.

SEC. 9. Section 12955 of the Government Code, as added by Section 9.83 of Chapter 592 of the Statutes of 1999, is repealed.

CHAPTER 569

An act to add Section 50662.8 to the Health and Safety Code, relating to housing assistance.

[Approved by Governor September 17, 2004. Filed with Secretary of State September 17, 2004.]

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

SECTION 1. Section 50662.8 is added to the Health and Safety Code, to read:

50662.8. (a) Notwithstanding paragraph (1) of subdivision (d) of Section 50662.7, the department may allow the assumption of any loan made pursuant to subdivision (b) of that section for owner-occupied dwellings subject to all of the following conditions:

(1) The original borrower dies.

(2) The assumption is by a member of the original borrower's household and is a spouse, domestic partner, or child of the original borrower.

(3) The person assuming the loan has legal ownership of the home.

(4) The person assuming the loan will continuously reside in the home as his or her principal place of residence and will not transfer the home to any other person or entity. If the person assuming the loan moves to another residence or transfers the home to any other person or entity, the loan shall become immediately due and payable.

(5) The total income of the household assuming the loan is at or below 120 percent of the area median income, adjusted for household size.

(6) The department determines that requiring immediate repayment of the loan upon the borrower's death would be an economic hardship for the person assuming the loan.

(7) The assumption is for a period of time necessary to permit the person assuming the loan to repay the loan without economic hardship.

(b) The department may not permit subordination of a loan made pursuant to subdivision (b) of Section 50662.7 for owner-occupied dwellings except under the following circumstances:

(1) The total household income of the borrower's household is at or below 80 percent of the area median income, or, in the case of extreme hardship, where borrowing becomes necessary to either protect the health and safety of the occupants, or pay health care costs for the borrower's immediate family.

(2) The total principal of the loans senior to the department's loan is unchanged or decreased and the department's security interest is not jeopardized, as determined by the department.

(c) With respect to any loans made pursuant to subdivision (b) of Section 50662.7 for owner-occupied dwellings, the department shall do all of the following:

(1) Annually mail, by the end of January, to any borrower who has an outstanding balance a statement that provides all of the following information:

(A) The principal loan balance.

(B) The interest accrued to the date of the statement.

(C) The interest percentage rate.

(D) Payment instructions with a disclaimer that a payment may not be required until the outstanding loan balance is due and payable.

(E) Contact information, including a telephone number and mailing address for borrower inquiries.

(2) By July 1, 2005, adopt a written application process and evaluation guidelines to authorize the transfer of the borrower's loan obligations described in subdivision (a) or the subordination of the deed of trust. The department shall provide a summary of this process and the guidelines with all statements mailed on or before February 1, 2006.

(3) Mail to the party that applies to the department to subordinate or assume the loan, the department's decision to approve or deny the application within 60 days of receipt, along with a statement of reasons for any denial.

(d) With respect to any loans made pursuant to subdivision (b) of Section 50662.7 for owner-occupied dwellings, the department may delay the foreclosure of the loan if the department determines that its security interest is not jeopardized.

(e) The department may adopt guidelines for implementation of this section. These guidelines shall not be considered to be regulations as defined in Section 11342.600 of the Government Code and therefore shall not be subject to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code).

CHAPTER 570

An act to amend Section 11105 of the Penal Code, relating to criminal history information.

[Approved by Governor September 17, 2004. Filed with Secretary of State September 17, 2004.]

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

SECTION 1. Section 11105 of the Penal Code is amended to read:

11105. (a) (1) The Department of Justice shall maintain state summary criminal history information.

(2) As used in this section:

(A) ''State summary criminal history information'' means the master record of information compiled by the Attorney General pertaining to the identification and criminal history of any person, such as name, date of birth, physical description, fingerprints, photographs, date of arrests,

arresting agencies and booking numbers, charges, dispositions, and similar data about the person.

(B) ''State summary criminal history information'' does not refer to records and data compiled by criminal justice agencies other than the Attorney General, nor does it refer to records of complaints to or investigations conducted by, or records of intelligence information or security procedures of, the office of the Attorney General and the Department of Justice.

(b) The Attorney General shall furnish state summary criminal history information to any of the following, if needed in the course of their duties, provided that when information is furnished to assist an agency, officer, or official of state or local government, a public utility, or any other entity, in fulfilling employment, certification, or licensing duties, Chapter 1321 of the Statutes of 1974 and Section 432.7 of the Labor Code shall apply:

(1) The courts of the state.

(2) Peace officers of the state as defined in Section 830.1, subdivisions (a) and (e) of Section 830.2, subdivision (a) of Section 830.3, subdivisions (a) and (b) of Section 830.5, and subdivision (a) of Section 830.31.

(3) District attorneys of the state.

(4) Prosecuting city attorneys of any city within the state.

(5) Probation officers of the state.

(6) Parole officers of the state.

(7) A public defender or attorney of record when representing a person in proceedings upon a petition for a certificate of rehabilitation and pardon pursuant to Section 4852.08.

(8) A public defender or attorney of record when representing a person in a criminal case and if authorized access by statutory or decisional law.

(9) Any agency, officer, or official of the state if the criminal history information is required to implement a statute or regulation that expressly refers to specific criminal conduct applicable to the subject person of the state summary criminal history information, and contains requirements or exclusions, or both, expressly based upon that specified criminal conduct. The agency, officer, or official of the state authorized by this paragraph to receive state summary criminal history information may also transmit fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation.

(10) Any city or county, or city and county, or district, or any officer, or official thereof if access is needed in order to assist that agency, officer, or official in fulfilling employment, certification, or licensing duties, and if the access is specifically authorized by the city council, board of

supervisors, or governing board of the city, county, or district if the criminal history information is required to implement a statute, ordinance, or regulation that expressly refers to specific criminal conduct applicable to the subject person of the state summary criminal history information, and contains requirements or exclusions, or both, expressly based upon that specified criminal conduct. The city or county, or city and county, or district, or the officer or official thereof authorized by this paragraph may also transmit fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation.

(11) The subject of the state summary criminal history information under procedures established under Article 5 (commencing with Section 11120) of Chapter 1 of Title 1 of Part 4.

(12) Any person or entity when access is expressly authorized by statute if the criminal history information is required to implement a statute or regulation that expressly refers to specific criminal conduct applicable to the subject person of the state summary criminal history information, and contains requirements or exclusions, or both, expressly based upon that specified criminal conduct.

(13) Health officers of a city, county, or city and county, or district, when in the performance of their official duties enforcing Section 120175 of the Health and Safety Code.

(14) Any managing or supervising correctional officer of a county jail or other county correctional facility.

(15) Any humane society, or society for the prevention of cruelty to animals, for the specific purpose of complying with Section 14502 of the Corporations Code for the appointment of level 1 humane officers.

(16) Local child support agencies established by Section 17304 of the Family Code. When a local child support agency closes a support enforcement case containing summary criminal history information, the agency shall delete or purge from the file and destroy any documents or information concerning or arising from offenses for or of which the parent has been arrested, charged, or convicted, other than for offenses related to the parent's having failed to provide support for minor children, consistent with the requirements of Section 17531 of the Family Code.

(17) County child welfare agency personnel who have been delegated the authority of county probation officers to access state summary criminal history information pursuant to Section 272 of the Welfare and Institutions Code for the purposes specified in Section 16504.5 of the Welfare and Institutions Code. Information from criminal history records provided pursuant to this subdivision shall not be used for any purposes other than those specified in this section and Section 16504.5 of the Welfare and Institutions Code. When an agency obtains records

obtained both on the basis of name checks and fingerprint checks, final placement decisions shall be based only on the records obtained pursuant to the fingerprint check.

(c) The Attorney General may furnish state summary criminal history information and, when specifically authorized by this subdivision, federal level criminal history information upon a showing of a compelling need to any of the following, provided that when information is furnished to assist an agency, officer, or official of state or local government, a public utility, or any other entity, in fulfilling employment, certification, or licensing duties, Chapter 1321 of the Statutes of 1974 and Section 432.7 of the Labor Code shall apply:

(1) Any public utility as defined in Section 216 of the Public Utilities Code that operates a nuclear energy facility when access is needed in order to assist in employing persons to work at the facility, provided that, if the Attorney General supplies the data, he or she shall furnish a copy of the data to the person to whom the data relates.

(2) To a peace officer of the state other than those included in subdivision (b).

(3) To a peace officer of another country.

(4) To public officers (other than peace officers) of the United States, other states, or possessions or territories of the United States, provided that access to records similar to state summary criminal history information is expressly authorized by a statute of the United States, other states, or possessions or territories of the United States if the information is needed for the performance of their official duties.

(5) To any person when disclosure is requested by a probation, parole, or peace officer with the consent of the subject of the state summary criminal history information and for purposes of furthering the rehabilitation of the subject.

(6) The courts of the United States, other states, or territories or possessions of the United States.

(7) Peace officers of the United States, other states, or territories or possessions of the United States.

(8) To any individual who is the subject of the record requested if needed in conjunction with an application to enter the United States or any foreign nation.

(9) (A) Any public utility as defined in Section 216 of the Public Utilities Code, or any cable corporation as defined in subparagraph (B), if receipt of criminal history information is needed in order to assist in employing current or prospective employees, contract employees, or subcontract employees who, in the course of their employment may be seeking entrance to private residences or adjacent grounds. The information provided shall be limited to the record of convictions and

any arrest for which the person is released on bail or on his or her own recognizance pending trial.

If the Attorney General supplies the data pursuant to this paragraph, the Attorney General shall furnish a copy of the data to the current or prospective employee to whom the data relates.

Any information obtained from the state summary criminal history is confidential and the receiving public utility or cable corporation shall not disclose its contents, other than for the purpose for which it was acquired. The state summary criminal history information in the possession of the public utility or cable corporation and all copies made from it shall be destroyed not more than 30 days after employment or promotion or transfer is denied or granted, except for those cases where a current or prospective employee is out on bail or on his or her own recognizance pending trial, in which case the state summary criminal history information and all copies shall be destroyed not more than 30 days after the case is resolved.

A violation of this paragraph is a misdemeanor, and shall give the current or prospective employee who is injured by the violation a cause of action against the public utility or cable corporation to recover damages proximately caused by the violations. Any public utility's or cable corporation's request for state summary criminal history information for purposes of employing current or prospective employees who may be seeking entrance to private residences or adjacent grounds in the course of their employment shall be deemed a ''compelling need'' as required to be shown in this subdivision.

Nothing in this section shall be construed as imposing any duty upon public utilities or cable corporations to request state summary criminal history information on any current or prospective employees.

(B) For purposes of this paragraph, ''cable corporation'' means any corporation or firm that transmits or provides television, computer, or telephone services by cable, digital, fiber optic, satellite, or comparable technology to subscribers for a fee.

(C) Requests for federal level criminal history information received by the Department of Justice from entities authorized pursuant to subparagraph (A) shall be forwarded to the Federal Bureau of Investigation by the Department of Justice. Federal level criminal history information received or compiled by the Department of Justice may then be disseminated to the entities referenced in subparagraph (A), as authorized by law.

(D) (i) Authority for a cable corporation to request state or federal level criminal history information under this paragraph shall commence July 1, 2005.

(ii) Authority for a public utility to request federal level criminal history information under this paragraph shall commence July 1, 2005.

(10) To any campus of the California State University or the University of California, or any four-year college or university accredited by a regional accreditation organization approved by the United States Department of Education, if needed in conjunction with an application for admission by a convicted felon to any special education program for convicted felons, including, but not limited to, university alternatives and halfway houses. Only conviction information shall be furnished. The college or university may require the convicted felon to be fingerprinted, and any inquiry to the department under this section shall include the convicted felon's fingerprints and any other information specified by the department.

(d) Whenever an authorized request for state summary criminal history information pertains to a person whose fingerprints are on file with the Department of Justice and the department has no criminal history of that person, and the information is to be used for employment, licensing, or certification purposes, the fingerprint card accompanying the request for information, if any, may be stamped ''no criminal record'' and returned to the person or entity making the request.

(e) Whenever state summary criminal history information is furnished as the result of an application and is to be used for employment, licensing, or certification purposes, the Department of Justice may charge the person or entity making the request a fee that it determines to be sufficient to reimburse the department for the cost of furnishing the information. In addition, the Department of Justice may add a surcharge to the fee to fund maintenance and improvements to the systems from which the information is obtained. Notwithstanding any other law, any person or entity required to pay a fee to the department for information received under this section may charge the applicant a fee sufficient to reimburse the person or entity for this expense. All moneys received by the department pursuant to this section, Sections 11105.3 and 12054 of the Penal Code, and Section 13588 of the Education Code shall be deposited in a special account in the General Fund to be available for expenditure by the department to offset costs incurred pursuant to those sections and for maintenance and improvements to the systems from which the information is obtained upon appropriation by the Legislature.

(f) Whenever there is a conflict, the processing of criminal fingerprints and fingerprints of applicants for security guard or alarm agent registrations or firearms qualification permits submitted pursuant to Section 7583.9, 7583.23, 7596.3, or 7598.4 of the Business and Professions Code shall take priority over the processing of other applicant fingerprints.

(g) It is not a violation of this section to disseminate statistical or research information obtained from a record, provided that the identity of the subject of the record is not disclosed.

(h) It is not a violation of this section to include information obtained from a record in (1) a transcript or record of a judicial or administrative proceeding or (2) any other public record if the inclusion of the information in the public record is authorized by a court, statute, or decisional law.

(i) Notwithstanding any other law, the Department of Justice or any state or local law enforcement agency may require the submission of fingerprints for the purpose of conducting summary criminal history information checks that are authorized by law.

(j) The state summary criminal history information shall include any finding of mental incompetence pursuant to Chapter 6 (commencing with Section 1367) of Title 10 of Part 2 arising out of a complaint charging a felony offense specified in Section 290.

(k) (1) This subdivision shall apply whenever state or federal summary criminal history information is furnished by the Department of Justice as the result of an application by an authorized agency or organization and the information is to be used for peace officer employment or certification purposes. As used in this subdivision, a peace officer is defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2.

(2) Notwithstanding any other provision of law, whenever state summary criminal history information is furnished pursuant to paragraph (1), the Department of Justice shall disseminate the following information:

(A) Every conviction rendered against the applicant.

(B) Every arrest for an offense for which the applicant is presently awaiting trial, whether the applicant is incarcerated or has been released on bail or on his or her own recognizance pending trial.

(C) Every arrest or detention, except for an arrest or detention resulting in an exoneration, provided however that where the records of the Department of Justice do not contain a disposition for the arrest, the Department of Justice first makes a genuine effort to determine the disposition of the arrest.

(D) Every successful diversion.

(*l*) (1) This subdivision shall apply whenever state or federal summary criminal history information is furnished by the Department of Justice as the result of an application by a criminal justice agency or organization as defined in Section 13101 of the Penal Code, and the information is to be used for criminal justice employment, licensing, or certification purposes.

(2) Notwithstanding any other provision of law, whenever state summary criminal history information is furnished pursuant to paragraph (1), the Department of Justice shall disseminate the following information:

(A) Every conviction rendered against the applicant.

(B) Every arrest for an offense for which the applicant is presently awaiting trial, whether the applicant is incarcerated or has been released on bail or on his or her own recognizance pending trial.

(C) Every arrest for an offense for which the records of the Department of Justice do not contain a disposition or did not result in a conviction, provided that the Department of Justice first makes a genuine effort to determine the disposition of the arrest. However, information concerning an arrest shall not be disclosed if the records of the Department of Justice indicate or if the genuine effort reveals that the subject was exonerated, successfully completed a diversion or deferred entry of judgment program, or the arrest was deemed a detention.

(m) (1) This subdivision shall apply whenever state or federal summary criminal history information is furnished by the Department of Justice as the result of an application by an authorized agency or organization pursuant to Section 1522, 1568.09, 1569.17, or 1596.871 of the Health and Safety Code, or any statute that incorporates the criteria of any of those sections or this subdivision by reference, and the information is to be used for employment, licensing, or certification purposes.

(2) Notwithstanding any other provision of law, whenever state summary criminal history information is furnished pursuant to paragraph (1), the Department of Justice shall disseminate the following information:

(A) Every conviction of an offense rendered against the applicant.

(B) Every arrest for an offense for which the applicant is presently awaiting trial, whether the applicant is incarcerated or has been released on bail or on his or her own recognizance pending trial.

(C) Every arrest for an offense for which the Department of Social Services is required by paragraph (1) of subdivision (a) of Section 1522 of the Health and Safety Code to determine if an applicant has been arrested. However, if the records of the Department of Justice do not contain a disposition for an arrest, the Department of Justice shall first make a genuine effort to determine the disposition of the arrest.

(3) Notwithstanding the requirements of the sections referenced in paragraph (1) of this subdivision, the Department of Justice shall not disseminate information about an arrest subsequently deemed a detention or an arrest that resulted in either the successful completion of a diversion program or exoneration.

(n) (1) This subdivision shall apply whenever state or federal summary criminal history information, to be used for employment, licensing, or certification purposes, is furnished by the Department of Justice as the result of an application by an authorized agency, organization, or individual pursuant to any of the following:

(A) Paragraph (9) of subdivision (c), when the information is to be used by a cable corporation.

(B) Section 11105.3 or 11105.4.

(C) Section 15660 of the Welfare and Institutions Code.

(D) Any statute that incorporates the criteria of any of the statutory provisions listed in subparagraph (A), (B), or (C), or of this subdivision, by reference.

(2) With the exception of applications submitted by transportation companies authorized pursuant to Section 11105.3, and notwithstanding any other provision of law, whenever state summary criminal history information is furnished pursuant to paragraph (1), the Department of Justice shall disseminate the following information:

(A) Every conviction rendered against the applicant for a violation or attempted violation of any offense specified in subdivision (a) of Section 15660 of the Welfare and Institutions Code. However, with the exception of those offenses for which registration is required pursuant to Section 290, the Department of Justice shall not disseminate information pursuant to this subdivision unless the conviction occurred within 10 years of the date of the agency's request for information or the conviction is over 10 years old but the subject of the request was incarcerated within 10 years of the agency's request for information.

(B) Every arrest for a violation or attempted violation of an offense specified in subdivision (a) of Section 15660 of the Welfare and Institutions Code for which the applicant is presently awaiting trial, whether the applicant is incarcerated or has been released on bail or on his or her own recognizance pending trial.

(o) (1) This subdivision shall apply whenever state or federal summary criminal history information is furnished by the Department of Justice as the result of an application by an authorized agency or organization pursuant to Section 261 or 777.5 of the Financial Code, or any statute that incorporates the criteria of either of those sections or this subdivision by reference, and the information is to be used for employment, licensing, or certification purposes.

(2) Notwithstanding any other provision of law, whenever state summary criminal history information is furnished pursuant to paragraph (1), the Department of Justice shall disseminate the following information:

(A) Every conviction rendered against the applicant for a violation or attempted violation of any offense specified in Section 777.5 of the Financial Code.

(B) Every arrest for a violation or attempted violation of an offense specified in Section 777.5 of the Financial Code for which the applicant is presently awaiting trial, whether the applicant is incarcerated or has been released on bail or on his or her own recognizance pending trial.

(p) (1) This subdivision shall apply whenever state or federal criminal history information is furnished by the Department of Justice as the result of an application by an agency, organization, or individual not defined in subdivision (k), (*l*), (m), (n), or (o), or by a transportation company authorized pursuant to Section 11105.3, or any statute that incorporates the criteria of that section or this subdivision by reference, and the information is to be used for employment, licensing, or certification purposes.

(2) Notwithstanding any other provisions of law, whenever state summary criminal history information is furnished pursuant to paragraph (1), the Department of Justice shall disseminate the following information:

(A) Every conviction rendered against the applicant.

(B) Every arrest for an offense for which the applicant is presently awaiting trial, whether the applicant is incarcerated or has been released on bail or on his or her own recognizance pending trial.

(q) All agencies, organizations, or individuals defined in subdivisions (k), (*l*), (m), (n), (o), and (p) may contract with the Department of Justice for subsequent arrest notification pursuant to Section 11105.2. This subdivision shall not supersede sections that mandate an agency, organization, or individual to contract with the Department of Justice for subsequent arrest notification pursuant to Section 11105.2.

(r) Nothing in this section shall be construed to mean that the Department of Justice shall cease compliance with any other statutory notification requirements.

(s) The provisions of Section 50.12 of Title 28 of the Code of Federal Regulations are to be followed in processing federal criminal history information.

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 that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or

changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 571

An act to amend Section 17529.5 of the Business and Professions Code, relating to business.

[Approved by Governor September 17, 2004. Filed with Secretary of State September 17, 2004.]

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

SECTION 1. Section 17529.5 of the Business and Professions Code is amended to read:

17529.5. (a) It is unlawful for any person or entity to advertise in a commercial e-mail advertisement either sent from California or sent to a California electronic mail address under any of the following circumstances:

(1) The e-mail advertisement contains or is accompanied by a third-party's domain name without the permission of the third party.

(2) The e-mail advertisement contains or is accompanied by falsified, misrepresented, or forged header information. This paragraph does not apply to truthful information used by a third party who has been lawfully authorized by the advertiser to use that information.

(3) The e-mail advertisement has a subject line that a person knows would be likely to mislead a recipient, acting reasonably under the circumstances, about a material fact regarding the contents or subject matter of the message.

(b) (1) (A) In addition to any other remedies provided by any other provision of law, the following may bring an action against a person or entity that violates any provision of this section:

(i) The Attorney General.

(ii) An electronic mail service provider.

(iii) A recipient of an unsolicited commercial e-mail advertisement, as defined in Section 17529.1.

(B) A person or entity bringing an action pursuant to subparagraph (A) may recover either or both of the following:

(i) Actual damages.

(ii) Liquidated damages of one thousand dollars ($1,000) for each unsolicited commercial e-mail advertisement transmitted in violation of this section, up to one million dollars ($1,000,000) per incident.

(C) The recipient, an electronic mail service provider, or the Attorney General, if the prevailing plaintiff, may also recover reasonable attorney's fees and costs.

(D) However, there shall not be a cause of action under this section against an electronic mail service provider that is only involved in the routine transmission of the e-mail advertisement over its computer network.

(2) If the court finds that the defendant established and implemented, with due care, practices and procedures reasonably designed to effectively prevent unsolicited commercial e-mail advertisements that are in violation of this section, the court shall reduce the liquidated damages recoverable under paragraph (1) to a maximum of one hundred dollars ($100) for each unsolicited commercial e-mail advertisement, or a maximum of one hundred thousand dollars ($100,000) per incident.

(3) (A) A person who has brought an action against a party under this section shall not bring an action against that party under Section 17529.8 or 17538.45 for the same commercial e-mail advertisement, as defined in subdivision (c) of Section 17529.1.

(B) A person who has brought an action against a party under Section 17529.8 or 17538.45 shall not bring an action against that party under this section for the same commercial e-mail advertisement, as defined in subdivision (c) of Section 17529.1.

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 that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 572

An act to amend Sections 9882 and 9884.17 of, and to add and repeal Section 9882.6 of, the Business and Professions Code, relating to automotive repair, and making an appropriation therefor.

[Approved by Governor September 17, 2004. Filed with Secretary of State September 17, 2004.]

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

SECTION 1. Section 9882 of the Business and Professions Code is amended to read:

9882. (a) There is in the Department of Consumer Affairs a Bureau of Automotive Repair under the supervision and control of the director. The duty of enforcing and administering this chapter is vested in the chief who is responsible to the director. The director may adopt and enforce those rules and regulations that he or she determines are reasonably necessary to carry out the purposes of this chapter and declaring the policy of the bureau, including a system for the issuance of citations for violations of this chapter as specified in Section 125.9. These rules and regulations shall be adopted pursuant to Chapter 4.5 (commencing with Section 11371) of Part 1 of Division 3 of Title 2 of the Government Code.

(b) In 2003 and every four years thereafter, the Joint Legislative Sunset Review Committee shall hold a public hearing to receive testimony from the Director of Consumer Affairs and the bureau. In those hearings, the bureau shall have the burden of demonstrating a compelling public need for the continued existence of the bureau and its regulatory program, and that its function is the least restrictive regulation consistent with the public health, safety, and welfare. The committee shall evaluate and review the effectiveness and efficiency of the bureau based on factors and minimum standards of performance that are specified in Section 473.4. The committee shall report its findings and recommendations as specified in Section 473.5. The bureau shall prepare an analysis and submit a report to the committee as specified in Section 473.2.

SEC. 2. Section 9882.6 is added to the Business and Professions Code, to read:

9882.6. (a) (1) The Director of Consumer Affairs shall appoint a Bureau of Automotive Repair Administration and Enforcement Monitor no later than January 3, 2005. The director may retain a person for this position by a personal services contract. The Legislature hereby finds, pursuant to Section 19130 of the Government Code, that this is a new state function.

(2) The director shall supervise the administration and enforcement monitor and may terminate or dismiss him or her from this position.

(b) The director shall advertise the availability of this position. The requirements for this position shall include experience in the performing of audits of or operating state administrative regulatory agencies, familiarity with state laws, rules, and procedures pertaining to the bureau, and familiarity with the relevant administrative procedures.

(c) (1) The administration and enforcement monitor shall evaluate the bureau's disciplinary system and procedures, with specific concentration on improving the overall efficiency and assuring the fairness of the enforcement program, and the need for administrative structural changes. The director shall specify further duties of the monitor.

(2) This monitoring duty shall be on a continuing basis for a period of no more than two years from the date of the administration and enforcement monitor's appointment and shall include, but not be limited to, researching and analyzing the following:

(A) The appropriate authorization for, accuracy of, and consistency in, the application of sanctions or discipline imposed on licensees or registrants.

(B) The viability and fairness of procedures available to licensees and registrants to respond to allegations of violations prior and subsequent to formal and/or other disciplinary actions being taken.

(C) The accessibility, fairness, and independence of the appeals process for licensees and registrants at all levels of the disciplinary process, including procedures to respond to allegations before and after formal and/or other disciplinary actions are taken.

(D) The prioritization of investigatory and prosecutory resources, particularly with respect to cases involving significant consumer harm.

(E) The adequacy of expertise of bureau staff in accepted industry standards, practices, and the applicable state and federal laws.

(F) The effectiveness of the Bureau's Industry Ombudsman and Advisory Committee, particularly in relation to their communication with licensees, registrants, and the public.

(G) The effectiveness of the bureau's cooperation with other governmental entities charged with enforcing related laws and regulations regarding automotive repair dealers and smog check stations and technicians.

(H) The creation of a statutory definition of the term ''fraud.''

(I) The establishment of formal diagnostic and repair standards.

(J) The licensing or registration of technicians working within the various fields of automotive repair.

(K) The establishment in regulation of a formal code of conduct for automotive repair dealers and technicians.

(L) The quality, consistency, and speed of complaint processing and investigation, and recommendations for improvement.

In performing his or her monitoring duties, the administration and enforcement monitor shall confer with, and seek input from, bureau staff, registered or licensed professionals, the Office of the Attorney General, members of the public, and other interested or relevant parties regarding their concerns and views on the bureau and its operations.

(3) The administration and enforcement monitor shall exercise no authority over the bureau's discipline operations or staff. However, the bureau and its staff shall cooperate with him or her, and the bureau shall provide data, information, and case files as requested by the administration and enforcement monitor to perform all of his or her duties.

(4) The director shall assist the enforcement program monitor in the performance of his or her duties, and the enforcement program monitor shall have the same investigative authority as the director.

(d) The administration and enforcement monitor shall submit an initial written report of his or her findings and conclusions to the bureau, the director, the Secretary of State and Consumer Services Agency, and the Legislature no later than July 1, 2005, and every six months thereafter, and be available to make oral reports if requested to do so. The administration and enforcement monitor may also provide additional information to either the director or the Legislature at his or her discretion or at the request of either the director or the Legislature. The administration and enforcement monitor shall make his or her reports available to the public or the media. The administration and enforcement monitor shall make every effort to provide the bureau with an opportunity to reply to any facts, findings, issues, or conclusions in his or her reports with which the bureau may disagree.

(e) The administration and enforcement monitor shall issue a final report prior to December 31, 2006. The final report shall include final findings and conclusions on the topics addressed in the initial report submitted by the monitor pursuant to subdivision (d).

(f) This section shall become inoperative on April 1, 2007, and as of April 1, 2007, shall be repealed, unless a later enacted statute, which is enacted before April 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 3. Section 9884.17 of the Business and Professions Code is amended to read:

9884.17. The bureau shall design and approve of a sign which shall be placed in all automotive repair dealer locations in a place and manner conspicuous to the public. That sign shall give notice that inquiries concerning service may be made to the bureau and shall contain the telephone number and Internet Web site address of the bureau. The sign shall also give notice that the customer is entitled to a return of replaced parts upon his or her request therefor at the time the work order is taken.

SEC. 4. The sum of one hundred eighty-four thousand dollars ($184,000) is hereby appropriated from the Vehicle Inspection and Repair Fund to the Department of Consumer Affairs for the 2004–05, 2005–06, and 2006–07 fiscal years for the purpose of contracting for the employment of a Bureau of Automotive Repair Administration and

Enforcement Monitor pursuant to Section 9882.6 of the Business and Professions Code.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 573

An act to amend Sections 11161, 11162.1, and 11190 of the Health and Safety Code, relating to controlled substances, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 18, 2004. Filed with Secretary of State September 18, 2004.]

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

SECTION 1. Section 11161 of the Health and Safety Code, as amended by Section 4 of Chapter 406 of the Statutes of 2003, is amended to read:

11161. (a) Prescription blanks shall be issued by the Department of Justice in serially numbered groups of not more than 100 forms each in triplicate unless a practitioner orally, electronically, or in writing requests a larger amount, and shall be furnished to any practitioner authorized to write a prescription for controlled substances classified in Schedule II. The Department of Justice may charge a fee for the prescription blanks sufficient to reimburse the department for the actual costs associated with the preparation, processing, and filing of any forms issued pursuant to this section. The prescription blanks shall not be transferable. Any person possessing a triplicate prescription blank otherwise than as provided in this section is guilty of a misdemeanor.

(b) When a practitioner is named in a warrant of arrest or is charged in an accusatory pleading with a felony violation of Section 11153, 11154, 11156, 11157, 11170, 11173, 11350, 11351, 11352, 11353, 11353.5, 11377, 11378, 11378.5, 11379, 11379.5, or 11379.6, the court in which the accusatory pleading is filed or the magistrate who issued the warrant of arrest shall, upon the motion of a law enforcement agency which is supported by reasonable cause, issue an order which requires

the practitioner to surrender to the clerk of the court all triplicate prescription blanks in the practitioner's possession at a time set in the order and shall direct the Department of Justice to withhold prescription blanks from the practitioner. The law enforcement agency obtaining the order shall notify the Department of Justice of this order. Except as provided in subdivisions (c) and (f) of this section, the order shall remain in effect until further order of the court. Any practitioner possessing prescription blanks in violation of the order is guilty of a misdemeanor.

(c) The order provided by subdivision (b) shall be vacated if the court or magistrate finds that the underlying violation or violations are not supported by reasonable cause at a hearing held within two court days after the practitioner files and personally serves upon the prosecuting attorney and the law enforcement agency that obtained the order, a notice of motion to vacate the order with any affidavits on which the practitioner relies. At the hearing, the burden of proof, by a preponderance of the evidence, is on the prosecution. Evidence presented at the hearing shall be limited to the warrant of arrest with supporting affidavits, the motion to require the defendant to surrender all triplicate prescription blanks with supporting affidavits, the sworn complaint together with any documents or reports incorporated by reference thereto which, if based on information and belief, state the basis for the information, or any other documents of similar reliability as well as affidavits and counter affidavits submitted by the prosecution and defense. Granting of the motion to vacate the order is no bar to prosecution of the alleged violation or violations.

(d) The defendant may elect to challenge the order issued under subdivision (b) at the preliminary examination. At that hearing, the evidence shall be limited to that set forth in subdivision (c) and any other evidence otherwise admissible at the preliminary examination.

(e) If the practitioner has not moved to vacate the order issued under subdivision (b) by the time of the preliminary examination and he or she is held to answer on the underlying violation or violations, the practitioner shall be precluded from afterwards moving to vacate the order. If the defendant is not held to answer on the underlying charge or charges at the conclusion of the preliminary examination, the order issued under subdivision (b) shall be vacated.

(f) Notwithstanding subdivision (e), any practitioner who is diverted pursuant to Chapter 2.5 (commencing with Section 1000) of Title 7 of Part 2 of the Penal Code may file a motion to vacate the order issued under subdivision (b).

(g) This section shall become inoperative on November 1, 2004, and, as of January 1, 2005, is repealed.

SEC. 2. Section 11161 of the Health and Safety Code, as added by Section 5 of Chapter 406 of the Statutes of 2003, is amended to read:

11161. (a) When a practitioner is named in a warrant of arrest or is charged in an accusatory pleading with a felony violation of Section 11153, 11154, 11156, 11157, 11170, 11173, 11350, 11351, 11352, 11353, 11353.5, 11377, 11378, 11378.5, 11379, 11379.5, or 11379.6, the court in which the accusatory pleading is filed or the magistrate who issued the warrant of arrest shall, upon the motion of a law enforcement agency which is supported by reasonable cause, issue an order which requires the practitioner to surrender to the clerk of the court all triplicate prescription blanks or controlled substance prescription forms in the practitioner's possession at a time set in the order. Except as provided in subdivisions (b) and (e) of this section, the order shall remain in effect until further order of the court. Any practitioner possessing prescription blanks in violation of the order is guilty of a misdemeanor.

(b) The order provided by subdivision (a) shall be vacated if the court or magistrate finds that the underlying violation or violations are not supported by reasonable cause at a hearing held within two court days after the practitioner files and personally serves upon the prosecuting attorney and the law enforcement agency that obtained the order, a notice of motion to vacate the order with any affidavits on which the practitioner relies. At the hearing, the burden of proof, by a preponderance of the evidence, is on the prosecution. Evidence presented at the hearing shall be limited to the warrant of arrest with supporting affidavits, the motion to require the defendant to surrender all triplicate prescription blanks or controlled substance prescription forms with supporting affidavits, the sworn complaint together with any documents or reports incorporated by reference thereto which, if based on information and belief, state the basis for the information, or any other documents of similar reliability as well as affidavits and counter affidavits submitted by the prosecution and defense. Granting of the motion to vacate the order is no bar to prosecution of the alleged violation or violations.

(c) The defendant may elect to challenge the order issued under subdivision (a) at the preliminary examination. At that hearing, the evidence shall be limited to that set forth in subdivision (b) and any other evidence otherwise admissible at the preliminary examination.

(d) If the practitioner has not moved to vacate the order issued under subdivision (a) by the time of the preliminary examination and he or she is held to answer on the underlying violation or violations, the practitioner shall be precluded from afterwards moving to vacate the order. If the defendant is not held to answer on the underlying charge or charges at the conclusion of the preliminary examination, the order issued under subdivision (a) shall be vacated.

(e) Notwithstanding subdivision (d), any practitioner who is diverted pursuant to Chapter 2.5 (commencing with Section 1000) of Title 7 of

Part 2 of the Penal Code may file a motion to vacate the order issued under subdivision (a).

(f) This section shall become operative on November 1, 2004.

SEC. 3. Section 11162.1 of the Health and Safety Code is amended to read:

11162.1. (a) The prescription forms for controlled substances shall be printed with the following features:

(1) A latent, repetitive ''void'' pattern shall be printed across the entire front of the prescription blank; if a prescription is scanned or photocopied, the word ''void'' shall appear in a pattern across the entire front of the prescription.

(2) A watermark shall be printed on the backside of the prescription blank; the watermark shall consist of the words ''California Security Prescription.''

(3) A chemical void protection that prevents alteration by chemical washing.

(4) A feature printed in thermo-chromic ink.

(5) An area of opaque writing so that the writing disappears if the prescription is lightened.

(6) A description of the security features included on each prescription form.

(7) (A) Six quantity checkoff boxes shall be printed on the form and the following quantities shall appear:

1-24
25-49
50-74
75-100
101-150
151 and over.

(B) In conjunction with the quantity boxes, a space shall be provided to designate the units referenced in the quantity boxes when the drug is not in tablet or capsule form.

(8) Prescription blanks shall either (A) contain a statement printed on the bottom of the prescription blank that the ''Prescription is void if more than one controlled substance prescription is written per blank'' or (B) contain a space for the prescriber to specify the number of drugs prescribed on the prescription and a statement printed on the bottom of the prescription blank that the ''Prescription is void if the number of drugs prescribed is not noted.''

(9) The preprinted name, category of licensure, license number, and federal controlled substance registration number of the prescribing practitioner.

(10) A check box indicating the prescriber's order not to substitute.

(b) Each batch of controlled substance prescription forms shall have the lot number printed on the form and each form within that batch shall be numbered sequentially beginning with the numeral one.

(c) (1) A prescriber designated by a licensed health care facility may order controlled substance prescription forms for use by prescribers when treating patients in that facility without the information required in paragraph (9) of subdivision (a).

(2) Forms ordered pursuant to this subdivision shall have the name, category of licensure, license number, and federal controlled substance registration number of the designated prescriber and the name, address, category of licensure, and license number of the licensed health care facility preprinted on the form.

(3) Forms ordered pursuant to this section shall not be valid prescriptions without the name, category of licensure, license number, and federal controlled substance registration number of the prescriber on the form.

(4) (A) Except as provided in subparagraph (B), the designated prescriber shall maintain a record of the prescribers to whom controlled substance prescription forms are issued, which record shall include the name, category of licensure, license number, federal controlled substance registration number, and the quantity of controlled substance prescription forms issued to each prescriber and shall be maintained in the health facility for three years.

(B) Forms ordered pursuant to this subdivision that are printed by a computerized prescription generation system shall not be subject to the requirements set forth in subparagraph (A) or paragraph (7) of subdivision (a). Forms printed pursuant to this subdivision that are printed by a computerized prescription generation system may contain the prescriber's name, category of professional licensure, license number, federal controlled substance registration number, and the date of the prescription.

(d) This section shall become operative on July 1, 2004.

SEC. 4. Section 11190 of the Health and Safety Code, as added by Section 28 of Chapter 406 of the Statutes of 2003, is amended to read:

11190. (a) Every practitioner, other than a pharmacist, who prescribes or administers a controlled substance classified in Schedule II shall make a record that, as to the transaction, shows all of the following:

(1) The name and address of the patient.

(2) The date.

(3) The character, including the name and strength, and quantity of controlled substances involved.

(b) The prescriber's record shall show the pathology and purpose for which the controlled substance is administered or prescribed.

(c) (1) For each prescription for a Schedule II controlled substance that is dispensed by a prescriber pursuant to Section 4170 of the Business and Professions Code, the prescriber shall record and maintain the following information:

(A) Full name, address, gender, and date of birth of the patient.

(B) The prescriber's category of licensure and license number; federal controlled substance registration number; and the state medical license number of any prescriber using the federal controlled substance registration number of a government-exempt facility.

(C) NDC (National Drug Code) number of the controlled substance dispensed.

(D) Quantity of the controlled substance dispensed.

(E) ICD-9 (diagnosis code), if available.

(F) Date of dispensing of the prescription.

(2) Each prescriber that dispenses controlled substances shall provide the Department of Justice the information required by this subdivision on a monthly basis in either hardcopy or electronic form.

(d) This section shall become operative on July 1, 2004, and shall remain in effect only until January 1, 2005, and as of that date is repealed.

SEC. 5. Section 11190 of the Health and Safety Code, as added by Section 29 of Chapter 406 of the Statutes of 2003, is amended to read:

11190. (a) Every practitioner, other than a pharmacist, who prescribes or administers a controlled substance classified in Schedule II shall make a record that, as to the transaction, shows all of the following:

(1) The name and address of the patient.

(2) The date.

(3) The character, including the name and strength, and quantity of controlled substances involved.

(b) The prescriber's record shall show the pathology and purpose for which the controlled substance was administered or prescribed.

(c) (1) For each prescription for a Schedule II or Schedule III controlled substance that is dispensed by a prescriber pursuant to Section 4170 of the Business and Professions Code, the prescriber shall record and maintain the following information:

(A) Full name, address, gender, and date of birth of the patient.

(B) The prescriber's category of licensure and license number; federal controlled substance registration number; and the state medical license number of any prescriber using the federal controlled substance registration number of a government-exempt facility.

(C) NDC (National Drug Code) number of the controlled substance dispensed.

(D) Quantity of the controlled substance dispensed.

(E) ICD-9 (diagnosis code), if available.

(F) Date of dispensing of the prescription.

(2) Each prescriber that dispenses controlled substances shall provide the Department of Justice the information required by this subdivision on a monthly basis in either hardcopy or electronic form.

(d) This section shall become operative on January 1, 2005.

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 effectuate the smooth transition by prescribers of Schedule II controlled substances from the use of triplicate prescription forms to the use of controlled substance prescription forms issued by security printers, and to make related changes, it is necessary for this act to take effect immediately.

CHAPTER 574

An act to amend Section 3111 of the Family Code, to add Section 1514.5 to the Probate Code, and to amend Section 827 of, and to add Section 204 to, the Welfare and Institutions Code, relating to minors.

[Approved by Governor September 18, 2004. Filed with Secretary of State September 18, 2004.]

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

SECTION 1. Section 3111 of the Family Code is amended to read:

3111. (a) In any contested proceeding involving child custody or visitation rights, the court may appoint a child custody evaluator to conduct a child custody evaluation in cases where the court determines it is in the best interests of the child. The child custody evaluation shall be conducted in accordance with the standards adopted by the Judicial Council pursuant to Section 3117, and all other standards adopted by the Judicial Council regarding child custody evaluations. If directed by the court, the court-appointed child custody evaluator shall file a written confidential report on his or her evaluation. 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, and any other counsel appointed for the child pursuant to Section 3150. The report may be considered by the court.

(b) The report shall not be made available other than as provided in subdivision (a), or as described in Section 204 of the Welfare and

Institutions Code or Section 1514.5 of the Probate Code. Any information obtained from access to a juvenile court case file, as defined in subdivision (e) of Section 827 of the Welfare and Institutions Code, is confidential and shall only be disseminated as provided by paragraph (4) of subdivision (a) Section 827 of the Welfare and Institutions Code.

(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.

SEC. 2. Section 1514.5 is added to the Probate Code, to read:

1514.5. Notwithstanding any other provision of law, except provisions of law governing the retention and storage of data, a family law court shall, upon request from the court in any county hearing a probate guardianship matter proceeding before the court pursuant to this part, provide to the court all available information the court deems necessary to make a determination regarding the best interest of a child, as described in Section 3011 of the Family Code, who is the subject of the proceeding. The information shall also be released to a guardianship investigator, as provided in subdivision (a) of Section 1513, acting within the scope of his or her duties in that proceeding. Any information released pursuant to this section that is confidential pursuant to any other provision of law shall remain confidential and may not be released, except to the extent necessary to comply with this section. No records shared pursuant to this section may be disclosed to any party in a case unless the party requests the agency or court that originates the record to release these records and the request is granted. In counties that provide confidential family law mediation, or confidential dependency mediation, those mediations are not covered by this section.

SEC. 3. Section 204 is added to the Welfare and Institutions Code, to read:

204. Notwithstanding any other provision of law, except provisions of law governing the retention and storage of data, a family law court and a court hearing a probate guardianship matter shall, upon request from the juvenile court in any county, provide to the court all available information the court deems necessary to make a determination regarding the best interest of a child, as described in Section 202, who is the subject of a proceeding before the juvenile court pursuant to this division. The information shall also be released to a child protective services worker or juvenile probation officer acting within the scope of his or her duties in that proceeding. Any information released pursuant to this section that is confidential pursuant to any other provision of law shall remain confidential and may not be released, except to the extent necessary to comply with this section. No records shared pursuant to this section may be disclosed to any party in a case unless the party requests the agency or court that originates the record to release these records and

the request is granted. In counties that provide confidential family law mediation, or confidential dependency mediation, those mediations are not covered by this section.

SEC. 4. Section 827 of the Welfare and Institutions Code is amended to read:

827. (a) (1) Except as provided in Section 828, a case file may be inspected only by the following:

(A) Court personnel.

(B) The district attorney, a city attorney, or city prosecutor authorized to prosecute criminal or juvenile cases under state law.

(C) The minor who is the subject of the proceeding.

(D) His or her parents or guardian.

(E) The attorneys for the parties, and judges, referees, other hearing officers, probation officers and law enforcement officers who are actively participating in criminal or juvenile proceedings involving the minor.

(F) The superintendent or designee of the school district where the minor is enrolled or attending school.

(G) Members of the child protective agencies as defined in Section 11165.9 of the Penal Code.

(H) The State Department of Social Services to carry out its duties pursuant to Division 9 (commencing with Section 10000), and Part 5 (commencing with Section 7900) of Division 12 of the Family Code to oversee and monitor county child welfare agencies, children in foster care or receiving foster care assistance, and out-of-state placements.

(I) To authorized legal staff or special investigators who are peace officers who are employed by, or who are authorized representatives of, the State Department of Social Services, as necessary to the performance of their duties to inspect, license, and investigate community care facilities, and to ensure that the standards of care and services provided in those facilities are adequate and appropriate and to ascertain compliance with the rules and regulations to which the facilities are subject. The confidential information shall remain confidential except for purposes of inspection, licensing, or investigation pursuant to Chapter 3 (commencing with Section 1500) and Chapter 3.4 (commencing with Section 1596.70) of Division 2 of the Health and Safety Code, or a criminal, civil, or administrative proceeding in relation thereto. The confidential information may be used by the State Department of Social Services in a criminal, civil, or administrative proceeding. The confidential information shall be available only to the judge or hearing officer and to the parties to the case. Names that are confidential shall be listed in attachments separate to the general pleadings. The confidential information shall be sealed after the conclusion of the criminal, civil, or administrative hearings, and may not

subsequently be released except in accordance with this subdivision. If the confidential information does not result in a criminal, civil, or administrative proceeding, it shall be sealed after the State Department of Social Services decides that no further action will be taken in the matter of suspected licensing violations. Except as otherwise provided in this subdivision, confidential information in the possession of the State Department of Social Services may not contain the name of the minor.

(J) Members of children's multidisciplinary teams, persons or agencies providing treatment or supervision of the minor.

(K) A judge, commissioner, or other hearing officer assigned to a family law case with issues concerning custody or visitation, or both, involving the minor, and the following persons, if actively participating in the family law case: a family court mediator assigned to a case involving the minor pursuant to Article 1 (commencing with Section 3160) of Chapter 11 of Part 2 of Division 8 of the Family Code, a court-appointed evaluator or a person conducting a court-connected child custody evaluation, investigation, or assessment pursuant to Section 3111 or 3118 of the Family Code, and counsel appointed for the minor in the family law case pursuant to Section 3150 of the Family Code. Prior to allowing counsel appointed for the minor in the family law case to inspect the file, the court clerk may require counsel to provide a certified copy of the court order appointing him or her as the minor's counsel.

(L) A court-appointed investigator who is actively participating in a guardianship case involving a minor pursuant to Part 2 (commencing with Section 1500) of Division 4 of the Probate Code and acting within the scope of his or her duties in that case.

(M) Juvenile justice commissions as established under Section 225. The confidentiality provisions of Section 10850 shall apply to a juvenile justice commission and its members.

(N) Any other person who may be designated by court order of the judge of the juvenile court upon filing a petition.

(2) Notwithstanding any other law and subject to subparagraph (A) of paragraph (3), juvenile case files, except those relating to matters within the jurisdiction of the court pursuant to Section 601 or 602, that pertain to a deceased child who was within the jurisdiction of the juvenile court pursuant to Section 300, shall be released to the public pursuant to an order by the juvenile court after a petition has been filed and interested parties have been afforded an opportunity to file an objection. Any information relating to another child or which could identify another child, except for information about the deceased, shall be redacted from the juvenile case file prior to release, unless a specific order is made by the juvenile court to the contrary. Except as provided

in this paragraph, the presiding judge of the juvenile court may issue an order prohibiting or limiting access to the juvenile case file, or any portion thereof, of a deceased child only upon a showing that release of the juvenile case file or any portion thereof is detrimental to the safety, protection, or physical, or emotional well-being of another child who is directly or indirectly connected to the juvenile case that is the subject of the petition.

(3) Access to juvenile case files pertaining to matters within the jurisdiction of the juvenile court pursuant to Section 300 shall be limited as follows:

(A) If a juvenile case file, or any portion thereof, is privileged or confidential pursuant to any other state law or federal law or regulation, the requirements of that state law or federal law or regulation prohibiting or limiting release of the juvenile case file or any portions thereof shall prevail. Unless a person is listed in subparagraphs (A) to (M), inclusive, of paragraph (1) and is entitled to access under the other state law or federal law or regulation without a court order, all those seeking access, pursuant to other authorization, to portions of, or information relating to the contents of, juvenile case files protected under another state law or federal law or regulation, shall petition the juvenile court. The juvenile court may only release the portion of, or information relating to the contents of, juvenile case files protected by another state law or federal law or regulation if disclosure is not detrimental to the safety, protection, or physical or emotional well-being of a child who is directly or indirectly connected to the juvenile case that is the subject of the petition. This paragraph shall not be construed to limit the ability of the juvenile court to carry out its duties in conducting juvenile court proceedings.

(B) Prior to the release of the juvenile case file or any portion thereof, the court shall afford due process, including a notice of and an opportunity to file an objection to the release of the record or report to all interested parties.

(4) A juvenile case file, any portion thereof, and information relating to the content of the juvenile case file, may not be disseminated by the receiving agencies to any persons or agencies, other than those persons or agencies authorized to receive documents pursuant to this section. Further, a juvenile case file, any portion thereof, and information relating to the content of the juvenile case file, may not be made as an attachment to any other documents without the prior approval of the presiding judge of the juvenile court, unless it is used in connection with and in the course of a criminal investigation or a proceeding brought to declare a person a dependent child or ward of the juvenile court.

(b) (1) While the Legislature reaffirms its belief that juvenile court records, in general, should be confidential, it is the intent of the Legislature in enacting this subdivision to provide for a limited

exception to juvenile court record confidentiality to promote more effective communication among juvenile courts, family courts, law enforcement agencies, and schools to ensure the rehabilitation of juvenile criminal offenders as well as to lessen the potential for drug use, violence, other forms of delinquency, and child abuse.

(2) Notwithstanding subdivision (a), written notice that a minor enrolled in a public school, kindergarten to grade 12, inclusive, has been found by a court of competent jurisdiction to have committed any felony or any misdemeanor involving curfew, gambling, alcohol, drugs, tobacco products, carrying of weapons, a sex offense listed in Section 290 of the Penal Code, assault, battery, larceny, vandalism, or graffiti shall be provided by the court, within seven days, to the superintendent of the school district of attendance. Written notice shall include only the offense found to have been committed by the minor and the disposition of the minor's case. This notice shall be expeditiously transmitted by the district superintendent to the principal at the school of attendance. The principal shall expeditiously disseminate the information to those counselors directly supervising or reporting on the behavior or progress of the minor. In addition, the principal shall disseminate the information to any teacher or administrator directly supervising or reporting on the behavior or progress of the minor whom the principal believes needs the information to work with the pupil in an appropriate fashion, to avoid being needlessly vulnerable or to protect other persons from needless vulnerability.

Any information received by a teacher, counselor, or administrator under this subdivision shall be received in confidence for the limited purpose of rehabilitating the minor and protecting students and staff, and shall not be further disseminated by the teacher, counselor, or administrator, except insofar as communication with the juvenile, his or her parents or guardians, law enforcement personnel, and the juvenile's probation officer is necessary to effectuate the juvenile's rehabilitation or to protect students and staff.

An intentional violation of the confidentiality provisions of this paragraph is a misdemeanor punishable by a fine not to exceed five hundred dollars ($500).

(3) If a minor is removed from public school as a result of the court's finding described in subdivision (b), the superintendent shall maintain the information in a confidential file and shall defer transmittal of the information received from the court until the minor is returned to public school. If the minor is returned to a school district other than the one from which the minor came, the parole or probation officer having jurisdiction over the minor shall so notify the superintendent of the last district of attendance, who shall transmit the notice received from the court to the superintendent of the new district of attendance.

(c) Each probation report filed with the court concerning a minor whose record is subject to dissemination pursuant to subdivision (b) shall include on the face sheet the school at which the minor is currently enrolled. The county superintendent shall provide the court with a listing of all of the schools within each school district, within the county, along with the name and mailing address of each district superintendent.

(d) Each notice sent by the court pursuant to subdivision (b) shall be stamped with the instruction: ''Unlawful Dissemination Of This Information Is A Misdemeanor.'' Any information received from the court shall be kept in a separate confidential file at the school of attendance and shall be transferred to the minor's subsequent schools of attendance and maintained until the minor graduates from high school, is released from juvenile court jurisdiction, or reaches the age of 18, whichever occurs first. After that time the confidential record shall be destroyed. At any time after the date by which a record required to be destroyed by this section should have been destroyed, the minor or his or her parent or guardian shall have the right to make a written request to the principal of the school that the minor's school records be reviewed to ensure that the record has been destroyed. Upon completion of any requested review and no later than 30 days after the request for the review was received, the principal or his or her designee shall respond in writing to the written request and either shall confirm that the record has been destroyed or, if the record has not been destroyed, shall explain why destruction has not yet occurred.

Except as provided in paragraph (2) of subdivision (b), no liability shall attach to any person who transmits or fails to transmit any notice or information required under subdivision (b).

(e) For purposes of this section, a ''juvenile case file'' means a petition filed in any juvenile court proceeding, reports of the probation officer, and all other documents filed in that case or made available to the probation officer in making his or her report, or to the judge, referee, or other hearing officer, and thereafter retained by the probation officer, judge, referee, or other hearing officer.

SEC. 4.5. Section 827 of the Welfare and Institutions Code is amended to read:

827. (a) (1) Except as provided in Section 828, a case file may be inspected only by the following:

(A) Court personnel.

(B) The district attorney, a city attorney, or city prosecutor authorized to prosecute criminal or juvenile cases under state law.

(C) The minor who is the subject of the proceeding.

(D) His or her parents or guardian.

(E) The attorneys for the parties, and judges, referees, other hearing officers, probation officers and law enforcement officers who are

actively participating in criminal or juvenile proceedings involving the minor.

(F) The superintendent or designee of the school district where the minor is enrolled or attending school.

(G) Members of the child protective agencies as defined in Section 11165.9 of the Penal Code.

(H) The State Department of Social Services to carry out its duties pursuant to Division 9 (commencing with Section 10000), and Part 5 (commencing with Section 7900) of Division 12 of the Family Code to oversee and monitor county child welfare agencies, children in foster care or receiving foster care assistance, and out-of-state placements.

(I) To authorized legal staff or special investigators who are peace officers who are employed by, or who are authorized representatives of, the State Department of Social Services, as necessary to the performance of their duties to inspect, license, and investigate community care facilities, and to ensure that the standards of care and services provided in those facilities are adequate and appropriate and to ascertain compliance with the rules and regulations to which the facilities are subject. The confidential information shall remain confidential except for purposes of inspection, licensing, or investigation pursuant to Chapter 3 (commencing with Section 1500) and Chapter 3.4 (commencing with Section 1596.70) of Division 2 of the Health and Safety Code, or a criminal, civil, or administrative proceeding in relation thereto. The confidential information may be used by the State Department of Social Services in a criminal, civil, or administrative proceeding. The confidential information shall be available only to the judge or hearing officer and to the parties to the case. Names that are confidential shall be listed in attachments separate to the general pleadings. The confidential information shall be sealed after the conclusion of the criminal, civil, or administrative hearings, and may not subsequently be released except in accordance with this subdivision. If the confidential information does not result in a criminal, civil, or administrative proceeding, it shall be sealed after the State Department of Social Services decides that no further action will be taken in the matter of suspected licensing violations. Except as otherwise provided in this subdivision, confidential information in the possession of the State Department of Social Services may not contain the name of the minor.

(J) Members of children's multidisciplinary teams, persons or agencies providing treatment or supervision of the minor.

(K) A judge, commissioner, or other hearing officer assigned to a family law case with issues concerning custody or visitation, or both, involving the minor, and the following persons, if actively participating in the family law case: a family court mediator assigned to a case

involving the minor pursuant to Article 1 (commencing with Section 3160) of Chapter 11 of Part 2 of Division 8 of the Family Code, a court-appointed evaluator or a person conducting a court-connected child custody evaluation, investigation, or assessment pursuant to Section 3111 or 3118 of the Family Code, and counsel appointed for the minor in the family law case pursuant to Section 3150 of the Family Code. Prior to allowing counsel appointed for the minor in the family law case to inspect the file, the court clerk may require counsel to provide a certified copy of the court order appointing him or her as the minor's counsel.

(L) A court-appointed investigator who is actively participating in a guardianship case involving a minor pursuant to Part 2 (commencing with Section 1500) of Division 4 of the Probate Code and acting within the scope of his or her duties in that case.

(M) A local child support agency for the purpose of establishing paternity and establishing and enforcing child support orders.

(N) Juvenile justice commissions as established under Section 225. The confidentiality provisions of Section 10850 shall apply to a juvenile justice commission and its members.

(O) Any other person who may be designated by court order of the judge of the juvenile court upon filing a petition.

(2) Notwithstanding any other law and subject to subparagraph (A) of paragraph (3), juvenile case files, except those relating to matters within the jurisdiction of the court pursuant to Section 601 or 602, that pertain to a deceased child who was within the jurisdiction of the juvenile court pursuant to Section 300, shall be released to the public pursuant to an order by the juvenile court after a petition has been filed and interested parties have been afforded an opportunity to file an objection. Any information relating to another child or which could identify another child, except for information about the deceased, shall be redacted from the juvenile case file prior to release, unless a specific order is made by the juvenile court to the contrary. Except as provided in this paragraph, the presiding judge of the juvenile court may issue an order prohibiting or limiting access to the juvenile case file, or any portion thereof, of a deceased child only upon a showing that release of the juvenile case file or any portion thereof is detrimental to the safety, protection, or physical, or emotional well-being of another child who is directly or indirectly connected to the juvenile case that is the subject of the petition.

(3) Access to juvenile case files pertaining to matters within the jurisdiction of the juvenile court pursuant to Section 300 shall be limited as follows:

(A) If a juvenile case file, or any portion thereof, is privileged or confidential pursuant to any other state law or federal law or regulation,

the requirements of that state law or federal law or regulation prohibiting or limiting release of the juvenile case file or any portions thereof shall prevail. Unless a person is listed in subparagraphs (A) to (N), inclusive, of paragraph (1) and is entitled to access under the other state law or federal law or regulation without a court order, all those seeking access, pursuant to other authorization, to portions of, or information relating to the contents of, juvenile case files protected under another state law or federal law or regulation, shall petition the juvenile court. The juvenile court may only release the portion of, or information relating to the contents of, juvenile case files protected by another state law or federal law or regulation if disclosure is not detrimental to the safety, protection, or physical or emotional well-being of a child who is directly or indirectly connected to the juvenile case that is the subject of the petition. This paragraph shall not be construed to limit the ability of the juvenile court to carry out its duties in conducting juvenile court proceedings.

(B) Prior to the release of the juvenile case file or any portion thereof, the court shall afford due process, including a notice of and an opportunity to file an objection to the release of the record or report to all interested parties.

(4) A juvenile case file, any portion thereof, and information relating to the content of the juvenile case file, may not be disseminated by the receiving agencies to any persons or agencies, other than those persons or agencies authorized to receive documents pursuant to this section. Further, a juvenile case file, any portion thereof, and information relating to the content of the juvenile case file, may not be made as an attachment to any other documents without the prior approval of the presiding judge of the juvenile court, unless it is used in connection with and in the course of a criminal investigation or a proceeding brought to declare a person a dependent child or ward of the juvenile court.

(b) (1) While the Legislature reaffirms its belief that juvenile court records, in general, should be confidential, it is the intent of the Legislature in enacting this subdivision to provide for a limited exception to juvenile court record confidentiality to promote more effective communication among juvenile courts, family courts, law enforcement agencies, and schools to ensure the rehabilitation of juvenile criminal offenders as well as to lessen the potential for drug use, violence, other forms of delinquency, and child abuse.

(2) Notwithstanding subdivision (a), written notice that a minor enrolled in a public school, kindergarten to grade 12, inclusive, has been found by a court of competent jurisdiction to have committed any felony or any misdemeanor involving curfew, gambling, alcohol, drugs, tobacco products, carrying of weapons, a sex offense listed in Section 290 of the Penal Code, assault or battery, larceny, vandalism, or graffiti shall be provided by the court, within seven days, to the superintendent

of the school district of attendance. Written notice shall include only the offense found to have been committed by the minor and the disposition of the minor's case. This notice shall be expeditiously transmitted by the district superintendent to the principal at the school of attendance. The principal shall expeditiously disseminate the information to those counselors directly supervising or reporting on the behavior or progress of the minor. In addition, the principal shall disseminate the information to any teacher or administrator directly supervising or reporting on the behavior or progress of the minor whom the principal believes needs the information to work with the pupil in an appropriate fashion, to avoid being needlessly vulnerable or to protect other persons from needless vulnerability.

Any information received by a teacher, counselor, or administrator under this subdivision shall be received in confidence for the limited purpose of rehabilitating the minor and protecting students and staff, and shall not be further disseminated by the teacher, counselor, or administrator, except insofar as communication with the juvenile, his or her parents or guardians, law enforcement personnel, and the juvenile's probation officer is necessary to effectuate the juvenile's rehabilitation or to protect students and staff.

An intentional violation of the confidentiality provisions of this paragraph is a misdemeanor punishable by a fine not to exceed five hundred dollars ($500).

(3) If a minor is removed from public school as a result of the court's finding described in subdivision (b), the superintendent shall maintain the information in a confidential file and shall defer transmittal of the information received from the court until the minor is returned to public school. If the minor is returned to a school district other than the one from which the minor came, the parole or probation officer having jurisdiction over the minor shall so notify the superintendent of the last district of attendance, who shall transmit the notice received from the court to the superintendent of the new district of attendance.

(c) Each probation report filed with the court concerning a minor whose record is subject to dissemination pursuant to subdivision (b) shall include on the face sheet the school at which the minor is currently enrolled. The county superintendent shall provide the court with a listing of all of the schools within each school district, within the county, along with the name and mailing address of each district superintendent.

(d) Each notice sent by the court pursuant to subdivision (b) shall be stamped with the instruction: ''Unlawful Dissemination Of This Information Is A Misdemeanor.'' Any information received from the court shall be kept in a separate confidential file at the school of attendance and shall be transferred to the minor's subsequent schools of attendance and maintained until the minor graduates from high school,

is released from juvenile court jurisdiction, or reaches the age of 18, whichever occurs first. After that time the confidential record shall be destroyed. At any time after the date by which a record required to be destroyed by this section should have been destroyed, the minor or his or her parent or guardian shall have the right to make a written request to the principal of the school that the minor's school records be reviewed to ensure that the record has been destroyed. Upon completion of any requested review and no later than 30 days after the request for the review was received, the principal or his or her designee shall respond in writing to the written request and either shall confirm that the record has been destroyed or, if the record has not been destroyed, shall explain why destruction has not yet occurred.

Except as provided in paragraph (2) of subdivision (b), no liability shall attach to any person who transmits or fails to transmit any notice or information required under subdivision (b).

(e) For purposes of this section, a ''juvenile case file'' means a petition filed in any juvenile court proceeding, reports of the probation officer, and all other documents filed in that case or made available to the probation officer in making his or her report, or to the judge, referee, or other hearing officer, and thereafter retained by the probation officer, judge, referee, or other hearing officer.

SEC. 5. Section 4.5 of this bill incorporates amendments to Section 827 of the Welfare and Institutions Code proposed by both this bill and AB 1704. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 827 of the Welfare and Institutions Code, and (3) this bill is enacted after AB 1704, in which case Section 4 of this bill shall not become operative.

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.

CHAPTER 575

An act to amend Section 1029.8 of the Code of Civil Procedure, and to amend Section 25506 of, and to add Section 25501.5 to, the Corporations Code, relating to securities.

[Approved by Governor September 18, 2004. Filed with Secretary of State September 18, 2004.]

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

SECTION 1. Section 1029.8 of the Code of Civil Procedure is amended to read:

1029.8. (a) Any unlicensed person who causes injury or damage to another person as a result of providing goods or performing services for which a license is required under Division 2 (commencing with Section 500) or any initiative act referred to therein, Division 3 (commencing with Section 5000), or Chapter 2 (commencing with Section 18600) or Chapter 3 (commencing with Section 19000) of Division 8, of the Business and Professions Code, or Chapter 2 (commencing with Section 25210) or Chapter 3 (commencing with Section 25230) of Part 3 of Division 1 of Title 4 of the Corporations Code, shall be liable to the injured person for treble the amount of damages assessed in a civil action in any court having proper jurisdiction. The court may, in its discretion, award all costs and attorney's fees to the injured person if that person prevails in the action.

(b) This section shall not be construed to confer an additional cause of action or to affect or limit any other remedy, including, but not limited to, a claim for exemplary damages.

(c) The additional damages provided for in subdivision (a) shall not exceed ten thousand dollars ($10,000).

(d) For the purposes of this section, the term ''unlicensed person'' shall not apply to any of the following:

(1) Any person, partnership, corporation, or other entity providing goods or services under the good faith belief that they are properly licensed and acting within the proper scope of that licensure.

(2) Any person, partnership, corporation, or other entity whose license has expired for nonpayment of license renewal fees, but who is eligible to renew that license without the necessity of applying and qualifying for an original license.

(3) Any person, partnership, or corporation licensed under Chapter 6 (commencing with Section 2700) or Chapter 6.5 (commencing with Section 2840) of the Business and Professions Code, who provides professional nursing services under an existing license, if the action arises from a claim that the licensee exceeded the scope of practice authorized by his or her license.

(e) This section shall not apply to any action for unfair trade practices brought against an unlicensed person under Chapter 4 (commencing with Section 17000) of Part 2 of Division 7 of the Business and Professions Code, by a person who holds a license that is required, or

closely related to the license that is required, to engage in those activities performed by the unlicensed person.

SEC. 2. Section 25501.5 is added to the Corporations Code, to read:

25501.5. (a) (1) A person who purchases a security from or sells a security to a broker-dealer that is required to be licensed and has not, at the time of the sale or purchase, applied for and secured from the commissioner a certificate under Part 3 (commencing with Section 25200), that is in effect at the time of the sale or purchase authorizing that broker-dealer to act in that capacity, may bring an action for rescission of the sale or purchase or, if the plaintiff or the defendant no longer owns the security, for damages.

(2) Upon rescission and tender of the security, a purchaser may recover the consideration paid for the security plus interest at the legal rate, less the amount of any income received on the security.

(3) Upon rescission and tender of the consideration paid for the security plus interest at the legal rate, a seller may recover the security plus the amount of any income received by the defendant on the security.

(4) Damages recoverable under this section by a purchaser shall be an amount equal to the difference between the following:

(A) The price at which the security was bought plus interest at the legal rate from the date of purchase.

(B) The value of the security at the time it was disposed of by the plaintiff plus the amount of any income received on the security by the plaintiff.

(5) Damages recoverable under this section by a seller shall be an amount equal to the difference between the following:

(A) The value of the security at the time of the filing of the complaint plus the amount of any income received by the defendant on the security.

(B) The price at which the security was sold plus interest at the legal rate from the date of sale.

(6) A tender of a security or of consideration paid for a security plus interest pursuant to this section may be made at any time before entry of judgment.

(b) The court, in its discretion, may award reasonable attorney's fees and costs to a prevailing plaintiff under this section.

SEC. 3. Section 25506 of the Corporations Code is amended to read:

25506. (a) For proceedings commencing before January 1, 2005, no action shall be maintained to enforce any liability created under Section 25500, 25501, or 25502 (or Section 25504 or Section 25504.1 insofar as they related to those sections) unless brought before the expiration of four years after the act or transaction constituting the violation or the expiration of one year after the discovery by the plaintiff of the facts constituting the violation, whichever shall first expire.

(b) For proceedings commencing on or after January 1, 2005, no action shall be maintained to enforce any liability created under Section 25500, 25501, or 25502 (or Section 25504 or Section 25504.1 insofar as they related to those sections) unless brought before the expiration of five years after the act or transaction constituting the violation or the expiration of two years after the discovery by the plaintiff of the facts constituting the violation, whichever shall first expire.

SEC. 4. It is the intent of the Legislature that the remedies provided by this act are cumulative and that they shall not be construed as restricting any remedy that is otherwise available.

CHAPTER 576

An act to amend Sections 11125.4 and 54954.5 of, and to add Sections 11126.2 and 54956.75 to, the Government Code, relating to open meetings.

[Approved by Governor September 18, 2004. Filed with Secretary of State September 18, 2004.]

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

SECTION 1. Section 11125.4 of the Government Code is amended to read:

11125.4. (a) A special meeting may be called at any time by the presiding officer of the state body or by a majority of the members of the state body. A special meeting may only be called for one of the following purposes where compliance with the 10-day notice provisions of Section 11125 would impose a substantial hardship on the state body or where immediate action is required to protect the public interest:

(1) To consider ''pending litigation'' as that term is defined in subdivision (e) of Section 11126.

(2) To consider proposed legislation.

(3) To consider issuance of a legal opinion.

(4) To consider disciplinary action involving a state officer or employee.

(5) To consider the purchase, sale, exchange, or lease of real property.

(6) To consider license examinations and applications.

(7) To consider an action on a loan or grant provided pursuant to Division 31 (commencing with Section 50000) of the Health and Safety Code.

(8) To consider its response to a confidential final draft audit report as permitted by Section 11126.2.

(b) When a special meeting is called pursuant to one of the purposes specified in subdivision (a), the state body shall provide notice of the special meeting to each member of the state body and to all parties that have requested notice of its meetings as soon as is practicable after the decision to call a special meeting has been made, but shall deliver the notice in a manner that allows it to be received by the members and by newspapers of general circulation and radio or television stations at least 48 hours before the time of the special meeting specified in the notice. Notice shall be made available to newspapers of general circulation and radio or television stations by providing that notice to all national press wire services. Notice shall also be made available on the Internet within the time periods required by this section. The notice shall specify the time and place of the special meeting and the business to be transacted. The written notice shall additionally specify the address of the Internet Web site where notices required by this article are made available. No other business shall be considered at a special meeting by the state body. The written notice may be dispensed with as to any member who at or prior to the time the meeting convenes files with the clerk or secretary of the state body a written waiver of notice. The waiver may be given by telegram, facsimile transmission, or similar means. The written notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes. Notice shall be required pursuant to this section regardless of whether any action is taken at the special meeting.

(c) At the commencement of any special meeting, the state body must make a finding in open session that the delay necessitated by providing notice 10 days prior to a meeting as required by Section 11125 would cause a substantial hardship on the body or that immediate action is required to protect the public interest. The finding shall set forth the specific facts that constitute the hardship to the body or the impending harm to the public interest. The finding shall be adopted by a two-thirds vote of the body, or, if less than two-thirds of the members are present, a unanimous vote of those members present. The finding shall be made available on the Internet. Failure to adopt the finding terminates the meeting.

SEC. 2. Section 11126.2 is added to the Government Code, to read:

11126.2. (a) Nothing in this article shall be construed to prohibit a state body that has received a confidential final draft audit report from the Bureau of State Audits from holding closed sessions to discuss its response to that report.

(b) After the public release of an audit report by the Bureau of State Audits, if a state body meets to discuss the audit report, it shall do so in an open session unless exempted from that requirement by some other provision of law.

SEC. 3. Section 54954.5 of the Government Code is amended to read:

54954.5. For purposes of describing closed session items pursuant to Section 54954.2, the agenda may describe closed sessions as provided below. No legislative body or elected official shall be in violation of Section 54954.2 or 54956 if the closed session items were described in substantial compliance with this section. Substantial compliance is satisfied by including the information provided below, irrespective of its format.

(a) With respect to a closed session held pursuant to Section 54956.7:

LICENSE/PERMIT DETERMINATION

Applicant(s): (Specify number of applicants)

(b) With respect to every item of business to be discussed in closed session pursuant to Section 54956.8:

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: (Specify street address, or if no street address, the parcel number or other unique reference, of the real property under negotiation)

Agency negotiator: (Specify names of negotiators attending the closed session) (If circumstances necessitate the absence of a specified negotiator, an agent or designee may participate in place of the absent negotiator so long as the name of the agent or designee is announced at an open session held prior to the closed session.)

Negotiating parties: (Specify name of party (not agent))

Under negotiation: (Specify whether instruction to negotiator will concern price, terms of payment, or both)

(c) With respect to every item of business to be discussed in closed session pursuant to Section 54956.9:

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

(Subdivision (a) of Section 54956.9)

Name of case: (Specify by reference to claimant's name, names of parties, case or claim numbers)

or

Case name unspecified: (Specify whether disclosure would jeopardize service of process or existing settlement negotiations)

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: (Specify number of potential cases)

(In addition to the information noticed above, the agency may be required to provide additional information on the agenda or in an oral statement prior to the closed session pursuant to subparagraphs (B) to (E), inclusive, of paragraph (3) of subdivision (b) of Section 54956.9.)

Initiation of litigation pursuant to subdivision (c) of Section 54956.9: (Specify number of potential cases)

(d) With respect to every item of business to be discussed in closed session pursuant to Section 54956.95:

LIABILITY CLAIMS

Claimant: (Specify name unless unspecified pursuant to Section 54961)

Agency claimed against: (Specify name)

(e) With respect to every item of business to be discussed in closed session pursuant to Section 54957:

THREAT TO PUBLIC SERVICES OR FACILITIES

Consultation with: (Specify name of law enforcement agency and title of officer, or name of applicable agency representative and title)

PUBLIC EMPLOYEE APPOINTMENT

Title: (Specify description of position to be filled)

PUBLIC EMPLOYMENT

Title: (Specify description of position to be filled)

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: (Specify position title of employee being reviewed)

PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE

(No additional information is required in connection with a closed session to consider discipline, dismissal, or release of a public employee. Discipline includes potential reduction of compensation.)

(f) With respect to every item of business to be discussed in closed session pursuant to Section 54957.6:

CONFERENCE WITH LABOR NEGOTIATORS

Agency designated representatives: (Specify names of designated representatives attending the closed session) (If circumstances necessitate the absence of a specified designated representative, an agent or designee may participate in place of the absent representative so long as the name of the agent or designee is announced at an open session held prior to the closed session.)

Employee organization: (Specify name of organization representing employee or employees in question)

or

Unrepresented employee: (Specify position title of unrepresented employee who is the subject of the negotiations)

(g) With respect to closed sessions called pursuant to Section 54957.8:

CASE REVIEW/PLANNING

(No additional information is required in connection with a closed session to consider case review or planning.)

(h) With respect to every item of business to be discussed in closed session pursuant to Sections 1461, 32106, and 32155 of the Health and Safety Code or Sections 37606 and 37624.3 of the Government Code:

REPORT INVOLVING TRADE SECRET

Discussion will concern: (Specify whether discussion will concern proposed new service, program, or facility)

Estimated date of public disclosure: (Specify month and year)

HEARINGS

Subject matter: (Specify whether testimony/deliberation will concern staff privileges, report of medical audit committee, or report of quality assurance committee)

(i) With respect to every item of business to be discussed in closed session pursuant to Section 54956.86:

CHARGE OR COMPLAINT INVOLVING INFORMATION PROTECTED BY FEDERAL LAW

(No additional information is required in connection with a closed session to discuss a charge or complaint pursuant to Section 54956.86.)

(j) With respect to every item of business to be discussed in closed session pursuant to Section 54956.75:

AUDIT BY BUREAU OF STATE AUDITS

SEC. 3.5. Section 54954.5 of the Government Code is amended to read:

54954.5. For purposes of describing closed session items pursuant to Section 54954.2, the agenda may describe closed sessions as provided below. No legislative body or elected official shall be in violation of Section 54954.2 or 54956 if the closed session items were described in substantial compliance with this section. Substantial compliance is

satisfied by including the information provided below, irrespective of its format.

(a) With respect to a closed session held pursuant to Section 54956.7:

LICENSE/PERMIT DETERMINATION

Applicant(s): (Specify number of applicants)

(b) With respect to every item of business to be discussed in closed session pursuant to Section 54956.8:

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: (Specify street address, or if no street address, the parcel number or other unique reference, of the real property under negotiation)

Agency negotiator: (Specify names of negotiators attending the closed session) (If circumstances necessitate the absence of a specified negotiator, an agent or designee may participate in place of the absent negotiator so long as the name of the agent or designee is announced at an open session held prior to the closed session.)

Negotiating parties: (Specify name of party (not agent))

Under negotiation: (Specify whether instruction to negotiator will concern price, terms of payment, or both)

(c) With respect to every item of business to be discussed in closed session pursuant to Section 54956.9:

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

(Subdivision (a) of Section 54956.9)

Name of case: (Specify by reference to claimant's name, names of parties, case or claim numbers)

or

Case name unspecified: (Specify whether disclosure would jeopardize service of process or existing settlement negotiations)

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: (Specify number of potential cases)

(In addition to the information noticed above, the agency may be required to provide additional information on the agenda or in an oral statement prior to the closed session pursuant to subparagraphs (B) to (E), inclusive, of paragraph (3) of subdivision (b) of Section 54956.9.)

Initiation of litigation pursuant to subdivision (c) of Section 54956.9: (Specify number of potential cases)

(d) With respect to every item of business to be discussed in closed session pursuant to Section 54956.95:

LIABILITY CLAIMS
Claimant: (Specify name unless unspecified pursuant to Section 54961)
Agency claimed against: (Specify name)

(e) With respect to every item of business to be discussed in closed session pursuant to Section 54957:

THREAT TO PUBLIC SERVICES OR FACILITIES
Consultation with: (Specify name of law enforcement agency and title of officer, or name of applicable agency representative and title)
PUBLIC EMPLOYEE APPOINTMENT
Title: (Specify description of position to be filled)
PUBLIC EMPLOYMENT
Title: (Specify description of position to be filled)
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: (Specify position title of employee being reviewed)
PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE
(No additional information is required in connection with a closed session to consider discipline, dismissal, or release of a public employee. Discipline includes potential reduction of compensation.)

(f) With respect to every item of business to be discussed in closed session pursuant to Section 54957.6:

CONFERENCE WITH LABOR NEGOTIATORS
Agency designated representatives: (Specify names of designated representatives attending the closed session) (If circumstances necessitate the absence of a specified designated representative, an agent or designee may participate in place of the absent representative so long as the name of the agent or designee is announced at an open session held prior to the closed session.)
Employee organization: (Specify name of organization representing employee or employees in question)
or
Unrepresented employee: (Specify position title of unrepresented employee who is the subject of the negotiations)

(g) With respect to closed sessions called pursuant to Section 54957.8:

CASE REVIEW/PLANNING

(No additional information is required in connection with a closed session to consider case review or planning.)

(h) With respect to every item of business to be discussed in closed session pursuant to Sections 1461, 32106, and 32155 of the Health and Safety Code or Sections 37606 and 37624.3 of the Government Code:

REPORT INVOLVING TRADE SECRET

Discussion will concern: (Specify whether discussion will concern proposed new service, program, or facility)

Estimated date of public disclosure: (Specify month and year)

HEARINGS

Subject matter: (Specify whether testimony/deliberation will concern staff privileges, report of medical audit committee, or report of quality assurance committee)

(i) With respect to every item of business to be discussed in closed session pursuant to Section 54956.86:

CHARGE OR COMPLAINT INVOLVING INFORMATION PROTECTED BY FEDERAL LAW

(No additional information is required in connection with a closed session to discuss a charge or complaint pursuant to Section 54956.86.)

(j) With respect to every item of business to be discussed in closed session pursuant to Section 54956.96:

CONFERENCE INVOLVING A JOINT POWERS AGENCY (Specify by name)

Discussion will concern: (Specify closed session description used by the joint powers agency.) Name of local agency representative on joint powers agency board: (Specify name)

(Additional information listing names of agencies or titles of representatives attending the closed session as consultants or other representatives.)

(k) With respect to every item of business to be discussed in closed session pursuant to Section 54956.75:

AUDIT BY BUREAU OF STATE AUDITS

SEC. 4. Section 54956.75 is added to the Government Code, to read:

54956.75. (a) Nothing contained in this chapter shall be construed to prevent the legislative body of a local agency that has received a

confidential final draft audit report from the Bureau of State Audits from holding closed sessions to discuss its response to that report.

(b) After the public release of an audit report by the Bureau of State Audits, if a legislative body of a local agency meets to discuss the audit report, it shall do so in an open session unless exempted from that requirement by some other provision of law.

SEC. 5. Section 3.5 of this bill incorporates amendments to Section 54954.5 of the Government Code proposed by both this bill and AB 2782. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 54954.5 of the Government Code, and (3) this bill is enacted after AB 2782, in which case Section 3 of this bill shall not become operative.

CHAPTER 577

An act to amend Section 9042 of the Elections Code, relating to state elections.

[Approved by Governor September 18, 2004. Filed with Secretary of State September 18, 2004.]

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

SECTION 1. Section 9042 of the Elections Code is amended to read:

9042. If a measure submitted to the voters by the Legislature was not adopted unanimously, one Member of the Senate who voted against it shall be appointed by the President pro Tempore of the Senate and one Member of the Assembly who voted against it shall be appointed by the Speaker of the Assembly, at the same time as appointments to draft an argument in its favor are made, to write an argument against the measure. An argument shall not exceed 500 words.

If those members appointed to write an argument against the measure choose, each may write a separate argument opposing it, but the combined length of the two arguments may not exceed 500 words.

CHAPTER 578

An act to add Sections 17212.1 and 17212.2 to the Education Code, relating to schools.

[Approved by Governor September 18, 2004. Filed with
Secretary of State September 18, 2004.]

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

SECTION 1. Section 17212.1 is added to the Education Code, to read:

17212.1. It is the intent of the Legislature that corporations, public utilities, local publicly owned utilities, governmental agencies, and school districts work collaboratively in assessing the safety of a proposed schoolsite or addition to an existing schoolsite.

SEC. 2. Section 17212.2 is added to the Education Code, to read:

17212.2. (a) The governing board of a school district may make a written request upon person, corporation, public utility, local publicly owned utility, or governmental agency for information necessary or useful to assess and determine the safety of a proposed schoolsite or an addition to an existing schoolsite, pursuant to Section 17251 and this chapter, including pipelines, electric transmission and distribution lines, railroads, and storage tanks. The written request shall identify the physical location of the schoolsite for which information is sought, describe the information sought, and contain a statement as to why the information is needed or useful. Information requested may include all of the following:

(1) Railroad operations involving hazardous or toxic materials, as reported to a governmental agency; frequency, speed, and schedule of railroad traffic; grade, curves, and condition of railroad tracks; and railroad accident occurrence.

(2) Whether there are existing pipelines, planned pipelines, or easements for pipelines on, or in proximity to as specified pursuant to regulations promulgated pursuant to Section 17251, the schoolsite, including the location of the pipeline, the age of the pipeline, the pipeline material, the class of pipeline, the diameter of the pipeline, the depth at which the pipeline is buried, the wall thickness of the pipeline, the product or products transported by the pipeline, the operating pressure of the pipeline, the history of spills or leaks of material being transported by the pipeline, as reported to a governmental agency, and the location of the shutoff valves for the pipeline that are capable of preventing or halting the transport of product or products to the schoolsite.

(3) Whether there are easements for, planned, or existing lines for the transmission or distribution of electricity, electrical transformers, or electrical substations, on, or in proximity to as specified pursuant to regulations promulgated pursuant to Section 17251, the schoolsite, the location of easements for, planned or existing lines, transformer, or substation, the voltages currently handled or planned to be handled by

the line, transformer, or substation, the ground clearance, if applicable, of a line, transformer, or substation, and the depth of burial, if applicable, of the line, transformer, or substation as specified by the Public Utilities Commission.

(4) The location, age, construction type, safety record, and product stored in a storage tank.

(b) A person, corporation, public utility, local publicly owned utility, or governmental agency receiving a written request for information pursuant to this section, shall provide a written response within 30 calendar days of receipt of the request, that provides the requested information, identifies available public information or an available report to a governmental agency, or provides written justification why the requested information is not being provided. A claim that the requested information is proprietary or confidential is a legitimate justification for the requested information to not be provided. The governing board of a school district may grant additional time to respond to a request for information pursuant to this section.

(c) A school district may file a complaint with the appropriate regulatory agency or legislative body for a violation of the requirements of this section. The regulatory agency or legislative body may appoint a representative to work toward informally resolving the complaint.

CHAPTER 579

An act to add Article 3.1 (commencing with Section 52055.57) to Chapter 6.1 of Part 28 of the Education Code, relating to schools, and and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 18, 2004. Filed with Secretary of State September 18, 2004.]

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

SECTION 1. Article 3.1 (commencing with Section 52055.57) is added to Chapter 6.1 of Part 28 of the Education Code, to read:

Article 3.1. Local Educational Agency Intervention

52055.57. (a) (1) Any provisions that are applicable to local educational agencies under this section are for the purpose of implementing federal requirements under the federal No Child Left Behind Act (20 U.S.C. Sec. 6301 et seq.). The satisfaction of these criteria by local educational agencies that choose to participate under

this article shall be a condition of receiving funds pursuant to this section.

(2) The department shall identify local educational agencies that are in danger of being identified within three to four years as program improvement local educational agencies under the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.), and shall notify those local educational agencies, in writing, of this status and provide those local educational agencies with research-based criteria to conduct a voluntary self-assessment.

(3) The self-assessment shall identify deficiencies within the operations of the local educational agency, and the programs and services of the local educational agency.

(4) A local educational agency identified pursuant to paragraph (1) is encouraged to revise its local educational agency plan based on the results of the self-assessment.

(5) The program described in this subdivision shall be referred to as the ''Early Warning Program.''

(b) (1) If a local educational agency is at risk of being identified for program improvement within two years, the department shall invite that local educational agency to participate in the Prevention of Local Educational Agency Intervention Program, which is hereby created. A local educational agency that elects to participate in this program shall do all of the following:

(A) Conduct a self-assessment using materials and criteria based on current research and provided by the department.

(B) No later than 30 days after a local educational agency elects to participate in the Prevention of Local Educational Agency Intervention Program, contract with a county office of education or another external entity after working with the county superintendent of schools, for all of the following purposes:

(i) Verifying the fundamental teaching and learning needs in the schools of that local educational agency as determined by a self-assessment, and identifying the specific academic problems of low-achieving pupils, including a determination of why the prior plan of the local educational agency failed to bring about increased pupil academic achievement.

(ii) Ensuring that the local educational agency receives intensive support and expertise to implement local educational agency reform initiatives in the revised local educational agency plan as required by the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.).

(C) Revise and expeditiously implement the local educational agency plan of the local educational agency to reflect the findings of the verified self-assessment.

(2) Subject to the availability of funds in the annual Budget Act for this purpose, a participating local educational agency may annually receive funds based on the following schedule, for no more than three years, for the purpose of fulfilling the requirements of subparagraph (B) of paragraph (1):

(A) A local educational agency consisting of less than 20,000 pupils may annually receive fifty thousand dollars ($50,000).

(B) A local education agency consisting of greater than or equal to 20,000 pupils but less than 50,000 pupils may annually receive one hundred thousand dollars ($100,000).

(C) A local educational agency consisting of greater than 50,000 pupils may annually receive two hundred thousand dollars ($200,000).

(3) If a local educational agency does not elect to participate in the Prevention of Local Educational Agency Intervention Program, the governing board of the local educational agency shall hold a public hearing at a regularly scheduled meeting to discuss the reasons and rationale for not participating, and to explain the manner in which the local educational agency intends to address the needs of the district.

(c) (1) A local educational agency identified as a program improvement local educational agency under the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.) shall do all of the following:

(A) Conduct a self-assessment using materials and criteria based on current research and provided by the department.

(B) No later than 90 days after a local educational agency becomes identified for program improvement, contract with a county office of education or another external entity after working with the county superintendent of schools, for all of the following purposes:

(i) Verifying the fundamental teaching and learning needs in the schools of that local educational agency as determined by the local educational agency self-analysis, and identifying the specific academic problems of low-achieving pupils, including a determination of why the prior plan of the local educational agency failed to bring about increased pupil academic achievement.

(ii) Ensuring that the local educational agency receives intensive support and expertise to implement local educational agency reform initiatives in the revised local educational agency plan as required by the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.).

(C) Revise and expeditiously implement the local educational agency plan of the local educational agency to reflect the findings of the verified self-assessment.

(D) After working with the county superintendent of schools or an external verifier, contract with an external provider to provide support

and implement recommendations to assist the local educational agency in resolving shortcomings identified in the verified self-assessment.

(E) If the local educational agency elects to participate in the Prevention of Local Educational Agency Intervention Program pursuant to subdivision (b), the activities performed pursuant to subdivision (b) may serve as the foundation for the requirements of subparagraphs (A), (B), and (C).

(2) Subject to the availability of funds in the annual Budget Act for this purpose, a local educational agency participating in this program may annually receive fifty thousand dollars ($50,000), and ten thousand dollars ($10,000) for each school within the local educational agency, for no more than two years, for the purpose of fulfilling the requirements of this subdivision.

(3) (A) Subject to the availability of funds in the annual Budget Act for this purpose, if the governing board of a local educational agency participating in this program determines that it needs a grant to implement the recommendations of the county superintendent of schools or another external entity, the governing board may apply to the department for a supplemental grant not to exceed two million dollars ($2,000,000). The application shall demonstrate the need for additional funding, beyond that currently available to the local educational agency. The department shall submit the request to the State Board of Education with a recommendation of approval or denial.

(B) The State Board of Education shall notify the requesting local educational agency of the decision. If the State Board of Education approves a grant of an amount less than that applied for, the local educational agency may accept or reject the grant.

(d) (1) A local educational agency that has been identified for corrective action under the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.), and did not accept a supplemental grant pursuant to paragraph (3) of subdivision (c), shall be subject to one or more of the following sanctions as recommended by the Superintendent of Public Instruction and approved by the State Board of Education:

(A) Replacing local educational agency personnel who are relevant to the failure to make adequate yearly progress.

(B) Removing schools from the jurisdiction of the local educational agency and establishing alternative arrangements for the governance and supervision of those schools.

(C) Appointing, by the State Board of Education, a receiver or trustee, to administer the affairs of the local educational agency in place of the county superintendent of schools and the governing board.

(D) Abolishing or restructuring the local educational agency.

(E) Authorizing pupils to transfer from a school operated by the local educational agency to a higher-performing school operated by another

local educational agency, and providing those pupils with transportation to those schools, in conjunction with carrying out not less than one additional action described under this paragraph.

(F) Instituting and fully implementing a new curriculum that is based on state academic content and achievement standards, including providing appropriate professional development based on scientifically-based research for all relevant staff, that offers substantial promise of improving educational achievement for high-priority pupils.

(G) Deferring programmatic funds or reducing administrative funds.

(2) A local educational agency that has been identified for corrective action under the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.) and accepted a supplemental grant pursuant to paragraph (3) of subdivision (c), shall be subject to one or more of the following sanctions as recommended by the Superintendent of Public Instruction and approved by the State Board of Education:

(A) Replacing local educational agency personnel who are relevant to the failure to make adequate yearly progress.

(B) Removing schools from the jurisdiction of the local educational agency and establishing alternative arrangements for public governance and supervision of those schools.

(C) Appointing, by the State Board of Education, a receiver or trustee to administer the affairs of the local educational agency in place of the county superintendent of schools and the governing board.

(D) Abolishing or restructuring the local educational agency.

(E) Authorizing pupils to transfer from a school operated by the local educational agency to a higher-performing school operated by another local educational agency, and providing those pupils with transportation to those schools, in conjunction with carrying out not less than one additional action described under this paragraph.

(3) In addition to the sanctions prescribed by paragraphs (1) and (2), the Superintendent of Public Instruction may recommend, and the State Board of Education may approve, the requirement that a local educational agency contract with a district assistance and intervention team to aid a local educational agency.

(4) Subject to the availability of funds in the annual Budget Act for this purpose, if the State Board of Education requires a local educational agency to contract with a school assistance and intervention team pursuant to paragraph (3), the local educational agency may annually receive fifty thousand dollars ($50,000), plus ten thousand dollars ($10,000) for each school within the local educational agency, for no more than two years, for the purpose of contracting with and implementing the recommendations of the school assistance and intervention team.

(5) Not later than July 31, 2005, the Superintendent of Public Instruction shall develop and the State Board of Education shall approve, standards and criteria to be applied by a school assistance and intervention team in carrying out their duties. The standards and criteria shall include all of the following areas:

(A) Governance.

(B) Alignment of curriculum, instruction, and assessments to state standards.

(C) Fiscal operations.

(D) Parent and community involvement.

(E) Human resources.

(F) Data systems and achievement monitoring.

(G) Professional development.

(e) A local educational agency that has received a sanction under subdivision (d) and has not exited program improvement under the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.) shall appear before the State Board of Education within three years to review the progress of the local educational agency. Upon hearing testimony and reviewing written data from the local educational agency and the district assistance and intervention team or county superintendent of the schools, the Superintendent of Public Instruction shall recommend, and the State Board of Education may approve, an alternative sanction under subdivision (d), or may take any appropriate action.

(f) Subject to the availability of funds in the annual Budget Act for this purpose, a local educational agency that is not identified as a program improvement local educational agency under the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.), that is not eligible to participate in the Prevention of Local Educational Agency Intervention Program, and that has ten or more schools in program improvement, or in which 55 percent or more of the schools are in program improvement, may annually receive up to fifteen thousand dollars ($15,000) per school so identified for the purposes of supporting schools identified as program improvement schools in the local educational agency and determining barriers to improved pupil academic achievement. That local educational agency shall receive no less than forty thousand dollars ($40,000) and no more than one million five hundred thousand dollars ($1,500,000) for those purposes. The superintendent shall compile a list that ranks each local educational agency based on the number of, and percentage of, schools identified as program improvement schools and shall provide this funding to local educational agencies equally from each list until all funds appropriated for this purpose are depleted. These funds shall be provided for no more than three years.

(g) If there are more local educational agencies that qualify to receive funds under subdivisions (b), (c), (d), and (f) than the amount appropriated for these purposes, the superintendent may redirect funding for the purposes of subdivision (c).

(h) For purposes of this article, ''local educational agency'' means a school district, county office of education, or charter school that elects to receive its funding directly pursuant to Section 47651, that provides public educational services to pupils in kindergarten or any of grades 1 to 12, inclusive.

(i) For purposes of this section, a ''stakeholder'' is, but is not necessarily limited to, any of the following:

(1) A parent of a child attending a school within the jurisdiction of the local educational agency.

(2) A community partner of the local educational agency.

(3) An employee of the local educational agency, as selected by the bargaining unit.

(j) A local educational agency shall not receive funds pursuant to subdivision (b), (c), or (d) if they are initially identified for program improvement or prevention after July 1, 2009.

SEC. 2. It is the intent of the Legislature that the public schools conform with the requirements of the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.).

SEC. 3. The amount of moneys described by Provision 7 of Item 6110-136-0890 of the Budget Act of 2004 shall be used for the purposes of Title I district accountability pursuant to the requirements of Section 52055.57 of the Education Code. Of this amount, up to five million dollars ($5,000,000) may be used for the purposes of subdivision (f) of Section 52055.57 of the Education Code.

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

In order to provide funding to local educational agencies for schools identified as program improvement schools under the federal No Child Left Behind Act of 2001 at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 580

An act to amend Section 40720 of the Health and Safety Code, relating to air pollution.

[Approved by Governor September 18, 2004. Filed with
Secretary of State September 18, 2004.]

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

SECTION 1. Section 40720 of the Health and Safety Code is amended to read:

40720. (a) Each marine terminal in the state shall operate in a manner that does not cause trucks to idle or queue for more than 30 minutes while waiting to enter the gate into the marine terminal.

(1) Any owner or operator of a marine terminal that operates in violation of this subdivision is subject to a two hundred fifty dollar ($250) fine per vehicle per violation.

(2) Marine terminals in the state shall be monitored by the district with jurisdiction over that terminal to ensure compliance with this subdivision.

(3) Citations for violations of this subdivision shall be issued by the applicable district, and shall include the truck license plate number or other unique identifier, which may include, but is not limited to, the cargo container number, the name of the marine terminal and port at which the violation occurred, and the date and time of the violation.

(4) Any action taken by the marine terminal to assess, or seek reimbursement from, the driver or owner of a truck for a violation of this subdivision shall constitute a violation of Article 3 (commencing with Section 42400) of Chapter 4 of Part 4.

(5) Any owner or operator of a marine terminal or port, or any agent thereof, who takes any action intended to avoid or circumvent the requirements of this subdivision or to avoid or circumvent the reduction of emissions of particulate matter from idling or queuing trucks is subject to a seven hundred fifty dollar ($750) fine per vehicle per violation, including, but not limited to, either of the following actions:

(A) Diverting an idling or queuing truck to area freeways or alternate staging areas, including, but not limited to, requiring a truck to idle or queue inside the gate of a marine terminal.

(B) Requiring or directing a truckdriver to turn on and off an engine on a truck while that truck is idling or queuing.

(6) The owner or operator of a marine terminal does not violate this subdivision by causing a truck to idle or queue for more than 30 minutes while waiting to enter the gate into the marine terminal, if the delay is caused by acts of God, strikes, or declared state and federal emergencies, or if the district finds that an unavoidable or unforeseeable event caused a truck to idle or queue and that the terminal is in good faith compliance with this section.

(7) Failure to pay a fine imposed pursuant to paragraph (1) or (5) shall constitute a violation of Article 3 (commencing with Section 42400) of Chapter 4 of Part 4.

(b) (1) Subdivision (a) does not apply to any marine terminal that provides, as determined by the district, two continuous hours of uninterrupted, fully staffed receiving and delivery gates two hours prior to and after, peak commuter hours each day, at least five days per week.

(2) For the purposes of this subdivision, ''peak commuter hours'' shall be those hours determined by the district, in consultation with the owners and operators of the marine terminals within the jurisdiction of each district and any labor union that is represented at those marine terminals. The district shall notify the marine terminals of the final determination of the peak commuter hours.

(c) Subdivision (a) does not apply to any marine terminal that operates fully staffed receiving and delivery gates for 65 hours, five days per week, if that marine terminal is located at a port that processes less than 3 million containers (20-foot equivalent units (TEUs)) annually.

(d) Subdivision (a) does not apply to any marine terminal that operates fully staffed receiving and delivery gates for 70 hours, five days per week, if that marine terminal is located at a port that processes more than 3 million containers (20-foot equivalent units (TEUs)) annually.

(e) The district shall determine the necessary level of monitoring and enforcement commensurate with the level of the truck idling or queuing problem existing within its jurisdiction.

(f) For the purposes of this section, ''marine terminal'' means a facility that meets all of the following criteria:

(1) Is located at a bay or harbor.

(2) Is primarily used for loading or unloading containerized cargo onto or off of a ship or marine vessel.

(3) Contains one or more of the following:

(A) Piers.

(B) Wharves.

(C) Slips.

(D) Berths.

(E) Quays.

(4) Is located at a port that processes 100,000 or more containers (20-foot equivalent units (TEUs)) annually.

(g) Notwithstanding paragraph (1) of subdivision (a), if a marine terminal implements a scheduling or appointment system for trucks to enter the terminal, the terminal shall be subject to a fine pursuant to subdivision (a) only for a truck that makes use of the system and that idles or queues for more than 30 minutes while waiting to enter the gate into the terminal, commencing from the start of the appointment or the

time the truck arrives, whichever is later. The scheduling or appointment system shall meet all of the following requirements:

(1) Provide appointments on a first-come-first-served basis.

(2) Provide appointments that last at least 60 minutes and are continuously staggered throughout the day.

(3) Not discriminate against any motor carrier that conducts transactions at the marine terminal in scheduling appointments.

(4) Not interfere with a double transaction once inside the gate.

(5) Not turn away or fine a motor carrier if that motor carrier misses an appointment.

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.

CHAPTER 581

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

[Approved by Governor September 18, 2004. Filed with Secretary of State September 18, 2004.]

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

SECTION 1. (a) The Board of Governors of the California Community Colleges shall provide recommendations to the Legislature and the Governor regarding the design of a workable structure for the annual evaluation of district-level performance in meeting statewide educational outcome priorities, including priorities consistent with Provision (4) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2004. These recommendations shall be based on information and data provided by a study to be completed by the Chancellor of the California Community Colleges, with the input of institutional representatives of community college districts.

(b) In preparing the study referenced in subdivision (a), the Chancellor of the California Community Colleges may, as he or she judges necessary, consult with individuals with demonstrated expertise in higher education accountability and evaluation. The chancellor also

shall consult with the Department of Finance and the Legislative Analyst's Office on an ongoing basis during the conduct of the study. The study process shall also afford community college organizations, and interested parties and individuals, the opportunity to review and comment on the proposed recommendations before their consideration and adoption by the Board of Governors of the California Community Colleges. The board of governors shall provide copies of the study and recommendations on or before March 25, 2005, to the Governor, the fiscal committees of the Legislature, and the higher education policy committees of the Legislature.

SEC. 2. (a) Notwithstanding any other provision of law, this section shall apply only to a community college district that meets either of the following criteria:

(1) The sum of funds allocated to that district from Schedule (1) of, pursuant to Provision (6) of, and from Schedule (3) of, pursuant to subdivision (b) of Provision (10) of, Item 6870-101-0001 of Section 2.00 of the Budget Act of 2004, equals zero.

(2) The amount of the reduction in the district's Partnership for Excellence funds during the 2004–05 fiscal year, divided by the sum of funds allocated to that district from Schedule (1) of, pursuant to Provision (6) of, and from Schedule (3) of, pursuant to subdivision (b) of Provision (10) of, Item 6870-101-0001 of Section 2.00 of the Budget Act of 2004, exceeds 50 percent.

(b) A district meeting the criteria in subdivision (a) may use all or a portion of the funds allocated to that district from Schedule (19) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2004 for the purpose of maintaining prior investments made for program enhancements for student success that otherwise would be jeopardized by the reduction in Partnership for Excellence funding, notwithstanding any other restriction upon the use of these funds. In no event may the amount of funds used by an applicable district for maintaining program enhancements exceed the amount of the reduction in Partnership for Excellence allocations realized by the district in the 2004–05 fiscal year.

(c) As a condition of utilizing the flexibility authorized by this section, each participating community college district shall report to the chancellor on its planned expenditures from Schedule (19) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2004 on or before November 30, 2004, in a format prescribed by the chancellor. The chancellor shall provide a summary report of these planned expenditures to the Governor, the Director of Finance, and the fiscal committees of the Legislature on or before December 31, 2004.

SEC. 3. (a) The funds allocated in Schedule (14) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2004 shall be allocated solely to increase the compensation of part-time faculty from

the amounts previously authorized. These funds shall be distributed to community college districts based on the total of actual full-time equivalent students served in the previous fiscal year, and shall include a small district factor as determined by the chancellor. These funds shall be used to assist districts in making part-time faculty salaries more comparable to full-time salaries for similar work, as determined through each district's local collective bargaining process.

(b) The funds shall not supplant the amount of resources each district uses to compensate part-time faculty, and shall not be used to exceed the achievement of parity in compensation for each part-time faculty employed by each district with regular full-time faculty of that district, as certified by the chancellor. If a district has achieved parity, its allocation under Schedule (14) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2004 may be used for any other educational purpose.

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 implement, in a timely fashion, a necessary revision to the community college funding priorities adopted pursuant to the Budget Act of 2004, it is necessary that this act take effect immediately.

CHAPTER 582

An act to amend Sections 10136, 10137, 10138, 10139, and 10139.5 of the Insurance Code, relating to structured settlements.

[Approved by Governor September 18, 2004. Filed with Secretary of State September 18, 2004.]

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

SECTION 1. Section 10136 of the Insurance Code is amended to read:

10136. (a) No transfer of structured settlement payment rights, either directly or indirectly, shall be effective by a payee domiciled in this state, or by a payee entitled to receive payments under a structured settlement funded by an insurance contract issued by an insurer domiciled in this state or owned by an insurer or corporation domiciled in this state, and no structured settlement obligor or annuity issuer shall be required to make any payment directly or indirectly to a transferee, unless all of the provisions of this section are satisfied.

(b) Ten or more days before the payee executes a transfer agreement, the transferee shall provide the payee with a separate written disclosure statement, accurately completed with the information that applies to the transfer agreement, in substantially the following form, in at least 12-point type unless otherwise indicated (bracketed instructions shall not appear in the form):

''Disclosure Notice Required By Law [14-point boldface type]

You are selling (technically called ''transferring'') your right to receive your payments under a structured settlement. You should get this disclosure notice at least 10 days before you sign any contract.

IMPORTANT TERMS: [14-point boldface type]

Total dollar amount of payments you are selling:	$_____
Present value of amount you are selling:	$_____
Net amount paid to you:	$_____

For comparison purposes:

If you did not sell your right to receive structured settlement payments, but instead borrowed the net amount of $____ and paid that loan back in installments with each of the payments you are now selling, the equivalent interest rate you would be paying for that loan would be ____% per year.

[The text and information set forth above under ''IMPORTANT TERMS'' shall be in 14-point type and circumscribed by a box with a bold border]

To figure the net amount we are paying, we have charged you for the following expenses:

[itemize in a list by type and amount]

for a total of $____ in expenses.

You should get independent professional advice about whether selling your structured settlement payments is a good idea for you and for your dependents.

You also should get independent professional advice from an accountant or lawyer experienced in tax matters about any income tax consequences from selling your structured settlement payments. We cannot give you the name of anyone to advise you.

Court approval is needed [14-point boldface type]. A court must approve any agreement you sign to sell your rights under a structured

settlement. You will not receive any money until the court approves the sale. Court approval could take more than 30 days following the day you sign an agreement selling your rights under a structured settlement.

You may cancel the contract before court approval [14-point boldface type]. You may cancel the agreement selling (or transferring) your rights under a structured settlement without any cost or obligation. You may cancel at any time before the court approves the contract. You will get notice of the date of the court hearing.

If you want to cancel, you do not need any special form. But, you must cancel in writing. Send your cancellation to: [insert transferee's name and address].

If you believe that you have been treated unfairly or have been misled, you should contact your local district attorney or the state Attorney General.''

(c) The transfer agreement shall be written in at least 12-point type and shall be complete and without blank spaces to be completed after the payee's signature. The transfer agreement shall set forth clear and conspicuously, and in no less than 12-point type, all of the following:

(1) A statement that the agreement is not effective until the date on which a court enters a final order approving the transfer agreement and that payment to the payee pursuant to the transfer agreement will be delayed up to 30 days or more after the date the payee signed the transfer agreement in order for the court to review and approve the transfer agreement.

(2) The amounts and due dates of the structured settlement payments to be transferred.

(3) The aggregate amount of the structured settlement payments to be transferred. This amount shall be disclosed in the form prescribed in subdivision (b) in the space for''Total dollar amount of payments you are selling.''

(4) The aggregate amount of all expenses, if any, to be deducted from the purchase price to be paid to the payee in exchange for the payments to be transferred, and an itemization of all expenses by type and amount.

(5) The amount payable to the payee, net of all expenses, in exchange for the payments to be transferred. This amount shall be disclosed in the form prescribed in subdivision (b) in the spaces for''Net amount paid to you'' and ''net amount.''

(6) The discounted present value of all structured settlement payments to be transferred and a statement that ''This is the value of your structured settlement in current dollars.'' This amount shall be disclosed in the form prescribed in subdivision (b) in the space for''Present value of the amount you are selling.''

(7) The federal rate, as described in subdivision (c) of Section 10134, used in determining the discounted present value.

(8) The effective equivalent interest rate, which shall be disclosed in the following statement:

''YOU WILL BE PAYING THE EQUIVALENT OF AN INTEREST RATE OF ____% PER YEAR.

Based on the net amount that you will receive from us and the amounts and timing of the structured settlement payments that you are transferring to us, if the transferred structured settlement payments were installment payments on a loan, with each payment applied first to accrued unpaid interest and then to principal, it would be as if you were paying interest to us of ____% per year, assuming funding on the effective date of transfer.''

This percentage amount shall be disclosed in the form prescribed in subdivision (b) in the space for ''the equivalent interest rate you would be paying for this loan would be ____% per year.''

(9) The quotient (expressed as a percentage) obtained by dividing the net payment amount by the discounted present value of the payments.

(10) A statement that the payee should obtain independent professional advice regarding any federal and state income tax consequences arising from the proposed transfer, and that the transferee may not refer the payee to any specific adviser for that purpose.

(11) A statement that the court approving the transfer agreement retains continuing jurisdiction to interpret and monitor implementation of the agreement as justice may require.

(12) The following statement: ''If you believe you were treated unfairly or were misled as to the nature of the obligations you assumed upon entering into this agreement, you should report those circumstances to your local district attorney or the office of the Attorney General.''

(13) The following statement printed in 14-point type, circumscribed by a box with a bold border, and set forth immediately above or adjacent to the space reserved for the payee's signature: ''You have the right to cancel this agreement without any cost or obligation until the date the court approves this agreement. You will receive notice of the court hearing date when approval may occur. You must cancel in writing and send your cancellation to [insert transferee's name and address].''

(d) The contract for transferring the structured settlement payment rights may not violate Section 10138.

(e) At any time before the date on which a court enters a final order approving the transfer agreement pursuant to Section 10139.5, the payee may cancel the transfer agreement, without cost or further obligation, by providing written notice of cancellation to the transferee.

SEC. 2. Section 10137 of the Insurance Code is amended to read:

10137. A transfer of structured settlement payment rights is void unless all of the following conditions are met:

(a) The transfer of the structured settlement payment rights is fair and reasonable and in the best interest of the payee, taking into account the welfare and support of his or her dependents.

(b) The transfer complies with the requirements of this article, will not contravene other applicable law, and is approved by a court as provided in Section 10139.5.

SEC. 3. Section 10138 of the Insurance Code is amended to read:

10138. (a) A transfer agreement, as defined in subdivision (o) of Section 10134, shall not include any provision described in the paragraphs below. Any inclusion of a prohibited provision, with respect to a seller who is a California resident, shall make the contract void and unenforceable.

(1) Any provision that waives the seller's right to sue under any law, or in which the seller agrees not to sue, or that waives jurisdiction or standing to sue under the contract.

(2) Any provision that requires the seller to indemnify and hold harmless the buyer, or to pay the buyer's costs of defense, in any claim or action brought by the seller or on the seller's behalf contesting the sale for any reason.

(3) Any provision that waives benefits or rights conferred by law with respect to garnishment of wages.

(4) Any provision providing that the contract is confidential or proprietary, belonging to the buyer.

(5) Any provision in which the seller stipulates to a confession of judgment.

(6) Any provision requiring the seller to pay the buyer's attorney's fees and costs if the purchase agreement is not completed.

(7) Any provision requiring the seller to pay any tax liability arising under the federal tax laws, other than the seller's own tax liability, if any, that results from the transfer.

(8) Any provision providing for brokerage fees incurred in the contract to be deducted from the purchase price disclosed pursuant to paragraph (5) of subdivision (b) of Section 10136.

(9) Any forum selection provision providing for jurisdiction to be in a court outside of California for any action arising under the contract.

(10) Any choice-of-law provision that provides for controlling law to be other than California law in any action arising under the contract.

(11) A provision that provides the transferee with a security interest or collateral interest in any structured settlement payment rights that exceed the actual dollar amount of the structured settlement payment rights being transferred.

(12) Any provision that creates a ''buyer's first right of refusal'' to purchase any remaining structured payment rights that the payee may desire to sell in the future.

(b) The provisions in this section may not be waived by agreement of the parties.

SEC. 4. Section 10139 of the Insurance Code is amended to read:

10139. (a) At the time of filing a petition pursuant to Section 10139.5 for court approval, the transferee shall file with the Attorney General a copy of the transferee's petition for approval, a copy of the written disclosure statement required by subdivision (a) of Section 10136, a copy of the transfer agreement as defined in subdivision (o) of Section 10134, a copy of the annuity contract, a copy of any qualified assignment agreement, a copy of the underlying structured settlement agreement, a copy of any order or approval of any court or responsible administrative authority authorizing or approving the structured settlement, a copy and proof of notice to the interested parties, and a verified statement from the transferee stating that all of the conditions set forth in Sections 10136, 10137, and 10138 have been met.

(b) The Attorney General may, but is not required to, review any transfer agreement in order to ensure that the transfer meets the requirements of this article.

(c) The Attorney General may charge a reasonable fee for the filing of the transfer agreement as provided in this section. The fee shall be paid by the transferee.

(d) This section does not apply to a transfer by a payee who is not a resident of California at the time the payee executes the transfer agreement.

SEC. 5. Section 10139.5 of the Insurance Code is amended to read:

10139.5. (a) A direct or indirect transfer of structured settlement payment rights is not effective and a structured settlement obligor or annuity issuer is not required to make any payment directly or indirectly to any transferee of structured settlement payment rights unless the transfer has been approved in advance in a final court order based on express written findings by the court that:

(1) The transfer is in the best interest of the payee, taking into account the welfare and support of the payee's dependents.

(2) The payee has been advised in writing by the transferee to seek independent professional advice regarding the transfer and has either received that advice or knowingly waived that advice in writing.

(3) The transferee has provided the payee with a disclosure form that complies with Section 10136 and the transfer agreement complies with Sections 10136 and 10138.

(4) The transfer does not contravene any applicable statute or the order of any court or other government authority.

(5) The payee reasonably understands the terms of the transfer agreement, including the terms set forth in the disclosure statement required by Section 10136.

(6) The payee reasonably understands and does not wish to exercise the payee's right to cancel the transfer agreement.

(b) Following a transfer of structured settlement payment rights under this article:

(1) The structured settlement obligor and the annuity issuer shall, as to all parties except the transferee, be discharged and released from any and all liability for the transferred payments.

(2) The transferee shall be liable to the structured settlement obligor and the annuity issuer if the transfer contravenes the terms of the structured settlement for the following:

(A) Any taxes incurred by those parties as a consequence of the transfer.

(B) Any other liabilities or costs, including reasonable costs and attorney's fees, arising from compliance by those parties with the order of the court or arising as a consequence of the transferee's failure to comply with this article.

(3) Neither the annuity issuer nor the structured settlement obligor may be required to divide any periodic payment between the payee and any transferee or assignee or between two, or more, transferees or assignees.

(4) Any further transfer of structured settlement payment rights by the payee may be made only after compliance with all of the requirements of this article.

(c) (1) An application under this article for approval of a transfer of structured settlement payment rights shall be made by the transferee and brought in the county in which the payee resides.

(2) Not less than 20 days prior to the scheduled hearing on any application for approval of a transfer of structured settlement payment rights under this article, the transferee shall file with the court and serve on all interested parties a notice of the proposed transfer and the application for its authorization, and shall include the following with that notice:

(A) A copy of the transferee's application.

(B) A copy of the transfer agreement.

(C) A listing of each of the payee's dependents, together with each dependent's age.

(D) A copy of the disclosure required in subdivision (b) of Section 10136.

(E) A copy of the annuity contract.

(F) A copy of any qualified assignment agreement.

(G) A copy of the underlying structured settlement agreement.

(H) Notification that any interested party is entitled to support, oppose, or otherwise respond to the transferee's application, either in

person or by counsel, by submitting written comments to the court or by participating in the hearing.

(I) Notification of the time and place of the hearing and notification of the manner in which and the time by which written responses to the application must be filed, which may not be less than 15 days after service of the transferee's notice, in order to be considered by the court.

(d) All court costs and filing fees shall be paid by the transferee.

(e) No later than the time of filing the petition for court approval, the transferee shall advise the payee of the payee's right to seek independent counsel and financial advice in connection with the transferee's petition for court approval of the transfer agreement, and shall further advise the payee that if the payee retains counsel, a licensed certified public accountant, or a licensed actuary in connection with a petition for an order approving the transfer agreement, that the transferee shall pay the fees of the payee's counsel, accountant, or actuary, regardless of whether the transfer agreement is approved, and regardless of whether the attorney, accountant, or actuary files any document or appears at the hearing on the application for transfer, in an aggregate amount not to exceed one thousand five hundred dollars ($1,500). The transferee's accountant, counsel, or actuary may not advise the payee.

(f) The court shall retain continuing jurisdiction to interpret and monitor the implementation of the transfer agreement as justice requires.

SEC. 6. This act shall apply only to agreements for the transfer of structured settlement payment rights that are executed on or after January 1, 2005.

CHAPTER 583

An act to amend Section 5107 of the Business and Professions Code, relating to accountancy.

[Approved by Governor September 18, 2004. Filed with Secretary of State September 18, 2004.]

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

SECTION 1. Section 5107 of the Business and Professions Code is amended to read:

5107. (a) The executive officer of the board may request the administrative law judge, as part of the proposed decision in a disciplinary proceeding, to direct any holder of a permit or certificate found to have committed a violation or violations of this chapter to pay to the board all reasonable costs of investigation and prosecution of the

case, including, but not limited to, attorneys' fees. The board shall not recover costs incurred at the administrative hearing.

(b) A certified copy of the actual costs, or a good faith estimate of costs where actual costs are not available, signed by the executive officer, shall be prima facie evidence of reasonable costs of investigation and prosecution of the case.

(c) The administrative law judge shall make a proposed finding of the amount of reasonable costs of investigation and prosecution of the case when requested to do so by the executive officer pursuant to subdivision (a). Costs are payable 120 days after the board's decision is final, unless otherwise provided for by the administrative law judge or if the time for payment is extended by the board.

(d) The finding of the administrative law judge with regard to cost shall not be reviewable by the board to increase the cost award. The board may reduce or eliminate the cost award, or remand to the administrative law judge where the proposed decision fails to make a finding on costs requested by the executive officer pursuant to subdivision (a).

(e) The administrative law judge may make a further finding that the amount of reasonable costs awarded shall be reduced or eliminated upon a finding that respondent has demonstrated that he or she cannot pay all or a portion of the costs or that payment of the costs would cause an unreasonable financial hardship which cannot be remedied through a payment plan.

(f) When an administrative law judge makes a finding that costs be waived or reduced, he or she shall set forth the factual basis for his or her finding in the proposed decision.

(g) Where an order for recovery of costs is made and timely payment is not made as directed by the board's decision, the board may enforce the order for payment in any appropriate court. This right of enforcement shall be in addition to any other rights the board may have as to any holder of a permit or certificate directed to pay costs.

(h) In a judicial action for the recovery of costs, proof of the board's decision shall be conclusive proof of the validity of the order of payment and the terms of payment.

(i) All costs recovered under this section shall be deposited in the Accountancy Fund.

(j) (1) Except as provided in paragraph (2), the board shall not renew or reinstate the permit or certificate of a holder who has failed to pay all of the costs ordered under this section.

(2) Notwithstanding paragraph (1), the board may, in its discretion, conditionally renew or reinstate for a maximum of one year the permit or certificate of a holder who demonstrates financial hardship and who

enters into a formal agreement with the board to reimburse the board within that one-year period for those unpaid costs.

(k) Nothing in this section shall preclude the board from seeking recovery of costs in an order or decision made pursuant to an agreement entered into between the board and the holder of a permit or certificate.

(*l*) (1) Costs may not be recovered under this section as a result of a citation issued pursuant to Section 125.9 and its implementing language if the licensee complies with the citation.

(2) The Legislature hereby finds and declares that this subdivision is declaratory of existing law.

CHAPTER 584

An act to add Section 14045 to the Welfare and Institutions Code, relating to Medi-Cal.

[Approved by Governor September 18, 2004. Filed with Secretary of State September 18, 2004.]

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

SECTION 1. Section 14045 is added to the Welfare and Institutions Code, to read:

14045. (a) A provider may not submit a reimbursement request to the Medi-Cal program containing a beneficiary's social security number in order to receive payment if the department has issued that beneficiary a Medi-Cal beneficiary identification card containing a beneficiary number with the issuance date included in that number.

(b) This section shall not apply to services provided by the following provider types or to the following types of services:

(1) A hospital licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code.

(2) A long-term health care facility, as defined in Section 1418 of the Health and Safety Code.

(3) A primary care clinic that is licensed pursuant to subdivision (a) of Section 1204 of the Health and Safety Code.

(4) Emergency medical transportation services.

CHAPTER 585

An act to add Section 35539.13 to the Water Code, relating to water.

[Approved by Governor September 18, 2004. Filed with
Secretary of State September 18, 2004.]

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

SECTION 1. Section 35539.13 is added to the Water Code, to read:

35539.13. (a) The districts may convey water in a drainage course within the boundaries of each respective district for the purposes of treating and reusing that water, if the conveyance, treatment, and reuse meet the requirements of state and federal law.

(b) For purposes of this section, ''drainage course'' refers to a drainage course with regard to which the each respective district has a right of use.

(c) For purposes of this section, ''water'' refers to water with regard to which the each respective district has a right of use.

SEC. 2. The Legislature finds and declares that this act, which is applicable only to the Santa Margarita Water District and the Irvine Ranch Water District, is necessary because of the unique and special water problems in the area included in those respective districts. 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 those districts and the enactment of this special law is necessary for the conservation, development, control, and use of water for the public good.

CHAPTER 586

An act to amend Section 7073 of, and to add Section 7069.1 to, the Business and Professions Code, and to amend, repeal, and add Section 802 of the Penal Code, relating to contractors.

[Approved by Governor September 18, 2004. Filed with
Secretary of State September 18, 2004.]

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

SECTION 1. Section 7069.1 is added to the Business and Professions Code, to read:

7069.1. (a) Upon notification of an arrest of a member of the personnel of a licensee or a home improvement salesperson, the registrar, by first-class mail to the last official address of record, may require the arrestee to provide proof of the disposition of the matter.

(b) The proof required by this section shall be satisfactory for carrying out the purposes of this chapter, and at the registrar's discretion may include, but is not limited to, certified court documents, certified court orders, or sentencing documents. Any proof required by this section shall be received by the registrar within 90 days of the date of the disposition, or within 90 days of the registrar's demand for information if that date is later.

(c) Failure to comply with the provisions of this section constitutes cause for disciplinary action.

SEC. 2. Section 7073 of the Business and Professions Code is amended to read:

7073. (a) The registrar may deny any application where the applicant has failed to comply with any rule or regulation adopted pursuant to this chapter or where there are grounds for denial under Section 480. Procedures for denial of an application shall be conducted in accordance with Section 485.

(b) When the board has denied an application for a license on grounds that the applicant has committed a crime substantially related to qualifications, functions, or duties of a contractor, it shall, in its decision or in its notice under subdivision (b) of Section 485, inform the applicant of the earliest date on which the applicant may reapply for a license. The board shall develop criteria, similar to the criteria developed to evaluate rehabilitation, to establish the earliest date on which the applicant may reapply. The date set by the registrar shall not be more than five years from the effective date of the decision or service of notice under subdivision (b) of Section 485.

(c) The board shall inform an applicant that all competent evidence of rehabilitation shall be considered upon reapplication.

(d) Along with the decision or notice under subdivision (b) of Section 485, the board shall serve a copy of the criteria for rehabilitation formulated under Section 482.

SEC. 3. Section 802 of the Penal Code is amended to read:

802. (a) Except as provided in subdivision (b), (c), or (d), prosecution for an offense not punishable by death or imprisonment in the state prison shall be commenced within one year after commission of the offense.

(b) Prosecution for a misdemeanor violation of Section 647.6 or former Section 647a committed with or upon a minor under the age of 14 years shall be commenced within three years after commission of the offense.

(c) Prosecution of a misdemeanor violation of Section 729 of the Business and Professions Code shall be commenced within two years after commission of the offense.

(d) Prosecution of a misdemeanor violation of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code shall be commenced as follows:

(1) With respect to Sections 7028.17, 7068.5, and 7068.7 of the Business and Professions Code, within one year of the commission of the offense.

(2) With respect to Sections 7027.1, 7028.1, 7028.15, 7118.4, 7118.5, 7118.6, 7126, 7153, 7156, 7157, 7158, 7159 (licensee only), 7161, and 7189 of the Business and Professions Code, within two years of the commission of the offense.

(3) With respect to Sections 7027.3 and 7028.16 of the Business and Professions Code, within three years of the commission of the offense.

(4) With respect to Sections 7028 and 7159 (nonlicensee only) of the Business and Professions Code, within four years of the commission of the offense.

(e) This section shall become inoperative on July 1, 2005, and as of January 1, 2006, is repealed if Senate Bill 30 of the 2003–04 Regular Session is enacted and becomes effective on or before January 1, 2005.

SEC. 4. Section 802 is added to the Penal Code, to read:

802. (a) Except as provided in subdivision (b), (c), or (d), prosecution for an offense not punishable by death or imprisonment in the state prison shall be commenced within one year after commission of the offense.

(b) Prosecution for a misdemeanor violation of Section 647.6 or former Section 647a committed with or upon a minor under the age of 14 years shall be commenced within three years after commission of the offense.

(c) Prosecution of a misdemeanor violation of Section 729 of the Business and Professions Code shall be commenced within two years after commission of the offense.

(d) Prosecution of a misdemeanor violation of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code shall be commenced as follows:

(1) With respect to Sections 7028.17, 7068.5, and 7068.7 of the Business and Professions Code, within one year of the commission of the offense.

(2) With respect to Sections 7027.1, 7028.1, 7028.15, 7118.4, 7118.5, 7118.6, 7126, 7153, 7156, 7157, 7158, 7159.5 (licensee only), 7159.14 (licensee only), 7161, and 7189 of the Business and Professions Code, within two years of the commission of the offense.

(3) With respect to Sections 7027.3 and 7028.16 of the Business and Professions Code, within three years of the commission of the offense.

(4) With respect to Sections 7028, 7159.5 (nonlicensee only) and 7159.14 (nonlicensee only), of the Business and Professions Code, within four years of the commission of the offense.

(e) This section shall become operative on July 1, 2005, only if Senate Bill 30 of the 2003–04 Regular Session is enacted and becomes effective on or before January 1, 2005.

CHAPTER 587

An act to add Section 51220.6 to the Education Code, and to amend and repeal Section 11101 of the Vehicle Code, relating to instruction.

[Approved by Governor September 18, 2004. Filed with Secretary of State September 18, 2004.]

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

SECTION 1. Section 51220.6 is added to the Education Code, to read:

51220.6. (a) For the purposes of subdivision (j) of Section 51220, Section 51220.1, and subparagraph (A) or (C) of paragraph (3) of subdivision (a) of Section 12814.6 of the Vehicle Code, the satisfactory completion by a pupil of a course in automobile driver education offered by a private secondary school satisfies the driver education instructional requirements of those provisions and the Department of Motor Vehicles shall issue certificates of satisfactory completion forms if the following conditions are met:

(1) The private secondary school has a current affidavit or statement on file under Section 33190 that includes a statement certifying that the school is in compliance with Sections 44237, 48222, and 51220.

(2) The private secondary school is in compliance with Sections 33190, 44237, 48222, and 51220.

(b) For the purposes of this section, ''private secondary schools'' means either of the following:

(1) A school that is subject to Sections 33190 and 48222.

(2) A person, firm, association, partnership, or corporation that does both of the following:

(A) Offers or conducts private school instruction of those courses described in Section 51220 on the high school level.

(B) Complies with Sections 33190, 33191, 44237, 48222, and 51220.

SEC. 2. Section 11101 of the Vehicle Code, as amended by Section 2 of Chapter 774 of the Statutes of 2002, is amended to read:

11101. (a) This chapter does not apply to any of the following:

(1) Public schools or educational institutions in which driving instruction is part of the curriculum.

(2) Nonprofit public service organizations offering instruction without a tuition fee.

(3) Nonprofit organizations engaged exclusively in giving off-the-highway instruction in the operation of motorcycles, if the course of instruction is approved by the National Highway Traffic Safety Administration and is not designed to prepare students for examination by the department for a class 4 drivers license.

(4) Commercial schools giving only off-the-highway instruction in the operation of special construction equipment, as defined in this code.

(5) Vehicle dealers or their salesmen giving instruction without charge to purchasers of motor vehicles.

(6) Employers giving instruction to their employees.

(7) Commercial schools engaged exclusively in giving off-the-highway instruction in the operation of racing vehicles or in advanced driving skills to persons holding valid drivers' licenses, except whenever that instruction is given to persons who are being prepared for examination by the department for any class of driver's license.

(b) For purposes of this section, ''racing vehicle'' means a motor vehicle of a type that is used exclusively in a contest of speed and which is not intended for use on the highways.

(c) (1) Nothing in this chapter shall be construed to direct or restrict courses of instruction in driver education offered by private secondary schools or to require the use of credentialed or certified instructors in driver education courses offered by private secondary schools.

(2) For the purposes of this section, private secondary schools are those subject to Sections 33190 and 48222 of the Education Code.

SEC. 3. Section 11101 of the Vehicle Code, as added by Section 2.5 of Chapter 774 of the Statutes of 2002, is repealed.

CHAPTER 588

An act to repeal Chapter 310 of the Statutes of 1913, Chapter 417 of the Statutes of 1925, Chapter 483 of the Statutes of 1947, Chapter 117 of the Statutes of 1957, Chapter 1501 of the Statutes of 1957, Sections 10 and 11 of Chapter 11 of the Statutes of 1962, Chapter 63 of the Statutes of 1962 of the First Extraordinary Session, and Chapter 24 of the Statutes of 1963, relating to tidelands and submerged lands of the City of Vallejo.

[Approved by Governor September 18, 2004. Filed with
Secretary of State September 18, 2004.]

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

SECTION 1. As used in this act, the following definitions apply:

(a) ''City'' means the City of Vallejo, a municipal corporation of the State of California, in Solano County.

(b) ''Public trust purposes'' means purposes related to commerce, navigation, and fisheries, water-oriented recreation, and preservation of land in a natural state.

(c) ''Granting statutes'' means Chapter 310 of the Statutes of 1913, Chapter 417 of the Statutes of 1925, Chapter 483 of the Statutes of 1947, Chapter 117 of the Statutes of 1957, Chapter 1501 of the Statutes of 1957, Sections 10 and 11 of Chapter 11 of the Statutes of 1962, Chapter 63 of the Statutes of 1962 of the First Extraordinary Session, and Chapter 24 of the Statutes of 1963.

(d) ''Exchange statutes'' means Chapter 895 of the Statutes of 1980 and Chapter 299 of the Statutes of 2003.

SEC. 2. It is the intent of the Legislature, in enacting this act, to do all of the following:

(a) Repeal and supercede prior granting statutes governing the City of Vallejo's administration, as trustee, of all tide and submerged lands and lands underlying inland navigable water within the boundaries of the City of Vallejo that were previously granted to the city by the State of California, into a single grant.

(b) Confirm in the City of Vallejo all of the state's right, title, and interest to tide and submerged lands and lands underlying inland navigable waters within the boundaries of the City of Vallejo that were previously granted by the granting statutes, and to amend the conditions and set forth the uses and purposes established for the city's government, management, and control of those lands.

(c) Convey to the City of Vallejo, and to its successors, all of the state's right, title, and interest to any remaining tide and submerged lands, and lands underlying inland navigable waters within the present boundaries of the City of Vallejo not heretofore conveyed, including that property established as public trust lands by the Mare Island Property Settlement and Exchange Agreement, and to provide for the city's government, management, and control of those lands.

(d) Expressly repeal the granting statutes and supercede those statutes by the enactment of a single statute providing for the grant of lands to the City of Vallejo.

SEC. 3. The Legislature hereby finds and declares all of the following:

(a) Since the admission of the State of California into the United States, certain tide and submerged lands have been, and are now held, in trust by the state for the benefit of all California residents for the purposes of commerce, navigation, fisheries, water-oriented recreation, and preservation of land in a natural state. The state is required to govern, administer, and control those lands for public trust purposes. The state is authorized, when the interests of the public trust require it, to grant and convey to municipalities limited and defined areas of public trust lands along with the power to govern, control, improve, and develop those lands in the interests of all of the inhabitants of the state for public trust purposes.

(b) The State of California, pursuant to the granting statutes, has conveyed certain tide and submerged lands and lands lying under inland navigable waters to the city, in furtherance of public trust purposes, and has provided for the administration, management, and control of those lands by the city. The State of California, pursuant to Chapter 43 of the Statutes of 1854, Chapter 81 of the Statutes of 1897, and Chapter 1452 of the Statutes of 1963, granted to the United States those tide and submerged lands adjacent to lands held by the United States for military purposes, including lands used for the development of the Mare Island Naval Shipyard.

(c) The United States Navy closed the Mare Island Naval Shipyard in 1996, and has conveyed, and will convey, certain lands lying within the boundaries of the former Mare Island Naval Shipyard to the city pursuant to the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. Sec. 2687, and following, as amended). Upon closure of the former Mare Island Naval Shipyard, and by the terms of the state grants, the State of California claimed a right of reversion to all lands lying under the shipyard that were previously conveyed to the United States for military purposes. The State Lands Commission, acting under the auspices of the State of California, and in cooperation with the City Council of the City of Vallejo, approved the Mare Island Property Settlement and Exchange Agreement, which was recorded on March 26, 2002, as Instrument Number 02-37955 in the Recorder's Office, County of Solano, State of California (hereafter the agreement). That agreement settled the state's public trust title claims at the former Mare Island Naval Shipyard, and provided for an exchange of trust lands for nontrust lands of equal or greater value, in accordance with the requirements of Section 6307 of the Public Resources Code. The agreement was confirmed as valid, and title to the former Mare Island Naval Shipyard was quieted in accordance with the terms and conditions of that agreement, when implemented, pursuant to the judgment entered in City of Vallejo v. State of California, Solano County Superior Court Case No. 19710 (January 6, 2003), recorded on April 15, 2003, as Document Number

200300058313 in the Recorder's Office, County of Solano, State of California.

(d) The settlement of title to tide and submerged lands at Mare Island Naval Shipyard, and the conveyance of those lands to the city, as trustee of all of the state's right, title, and interest in, those lands within the boundaries of the city held by the state by virtue of its sovereignty in and to all tide and submerged lands and lands lying under inland navigable waters, together with the right to govern, control, improve, and develop or retain the lands in their natural state, will result in great advantage and benefit to all the inhabitants of the state.

(e) The State of California, pursuant to the exchange statutes, negotiated, and is authorized to negotiate, exchanges with the City of Vallejo for lands of equal or greater value that impose the public trust on certain lands while terminating the public trust with respect to the lands exchanged by the state. Those exchanges remain beneficial and will maximize the benefits to the public trust.

SEC. 4. The State of California hereby grants and conveys to the city, and to its successors, all the right, title, and interest of the state held by virtue of its sovereignty in, and to, all the tide and submerged lands and lands lying under inland navigable waters within the present boundaries of the city for public trust purposes, except for those lands currently leased to the Wildlife Conservation Board, the Department of Fish and Game, and the United States Fish and Wildlife Service; lands transferred to the Department of Education for the California Maritime Academy pursuant to Chapter 840 of the Statutes of 1945 and Chapter 135 of the Statutes of 1947; and lands that are subject to the Mare Island Property Settlement and Exchange Agreement referenced in subdivision (c) of Section 3 of this act until those lands are confirmed as public trust lands through implementation of the agreement described in Section 5.

SEC. 5. As to the lands that are the subject of the Mare Island Property Settlement and Exchange Agreement described in subdivision (c) of Section 3 of this act, the disposition of those lands is to be governed by that agreement. When each public trust parcel that is covered by that agreement is conveyed by deed from the state to the city pursuant to the terms of the agreement, that parcel shall thereafter be held by the city as public trust land pursuant to the terms of this act and the public trust. Once conveyed to the city, the use of those parcels of land shall be limited to those uses contained in Section 3 of the Public Agency Lease, recorded on March 26, 2002, as Instrument Number 02-379555 in the Recorder's Office, County of Solano, State of California.

SEC. 6. The lands hereby granted and conveyed to the city pursuant to this act shall be held by the city, and its successors, in trust for uses consistent with the public trust. Those lands may be used for the construction, reconstruction, repair, and maintenance of any

transportation, utility, or other infrastructure that is incidental, necessary, or convenient for any uses consistent with the public trust. Those lands shall be held by the city, or its successors, subject to the following conditions:

(a) The city, or its successors, shall not grant, convey, or otherwise alienate those lands, or any part thereof, to any individual, firm, or corporation for any purpose, except as provided in this act. However, the city, or its successors, may grant franchises on or lease those lands, or any part thereof, for limited periods not to exceed a maximum period of 66 years, for purposes consistent with the public trust. Those franchises or leases may be subject to any terms or conditions that may be imposed by the city that are deemed by the city to be necessary for municipal purposes. The city shall collect and retain rents from those leases, and any and all rents and revenues received from trust lands and trust assets, hereinafter referred to as ''trust revenues.'' Those trust revenues shall be expended only for those uses and purposes consistent with the public trust. The purpose of this requirement is to provide for the segregation of funds derived from the use of trust lands in order to ensure that they are expended only to enhance the lands in accordance with the trust uses and purposes upon which the trust lands are held.

(b) On or before October 1 of each year, the trustee of those lands described in subdivision (a) shall file with the State Lands Commission a detailed statement of all trust revenues and expenditures relating to its use of trust lands and trust assets, including obligations that have been incurred, but not yet paid, covering the fiscal year preceding submission of the statement. This statement shall be prepared according to generally accepted accounting principles and may take the form of an annual audit prepared by or for the trustee.

(c) There is hereby reserved in the people of the State of California the right to fish in the waters on which trust lands may front with the right of convenient access to those waters for fishing purposes.

(d) The state shall have the right to use without charge, any transportation, landing, or storage improvements, betterments, or structures constructed upon the trust lands for any vessel or other watercraft or railroad owned or operated by, or under contract to, the state. The state's use of those facilities shall be governed by the trustee's rules and regulations.

(e) The lands herein granted and conveyed to the city are subject to the express reservation and condition that the state may at any time in the future use those lands, or any portion thereof, for highway purposes without compensation to the city, or its successors or assignees, or any person, firm, or public or private corporation claiming any right to those lands, except that in the event improvements have been placed with legal authority upon the property taken by the state for highway purposes,

compensation shall be made to the person entitled thereto for the value of the interest in the improvements taken or the damages to that interest.

(f) The State of California shall reserve all rights to any remains or artifacts of archaeological or historical significance and to all minerals and mineral rights in the lands now known to exist or hereafter discovered, including, but not limited to, oil and gas and rights thereto, together with the sole, exclusive, and the perpetual right to explore for, remove, and dispose of those minerals by any means or methods suitable to the State of California or to its successors and assignees. Notwithstanding Section 6401 of the Public Resources Code, any mineral right retained pursuant to this section shall not include the right of the state or its successors or assignees in connection with any mineral reservation, removal, or disposal activity, to do either of the following:

(1) Enter upon, use, or damage the surface of the lands or interfere with the use of the surface by any grantee or by the grantee's successor or assignees.

(2) Conduct any mining activities of any nature whatsoever above a plane located five hundred feet below the surface of the lands without permission of any grantee of the lands or the grantee's successors or assignees.

(g) In the management, conduct, operation, and control of the trust lands or any improvement, or structures on that land, the trustee or its successors shall make no discrimination in rates, tolls, or charges for any use or service in connection therewith nor shall the trustee discriminate against or unlawfully segregate any person or group of persons on account of sex, race, color, creed, national origin, ancestry, or physical handicap for any use or service in connection herewith.

(h) Those lands shall be improved by the city without expense to the State of California, except that nothing contained in this act shall preclude the city from accepting and retaining any grant of funds or subvention from the state or other governmental agencies made available for the purpose of aiding in the development of those lands for any public purpose consistent with the promotion and accommodation of commerce, navigation, fisheries, water-oriented recreation, or preservation of land in a natural state.

SEC. 7. (a) Subject to the requirements for approval by the State Lands Commission specified in subdivision (b), whenever it is determined by the city that any portions of the tide or submerged lands granted to the city pursuant to this act have been filled and reclaimed, cut off from access to the waters of San Pablo Bay and Mare Island Strait, constitute a relatively small portion of the tide and submerged lands granted to the city, and are no longer needed or required for the promotion of the public trust purposes and the granted lands trust, and that there will not be a substantial interference with the public trust uses

and purposes, the city may terminate the public trust over those portions of the tidelands and exchange those portions of the tidelands, or any interest in those lands, with any state agency, political subdivision, person, entity, or corporation, or the United States, or any agency thereof, for lands or interests in lands of equal or greater value, if those lands granted are used for public trust purposes.

(b) An exchange and trust termination under subdivision (a) shall not be effective until the State Lands Commission, at a regular open meeting with the proposed exchange and trust termination as a properly scheduled agenda item, does both of the following:

(1) Finds that the lands or interests in lands to be acquired by the city and the value of the public trust interest to be created by agreement of the city are of a value equal to or greater than the value of the tidelands for which they are to be exchanged and the value of the tidelands over which the public trust will be terminated.

(2) Adopts a resolution approving the proposed exchange and trust termination, which finds and declares that the tidelands to be exchanged and over which the public trust will be terminated have been filled and reclaimed, are cut off from access to the waters of San Pablo Bay, Mare Island Strait, and the Straits of Carquinez, constitute a relatively small portion of the tide and submerged lands granted to the city, and are no longer needed or required for the promotion of the public trust; and that there will not be a substantial interference with the public trust uses and purposes that will ensue by virtue of the exchange of the trust lands and the trust termination. As to any such exchange and trust termination, upon the close of escrow, or other event completing the exchange and trust termination, the tidelands to be exchanged and with respect to which the public trust is to be terminated shall thereupon be free from the public trust.

(c) Any lands acquired by the city for public trust purposes shall thereafter be held by the city pursuant to the terms of this act.

(d) The provisions of this act are not exclusive with respect to the settlement or litigation of titles and boundaries of lands within either the present waterway or granted lands. This act does not impair nor alter the existing procedural or substantive rights or disabilities of any person or entity claiming title to, or an interest in, any lands in the present waterway and the granted lands in the defense or prosecution of any proceeding now or hereafter instituted under the laws of this state, nor affect the applicability of those lands with respect to any other provision of law.

SEC. 8. (a) Any party to an exchange agreement entered into pursuant to this act may bring an action under Chapter 4 (commencing with Section 760.010) of Title 10 of Part 2 of the Code of Civil Procedure to quiet title and to confirm the validity of that agreement as if the

agreement had been entered into pursuant to Section 6307 or 6357 of the Public Resources Code. No action shall be brought later than 90 days after the recording of the executed agreement.

(b) Notwithstanding subdivision (b) of Section 764.080 of the Code of Civil Procedure, a person, not a party to an exchange agreement entered into pursuant to this act seeking to bring an action challenging the validity of the agreement, shall file that action no later than 180 days after the recording of the executed agreement.

(c) Any exchange agreement entered into pursuant to this act shall be conclusively presumed to be valid, unless held invalid in an appropriate proceeding in a court of competent jurisdiction commenced within the time limits specified in this section.

SEC. 9. Chapter 310 of the Statutes of 1913 is repealed.

SEC. 10. Chapter 417 of the Statutes of 1925 is repealed.

SEC. 11. Chapter 483 of the Statutes of 1947 is repealed.

SEC. 12. Chapter 117 of the Statutes of 1957 is repealed.

SEC. 13. Chapter 1501 of the Statutes of 1957 is repealed.

SEC. 14. Sections 10 and 11 of Chapter 11 of the Statutes of 1962 are repealed.

SEC. 15. Chapter 63 of the Statutes of 1962 of the First Extraordinary Session is repealed.

SEC. 16. Chapter 24 of the Statutes of 1963 is repealed.

SEC. 17. The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the in valid provision or application.

CHAPTER 589

An act to amend Section 170016 of the Public Utilities Code, relating to airports.

[Approved by Governor September 18, 2004. Filed with Secretary of State September 18, 2004.]

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

SECTION 1. Section 170016 of the Public Utilities Code is amended to read:

170016. (a) The permanent board shall be established pursuant to this section. The board shall consist of nine members, as follows:

(1) The Mayor of the City of San Diego, or a member of the city council designated by the mayor to be his or her alternate.

(2) A member of the public appointed by the Mayor of the City of San Diego. The initial term for this member shall be two years.

(3) (A) The initial appointment for the north coastal cities shall be the mayor of the most populous city, as of the most recent decennial census, among the north coastal area cities. If that mayor declines to serve, he or she shall appoint a member of the public who is a resident of one of north coastal area cities. The initial term for this member shall be four years.

(B) For subsequent appointments, the mayors of the north coastal cities shall select the member. The appointment shall alternate between a mayor and a member of the public from these cities to follow the initial appointment made under this paragraph.

(4) (A) If the member serving under paragraph (3) is a mayor, the initial appointment from the north inland cities shall be a member of the public selected by the mayors of the north inland area cities from one of those cities.

(B) If the person serving under paragraph (3) is not a mayor, then the mayors of the north inland area cities shall select a mayor of a north inland area city. The initial term of this member is two years.

(C) For subsequent appointments, the mayors of the north inland area cities shall select the member. The appointment shall alternate between a mayor and a member of the public from these cities to follow the initial appointment made under this paragraph.

(5) (A) The mayor of the most populous city, as of the most recent decennial census, among the south area cities. If that mayor declines to serve, he or she shall appoint a member of the public who is a resident of one of south area cities. The initial term for this member shall be six years.

(B) For subsequent appointments, the mayors of the south area cities shall select the member. The appointment shall alternate between a mayor and a member of the public from these cities to follow the initial appointment made under this paragraph. The initial term of this member is four years.

(6) (A) If the member serving under paragraph (5) is a mayor, then a member of the public shall be selected by the mayors of the east area cities from one of those cities.

(B) If the person serving under paragraph (5) is not a mayor, then the mayors of the east area cities shall select a mayor of an east area city. The initial term of this member is four years.

(C) For subsequent appointments, the mayors of the east area cities shall select the member. The appointment shall alternate between a mayor and a member of the public from these cities to follow the initial appointment made under this paragraph.

(7) The three remaining positions shall be the members of the executive committee appointed pursuant to Section 170026.

(b) The board shall appoint the chair, who shall serve as chair for a two-year portion of his or her term as a board member. A member may be appointed to consecutive terms as chair.

(c) (1) Members of the first board appointed pursuant to subdivision (a), other than members identified in paragraph (7) of subdivision (a), shall be appointed on or before October 31, 2002, and shall be seated as the board on December 2, 2002.

(2) Any appointment not filled by the respective appointing authority on or before December 1, 2002, shall be appointed by the Governor, consistent with the eligibility requirements of this section for that membership position.

(d) (1) After the initial term, all terms shall be four years, except as otherwise required under subdivision (b) of Section 170018.

(2) The expiration date of the term of office shall be the first Monday in December in the year in which the term is to expire.

CHAPTER 590

An act to add Section 33021 to the Public Utilities Code, relating to transportation.

[Approved by Governor September 18, 2004. Filed with Secretary of State September 18, 2004.]

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

SECTION 1. Section 33021 is added to the Public Utilities Code, to read:

33021. Notwithstanding Section 5097 of the Revenue and Taxation Code, any petition or claim for refund seeking an exclusion of real property or the reduction of an assessment on any grounds for the 2004–05 fiscal year or in any subsequent fiscal year pursuant to this chapter shall be filed within two years after the making of the payment sought to be refunded.

CHAPTER 591

An act to amend Sections 90004 and 91011 of the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor September 18, 2004. Filed with
Secretary of State September 18, 2004.]

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

SECTION 1. Section 90004 of the Government Code is amended to read:

90004. (a) The Franchise Tax Board shall periodically prepare reports which, except as otherwise provided in this section, shall be sent to the commission, the Secretary of State, and the Attorney General. If the reports relate to candidates for or committees supporting or opposing candidates for the office of Attorney General, the reports shall be sent to the commission, the Secretary of State, and the District Attorneys of Los Angeles, Sacramento, and San Francisco Counties. If the reports relate to local candidates and their controlled committees, the reports shall be sent to the commission, the local filing officer with whom the candidate or committee is required to file the originals of campaign reports pursuant to Section 84215, and the district attorney for the candidate's county of domicile.

(b) The Franchise Tax Board shall complete its report of any audit conducted on a random basis pursuant to Section 90001 within one year after the person or entity subject to the audit is selected by the commission to be audited.

(c) The reports of the Franchise Tax Board shall be public documents and shall contain in detail the Franchise Tax Board's findings with respect to the accuracy and completeness of each report and statement reviewed and its findings with respect to any report or statement that should have been but was not filed. The Secretary of State and the local filing officer shall place the audit reports in the appropriate campaign statement or lobbying files.

SEC. 2. Section 91011 of the Government Code is amended to read:

91011. (a) No civil action alleging a violation in connection with a report or statement required by Chapter 4 (commencing with Section 84100) shall be filed more than four years after an audit could begin as set forth in subdivision (c) of Section 90002, or more than one year after the Franchise Tax Board forwards its report to the commission, pursuant to Section 90004, of any audit conducted of the alleged violator, whichever period is less.

(b) No civil action alleging a violation of any provisions of this title, other than those described in subdivision (a), shall be filed more than four years after the date the violation occurred.

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 592

An act to amend Sections 17, 331, 332, 3400, and 9160 of the Elections Code, relating to voting.

[Approved by Governor September 18, 2004. Filed with Secretary of State September 18, 2004.]

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

SECTION 1. Section 17 of the Elections Code is amended to read:

17. The Secretary of State shall establish and maintain administrative complaint procedures, pursuant to the requirements of the Help America Vote Act of 2002 (42 U.S.C. Sec. 15512), in order to remedy grievances in the administration of elections. The Secretary of State may not require that the administrative remedies provided in the complaint procedures established pursuant to this section be exhausted in order to pursue any other remedies provided by state or federal law.

SEC. 2. Section 331 of the Elections Code is amended to read:

331. ''New citizen'' means any person who meets all requirements of an elector of, and has established residency in, the State of California, except that he or she will become a United States citizen after the 15th day prior to an election but on or before the seventh day prior to that election.

SEC. 3. Section 332 of the Elections Code is amended to read:

332. ''New resident'' means a person who meets all requirements of an elector of the State of California except that his or her residency was established subsequent to the 15th day prior to the election.

The new resident is eligible to vote for President and Vice President and for no other office.

SEC. 4. Section 3400 of the Elections Code is amended to read:

3400. Registration for new residents shall be in progress beginning with the 14th day prior to an election and ending on the seventh day prior to election day.

This registration must be executed in the county elections office and the new resident shall vote a new resident's ballot in that office.

SEC. 5. Section 9160 of the Elections Code is amended to read:

9160. (a) Whenever any county measure qualifies for a place on the ballot, the county elections official shall transmit a copy of the measure

to the county auditor and to the county counsel or to the district attorney in any county which has no county counsel.

(b) The county counsel or district attorney shall prepare an impartial analysis of the measure showing the effect of the measure on the existing law and the operation of the measure. The analysis shall be printed preceding the arguments for and against the measure. The analysis may not exceed 500 words in length.

In the event the entire text of the measure is not printed on the ballot, nor in the voter information portion of the sample ballot, there shall be printed immediately below the impartial analysis, in no less than 10-point boldface type, a legend substantially as follows:

''The above statement is an impartial analysis of Ordinance or Measure ____. If you desire a copy of the ordinance or measure, please call the elections official's office at (insert telephone number) and a copy will be mailed at no cost to you.''

The elections official may, at his or her discretion, add the following message: ''You may also access the full text of the measure on the county Web site at the following Web site address (insert Web site address).''

(c) Not later than 88 days prior to an election that includes a county ballot measure, the board of supervisors may direct the county auditor to review the measure and determine whether the substance thereof, if adopted, would affect the revenues or expenditures of the county. He or she shall prepare a fiscal impact statement which estimates the amount of any increase or decrease in revenues or costs to the county if the proposed measure is adopted. The fiscal impact statement is ''official matter'' within the meaning of Section 13303, and shall be printed preceding the arguments for and against the measure. The fiscal impact statement may not exceed 500 words in length.

CHAPTER 593

An act to amend Sections 832.15, 11108.3, 12010, 12011, 12021 and 12082 of, to add Section 832.17 to, and to repeal Section 12076.5 of, the Penal Code, relating to firearms.

[Approved by Governor September 18, 2004. Filed with Secretary of State September 18, 2004.]

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

SECTION 1. Section 832.15 of the Penal Code is amended to read:

832.15. (a) On and after October 1, 1993, the Department of Justice shall notify a state or local agency as to whether an individual applying

for a position as a peace officer, as defined by this chapter, a custodial officer authorized by the employing agency to carry a firearm pursuant to Section 831.5, or a transportation officer pursuant to Section 831.6 authorized by the employing agency to carry a firearm, is prohibited from possessing, receiving, owning, or purchasing a firearm pursuant to Section 12021 or 12021.1 of the Penal Code, or Section 8100 or 8103 of the Welfare and Institutions Code. The notice shall indicate the date that the prohibition expires. However, the notice shall not provide any other information with respect to the basis for the prohibition.

(b) Before providing the information specified in subdivision (a), the applicant shall provide the Department of Justice with fingerprints and other identifying information deemed necessary by the department.

(c) The Department of Justice may charge the applicant a fee sufficient to reimburse its costs for furnishing the information specified in subdivision (a).

(d) The notice required by this section shall not apply to persons receiving treatment under subdivision (a) of Section 8100 of the Welfare and Institutions Code.

SEC. 2. Section 832.17 is added to the Penal Code, to read:

832.17. (a) Upon request by a state or local agency, the Department of Justice shall notify the state or local agency as to whether an individual employed as a custodial or transportation officer and authorized by the employing agency to carry a firearm, is prohibited or subsequently becomes prohibited from possessing, receiving, owning, or purchasing a firearm pursuant to Section 12021 or 12021.1 of the Penal Code, or Section 8100 or 8103 of the Welfare and Institutions Code. The notice shall indicate the date on which the prohibition expires. However, the notice shall not provide any other information with respect to the basis for the prohibition.

(b) Before the department provides the information specified in subdivision (a), the officer shall provide the department with his or her fingerprints and other identifying information deemed necessary by the department.

(c) The department may charge the officer a fee sufficient to reimburse its costs for furnishing the information specified in subdivision (a). A local law enforcement agency may pay this fee for the officer.

(d) The notice required by this section shall not apply to persons receiving treatment under subdivision (a) of Section 8100 of the Welfare and Institutions Code.

SEC. 3. Section 11108.3 of the Penal Code is amended to read:

11108.3. (a) In addition to the requirements of Section 11108 that apply to a local law enforcement agency's duty to report to the Department of Justice the recovery of a firearm, a police or sheriff's

department shall, and any other law enforcement agency or agent may, report to the department in a manner determined by the Attorney General in consultation with the Bureau of Alcohol, Tobacco, Firearms and Explosives all available information necessary to identify and trace the history of all recovered firearms that are illegally possessed, have been used in a crime, or are suspected of having been used in a crime. In addition, any law enforcement agency or agent may report to the Attorney General pursuant to this section all information pertaining to any firearm taken into custody, except where the firearm has been voluntarily placed with the law enforcement agency for storage.

(b) When the department receives information from a local law enforcement agency pursuant to subdivision (a), it shall promptly forward this information to the National Tracing Center of the federal Bureau of Alcohol, Tobacco, Firearms and Explosives to the extent practicable.

(c) The Department of Justice shall implement an electronic system by January 1, 2002, to receive comprehensive tracing information from each local law enforcement agency, and to forward this information to the National Tracing Center.

(d) In implementing this section, the Attorney General shall ensure to the maximum extent practical that both of the following apply:

(1) The information he or she provides to the federal Bureau of Alcohol, Tobacco, Firearms and Explosives enables that agency to trace the ownership of the firearm described in subdivision (a).

(2) Local law enforcement agencies can report all relevant information without being unduly burdened by this reporting function.

(e) Information collected pursuant to this section shall be maintained by the department for a period of not less than 10 years, and shall be available, under guidelines set forth by the Attorney General, for academic and policy research purposes.

(f) The Attorney General shall have the authority to issue regulations to further the purposes of this section.

SEC. 4. Section 12010 of the Penal Code is amended to read:

12010. (a) The Attorney General shall establish and maintain an online database to be known as the Prohibited Armed Persons File. The purpose of the file is to cross-reference persons who have ownership or possession of a firearm on or after January 1, 1991, as indicated by a record in the Consolidated Firearms Information System, and who, subsequent to the date of that ownership or possession of a firearm, fall within a class of persons who are prohibited from owning or possessing a firearm.

(b) The information contained in the Prohibited Armed Persons File shall only be available to those entities specified in, and pursuant to, subdivision (b) or (c) of Section 11105, through the California Law

Enforcement Telecommunications System, for the purpose of determining if persons are armed and prohibited from possessing firearms.

SEC. 5. Section 12011 of the Penal Code is amended to read:

12011. The Prohibited Armed Persons File database shall function as follows:

(a) Upon entry into the Automated Criminal History System of a disposition for a conviction of any felony, a conviction for any firearms-prohibiting charge specified in Section 12021, a conviction for an offense described in Section 12021.1, a firearms prohibition pursuant to Section 8100 or 8103 of the Welfare and Institutions Code, or any firearms possession prohibition identified by the federal National Instant Check System, the Department of Justice shall determine if the subject has an entry in the Consolidated Firearms Information System indicating possession or ownership of a firearm on or after January 1, 1991, or an assault weapon registration.

(b) Upon an entry into any department automated information system that is used for the identification of persons who are prohibited from acquiring, owning, or possessing firearms, the department shall determine if the subject has an entry in the Consolidated Firearms Information System indicating ownership or possession of a firearm on or after January 1, 1991, or an assault weapon registration.

(c) If the department determines that, pursuant to subdivision (a) or (b), the subject has an entry in the Consolidated Firearms Information System indicating possession or ownership of a firearm on or after January 1, 1991, or an assault weapon registration, the following information shall be entered into the Prohibited Armed Persons File:

(1) The subject's name.

(2) The subject's date of birth.

(3) The subject's physical description.

(4) Any other identifying information regarding the subject that is deemed necessary by the Attorney General.

(5) The basis of the firearms possession prohibition.

(6) A description of all firearms owned or possessed by the subject, as reflected by the Consolidated Firearms Information System.

SEC. 6. Section 12021 of the Penal Code is amended to read:

12021. (a) (1) 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 subdivision (a), (b), or (d) of Section 12001.6, or who is addicted to the use of any narcotic drug, who owns, purchases, receives, or has in his or her possession or under his or her custody or control any firearm is guilty of a felony.

(2) Any person who has two or more convictions for violating paragraph (2) of subdivision (a) of Section 417 and who owns, purchases, receives, 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 71, 76, 136.1, 136.5, or 140, subdivision (d) of Section 148, Section 171b, 171c, 171d, 186.28, 240, 241, 242, 243, 244.5, 245, 245.5, 246.3, 247, 273.5, 273.6, 417, 417.6, 422, 626.9, 646.9, 12023, or 12024, subdivision (b) or (d) of Section 12034, Section 12040, subdivision (b) of Section 12072, subdivision (a) of former Section 12100, Section 12220, 12320, or 12590, or Section 8100, 8101, or 8103 of the Welfare and Institutions Code, any firearm-related offense pursuant to Sections 871.5 and 1001.5 of the Welfare and Institutions Code, or of the conduct punished in paragraph (3) of subdivision (g) of Section 12072, and who, within 10 years of the conviction, owns, purchases, receives, 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 a county jail not exceeding one year or in the state prison, 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) or (3).

(2) Any person employed as a peace officer described in Section 830.1, 830.2, 830.31, 830.32, 830.33, or 830.5 whose 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 under Section 273.5, 273.6, or 646.9, may petition the court only once for relief from this prohibition. The petition shall be filed with the court in which the petitioner was sentenced. If possible, the matter shall be heard before the same judge who sentenced the petitioner. Upon filing the petition, the clerk of the court shall set the hearing date and shall notify the petitioner and the prosecuting attorney of the date of the hearing. Upon making each of the following findings, 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:

(A) Finds by a preponderance of the evidence that the petitioner is likely to use a firearm in a safe and lawful manner.

(B) Finds that the petitioner is not within a prohibited class as specified in subdivision (a), (b), (d), (e), or (g) or Section 12021.1, and the court is not presented with any credible evidence that the petitioner is a person described in Section 8100 or 8103 of the Welfare and Institutions Code.

(C) Finds that the petitioner does not have a previous conviction under this subdivision no matter when the prior conviction occurred.

In making its decision, the court shall consider the petitioner's continued employment, the interest of justice, any relevant evidence, and the totality of the circumstances. The court shall require, as a condition of granting relief from the prohibition under this section, that the petitioner agree to participate in counseling as deemed appropriate by the court. Relief from the prohibition shall not relieve any other person or entity from any liability that might otherwise be imposed. 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 to permit persons who were convicted of an offense specified in Section 273.5, 273.6, or 646.9 to seek relief from the prohibition imposed by this subdivision.

(3) Any person who is subject to the prohibition imposed by this subdivision because of a conviction of an offense prior to that offense being added to paragraph (1) may petition the court only once for relief from this prohibition. The petition shall be filed with the court in which the petitioner was sentenced. If possible, the matter shall be heard before the same judge that sentenced the petitioner. Upon filing the petition, the clerk of the court shall set the hearing date and notify the petitioner and the prosecuting attorney of the date of the hearing. Upon making each of the following findings, 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:

(A) Finds by a preponderance of the evidence that the petitioner is likely to use a firearm in a safe and lawful manner.

(B) Finds that the petitioner is not within a prohibited class as specified in subdivision (a), (b), (d), (e), or (g) or Section 12021.1, and the court is not presented with any credible evidence that the petitioner is a person described in Section 8100 or 8103 of the Welfare and Institutions Code.

(C) Finds that the petitioner does not have a previous conviction under this subdivision, no matter when the prior conviction occurred.

In making its decision, the court may consider 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.

(4) Law enforcement officials who enforce the prohibition specified in this subdivision against a person who has been granted relief pursuant to paragraph (2) or (3) shall be immune from any liability for false arrest arising from the enforcement of this subdivision unless the person has in his or her possession a certified copy of the court order that granted the person relief from the prohibition. This immunity from liability shall not relieve any person or entity from any other liability that might otherwise be imposed.

(d) (1) 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, purchases, receives, 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 a county jail not exceeding one year or in the state prison, 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.

(2) For any person who is subject to subdivision (a), (b), or (c), the court shall, at the time judgment is imposed, provide on a form supplied by the Department of Justice, a notice to the defendant prohibited by this section from owning, purchasing, receiving, possessing or having under his or her custody or control, any firearm. The notice shall inform the defendant of the prohibition regarding firearms and include a form to facilitate the transfer of firearms. Failure to provide the notice shall not be a defense to a violation of this section.

(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, an offense described in subdivision (b) of Section 1203.073, any offense enumerated in paragraph (1) of subdivision (c), or any offense described in subdivision (a) of Section 12025, subdivision (a) of Section 12031, or subdivision (a) of Section 12034, and (2) 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, an offense described in subdivision (b) of Section 1203.073, any offense enumerated in paragraph (1) of subdivision (c), or any offense described in subdivision (a) of Section 12025, subdivision (a) of Section 12031, or subdivision (a) of Section 12034, 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 a county jail not exceeding one year or in the state prison, 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) (1) Every person who purchases or receives, or attempts to purchase or receive, a firearm knowing that he or she is prohibited from doing so by a temporary restraining order or injunction issued pursuant to Section 527.6 or 527.8 of the Code of Civil Procedure, a protective order as defined in Section 6218 of the Family Code, or issued pursuant to Section 136.2 or 646.91 of this code, or by a protective order issued pursuant to Section 15657.03 of the Welfare and Institutions Code, is guilty of a public offense, which shall be punishable by imprisonment in a county jail not exceeding one year or in the state prison, by a fine not exceeding one thousand dollars ($1,000), or by both that imprisonment and fine.

(2) Every person who owns or possesses a firearm knowing that he or she is prohibited from doing so by a temporary restraining order or injunction issued pursuant to Section 527.6 or 527.8 of the Code of Civil Procedure, a protective order as defined in Section 6218 of the Family Code, a protective order issued pursuant to Section 136.2 or 646.91 of this code, or by a protective order issued pursuant to Section 15657.03 of the Welfare and Institutions Code, is guilty of a public offense, which shall be punishable by imprisonment 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.

(3) Judicial Council shall provide notice on all protective orders that the respondent is prohibited from owning, possessing, purchasing, receiving, or attempting to purchase or receive a firearm while the protective order is in effect. The order shall also state that the firearm shall be relinquished to the local law enforcement agency for that jurisdiction or sold to a licensed gun dealer, and that proof of surrender or sale shall be filed within a specified time of receipt of the order. The order shall state the penalties for a violation of the prohibition. The order shall also state on its face the expiration date for relinquishment.

(4) If probation is granted upon conviction of a violation of this subdivision, the court shall impose probation consistent with the provisions of Section 1203.097.

(h) (1) A violation of subdivision (a), (b), (c), (d), or (e) is justifiable where all of the following conditions are met:

(A) The person found the firearm or took the firearm from a person who was committing a crime against him or her.

(B) The person possessed the firearm no longer than was necessary to deliver or transport the firearm to a law enforcement agency for that agency's disposition according to law.

(C) If the firearm was transported to a law enforcement agency, it was transported in accordance with paragraph (18) of subdivision (a) of Section 12026.2.

(D) If the firearm is being transported to a law enforcement agency, the person transporting the firearm has given prior notice to the law enforcement agency that he or she is transporting the firearm to the law enforcement agency for disposition according to law.

(2) Upon the trial for violating subdivision (a), (b), (c), (d), or (e), the trier of fact shall determine whether the defendant was acting within the provisions of the exemption created by this subdivision.

(3) The defendant has the burden of proving by a preponderance of the evidence that he or she comes within the provisions of the exemption created by this subdivision.

(i) Subject to available funding, the Attorney General, working with the Judicial Council, the California Alliance Against Domestic Violence, prosecutors, and law enforcement, probation, and parole officers, shall develop a protocol for the implementation of the provisions of this section. The protocol shall be designed to facilitate the enforcement of restrictions on firearm ownership, including provisions for giving notice to defendants who are restricted, provisions for informing those defendants of the procedures by which defendants shall dispose of firearms when required to do so, provisions explaining how defendants shall provide proof of the lawful disposition of firearms, and provisions explaining how defendants may obtain possession of seized firearms when legally permitted to do so pursuant to this section or any

other provision of law. The protocol shall be completed on or before January 1, 2005.

SEC. 7. Section 12076.5 of the Penal Code, as added by Chapter 940 of the Statutes of 2001, is repealed.

SEC. 8. Section 12082 of the Penal Code is amended to read:

12082. (a) A person shall complete any sale, loan, or transfer of a firearm through a person licensed pursuant to Section 12071 in accordance with this section in order to comply with subdivision (d) of Section 12072. The seller or transferor or the person loaning the firearm shall deliver the firearm to the dealer who shall retain possession of that firearm. The dealer shall then deliver the firearm to the purchaser or transferee or the person being loaned the firearm, if it is not prohibited, in accordance with subdivision (c) of Section 12072. If the dealer cannot legally deliver the firearm to the purchaser or transferee or the person being loaned the firearm, the dealer shall forthwith, without waiting for the conclusion of the waiting period described in Sections 12071 and 12072, return the firearm to the transferor or seller or the person loaning the firearm. The dealer shall not return the firearm to the seller or transferor or the person loaning the firearm when to do so would constitute a violation of subdivision (a) of Section 12072. If the dealer cannot legally return the firearm to the transferor or seller or the person loaning the firearm, then the dealer shall forthwith deliver the firearm to the sheriff of the county or the chief of police or other head of a municipal police department of any city or city and county who shall then dispose of the firearm in the manner provided by Sections 12028 and 12032. The purchaser or transferee or person being loaned the firearm may be required by the dealer to pay a fee not to exceed ten dollars ($10) per firearm, and no other fee may be charged by the dealer for a sale, loan, or transfer of a firearm conducted pursuant to this section, except for the applicable fees that may be charged pursuant to Sections 12076, 12076.5, and 12088.9 and forwarded to the Department of Justice, and the fees set forth in Section 12805. Nothing in these provisions shall prevent a dealer from charging a smaller fee. The dealer may not charge any additional fees.

(b) The Attorney General shall adopt regulations under this section to do all of the following:

(1) Allow the seller or transferor of the person loaning the firearm, and the purchaser or transferee or the person being loaned the firearm, to complete a sale, loan, or transfer through a dealer, and to allow those persons and the dealer to comply with the requirements of this section and Sections 12071, 12072, 12076, and 12077 and to preserve the confidentiality of those records.

(2) Where a personal handgun importer is selling or transferring a pistol, revolver, or other firearm capable of being concealed upon the

person to comply with clause (ii) of subparagraph (A) of paragraph (2) of subdivision (f) of Section 12072, to allow a personal handgun importer's ownership of the pistol, revolver, or other firearm capable of being concealed upon the person being sold or transferred to be recorded in a manner that if the firearm is returned to that personal handgun importer because the sale or transfer cannot be completed, the Department of Justice will have sufficient information about that personal handgun importer so that a record of his or her ownership can be maintained in the registry provided by subdivision (c) of Section 11106.

(3) Ensure that the register or record of electronic transfer shall state the name and address of the seller or transferor of the firearm or the person loaning the firearm and whether or not the person is a personal handgun importer in addition to any other information required by Section 12077.

(c) Notwithstanding any other provision of law, a dealer who does not sell, transfer, or keep an inventory of handguns is not required to process private party transfers of handguns.

(d) A violation of this section by a dealer is a misdemeanor.

SEC. 9. Any section of any act enacted by the Legislature during the 2004 calendar year that takes effect on or before January 1, 2005, and that amends, amends and renumbers, adds, repeals and adds, or repeals any one or more of the sections affected by this act, with the exception of Assembly Bill 3082, shall prevail over this act, whether that act is enacted prior to, or subsequent to, the enactment of this act. The repeal, or repeal and addition, of any article, chapter, title, part, or division of any code by this act shall not become operative if any section of any other act is enacted by the Legislature during the 2004 calendar year and takes effect on or before January 1, 2005, amends, amends and renumbers, adds, repeals and adds, or repeals any section contained in that article, chapter, title, part, or division.

SEC. 10. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 594

An act to add and repeal Section 14601.9 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 18, 2004. Filed with Secretary of State September 18, 2004.]

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

SECTION 1. Section 14601.9 is added to the Vehicle Code, to read:

14601.9. (a) (1) The district attorney of the County of Alameda, Fresno, Kern, Los Angeles, Merced, Orange, Placer, Riverside, Sacramento, San Diego, San Joaquin, San Luis Obispo, San Mateo, Santa Barbara, or Santa Cruz, with the approval of the board of supervisors, may establish a pilot program for persons who plead guilty or no contest or who are found guilty of a violation of Section 14601, 14601.1, or 14601.3. The district attorney may conduct the program or contract with a private entity to conduct the program.

(2) A city located within the boundaries of a county listed in paragraph (1) may establish the pilot program in the city, if the city has a city attorney, the county district attorney has consented, pursuant to Section 41803.5 of the Government Code, to allow the city attorney to prosecute misdemeanors within the city, and the city council approves the establishment of the program. The city attorney may conduct the program or contract with a private entity to conduct the program.

(b) Subject to the approval of the court, a person who pleads guilty or no contest to a violation of, or is convicted of a violation of, Section 14601, 14601.1, or 14601.3 may enter into a written agreement with the district attorney of a county described in paragraph (1) of, or the city attorney of a city described in paragraph (2) of, subdivision (a). The prosecuting attorney for the case shall attest to the person's suitability and eligibility for enrollment in the program by signing the plea and sentencing agreement. If the court determines that the particular case is appropriate for referral to the program described in this section, the judge may make an order directing the person to comply with the terms of the agreement. Participation in the program shall be in lieu of imposing a jail sentence under Section 14601, 14601.1, or 14601.3. The agreement shall require the person to complete all of the following elements within 60 days or within the term of the maximum jail sentence allowed under Section 14601, 14601.1, or 14601.3, whichever period is longer:

(1) A home detention program utilizing an electronic monitoring program and equipment that meets acceptable standards as described in Section 1203.016 of the Penal Code, for not less than the minimum jail

sentence, and not more than the maximum jail sentence, provided under Section 14601, 14601.1, or 14601.3, as applicable. The electronic monitoring program described in this paragraph shall be provided under the auspices of the district attorney or city attorney, or his or her designee. The court may allow a person to attend school, work, or other specified activities while on electronic monitoring.

(2) One or more classes conducted by the district attorney or city attorney, or by a private entity under contract with the district attorney or city attorney. The class or classes, at a minimum, shall provide instruction on all of the following:

(A) The requirements imposed under Section 14601, 14601.1, or 14601.3, including, but not limited to, the penalties for violating those provisions.

(B) Available transportation alternatives for persons who do not have a valid driver's license.

(C) The procedure for regaining the privilege to drive.

(c) No statement, or information procured from a statement, made by the person in connection with the determination of his or her eligibility for the program, and no statement, or information procured from a statement, made by the person, subsequent to the granting of the program or while participating in the program, and no information contained in any report made with respect thereto, and no statement or other information concerning the person's participation in the program is admissible in any action or proceeding.

(d) The court may impose any fine allowed under Section 14601, 14601.1, or 14601.3 upon a person who is ordered to participate in the program.

(e) (1) The district attorney or city attorney may recover fees for the program from participants or may provide for recovery of fees from participants by a private entity operating the program under contract.

(2) The recoverable fees described in this subdivision shall be charged to the participant in accordance with a fee schedule that has been approved by the board of supervisors or city council, or the district attorney or city attorney, or a designee of the district attorney or city attorney. The fees charged for the program shall be modified or waived by the district attorney or city attorney, or his or her designee at any time based on the present or changing financial position of the participant. A person shall not be denied participation in the program due to that person's inability to pay for the program.

(f) (1) On or before June 30, 2006, the district attorney of a county, and the city attorney of a city, that elects to participate in the program shall prepare and submit to the Legislature an interim report concerning the effectiveness of the program. The interim report shall include an audit that is organized by year of participation, identifies the number of

persons that participated in the program, and provides sufficient information on each participant to enable a determination as to whether the participant was suitable and eligible for participation in the program.

(2) On or before December 31, 2007, the district attorney of a county, and the city attorney of a city, that elects to participate in the pilot program specified in subdivision (a) shall prepare and submit a report to the Legislature concerning that county's or city's participation in the program.

(g) This section shall remain in effect only until January 1, 2008, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2008, 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 certain counties and the City of Los Angeles may participate in a pilot home-detention program under the provisions of this act at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 595

An act to amend Sections 13352 and 23109 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 18, 2004. Filed with Secretary of State September 18, 2004.]

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

SECTION 1. 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 an 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 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. If any offense specified in this section occurs in a vehicle defined in Section 15210, the suspension or revocation specified below shall apply to the noncommercial driving privilege. The commercial driving privilege shall be disqualified as

specified in Sections 15300 to 15302, inclusive. For the 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 23536, the privilege shall be suspended for a period of six months. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code described in subdivision (b) of Section 23538.

Instead of suspending the person's driving privilege, the department shall issue a restricted license upon receipt of an abstract of record from the court certifying that the court has granted probation to the person based on the conditions specified in paragraph (2) of subdivision (a) of, and subdivision (b) of, Section 23538.

(2) Upon a conviction or finding of a violation of Section 23153 punishable under Section 23554, the privilege shall be suspended for a period of one year. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23556.

(3) Except as provided in Section 13352.5, upon a conviction or finding of a violation of Section 23152 punishable under Section 23540, the privilege shall be suspended for two years. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23542. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 12 months of the suspension period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily provided, subsequent to the current underlying conviction, either of the following:

(i) Proof of enrollment in an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) Proof of enrollment in a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment.

(B) The person agrees, as a condition of the restriction, to continue satisfactory participation in the program described in subparagraph (A).

(C) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(D) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(E) The person provides proof of financial responsibility, as defined in Section 16430.

(F) The person pays all administrative fees or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(4) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23560, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person gives proof of financial responsibility, and the person gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23562. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 18 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in that 30-month program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(F) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(5) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23546, the privilege shall be revoked for a period of three years. The privilege shall not be reinstated until the person files proof of financial responsibility and gives proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 18 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23546 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section

11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(6) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23566, the privilege shall be revoked for a period of five years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 30 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(ii) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if a 30-month program is unavailable in the person's county of residence or employment.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23153 punishable under Section 23566 may also, at any time after sentencing,

petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(7) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23550 or 23550.5, or Section 23153 punishable under Section 23550.5 the privilege shall be revoked for a period of four years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 24 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23152 punishable under Section 23550 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(8) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (e) of that section, the privilege shall be suspended for a period of 90 days to six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(9) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (f) of that section, the privilege shall be suspended for a period of six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(b) For the purpose of paragraphs (2) to (9), inclusive, of subdivision (a), the finding of the juvenile court judge, the juvenile 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) A judge of a juvenile court, juvenile 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 that, 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 that, 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) For the purposes of the restriction conditions specified in paragraphs (3) to (7), inclusive, of subdivision (a), the department shall

terminate the restriction imposed pursuant to this section and shall suspend or revoke the person's driving privilege upon receipt of notification from the program that the person has failed to comply with the program requirements. The person's driving privilege shall remain suspended or revoked for the remaining period of the originating suspension or revocation and until all reinstatement requirements described in this section are met.

(f) For purposes of this section, completion of a program is the following:

(1) Satisfactory completion of all program requirements approved pursuant to program licensure, as evidenced by a certificate of completion issued, under penalty of perjury, by the licensed program.

(2) Certification, under penalty of perjury, by the director of a program specified in Section 8001 of the Penal Code, that the person has completed a program specified in Section 8001 of the Penal Code.

SEC. 1.1. 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 a person to operate a motor vehicle upon the receipt of an abstract of the record of any court showing that the person has been convicted of a violation of Section 23152 or 23153 or sub. (a), 23109, or upon the receipt of a report of a judge of the juvenile court, a juvenile 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. If any offense specified in this section occurs in a vehicle defined in Section 15210, the suspension or revocation specified below shall apply to the noncommercial driving privilege. The commercial driving privilege shall be disqualified as specified in Sections 15300 to 15302, inclusive. For the 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 23536, the privilege shall be suspended for a period of six months. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code described in subdivision (b) of Section 23538. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate and complete either program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in subdivision (b) of Section 23538.

Instead of suspending the person's driving privilege, the department shall issue a restricted license upon receipt of an abstract of record from

the court certifying that the court has granted probation to the person based on the conditions specified in paragraph (2) of subdivision (a) of, and subdivision (b) of, Section 23538.

(2) Upon a conviction or finding of a violation of Section 23153 punishable under Section 23554, the privilege shall be suspended for a period of one year. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23556. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate, and complete either program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in Section 23556.

(3) Except as provided in Section 13352.5, upon a conviction or finding of a violation of Section 23152 punishable under Section 23540, the privilege shall be suspended for two years. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23542. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 12 months of the suspension period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily provided, subsequent to the current underlying conviction, either of the following:

(i) Proof of enrollment in an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) Proof of enrollment in a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment.

(B) The person agrees, as a condition of the restriction, to continue satisfactory participation in the program described in subparagraph (A).

(C) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(D) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(E) The person provides proof of financial responsibility, as defined in Section 16430.

(F) The person pays all administrative fees or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(4) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23560, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person gives proof of financial responsibility, and the person gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23562. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 18 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in that 30-month program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(F) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(5) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23546, the privilege shall be revoked for a period of three years. The privilege shall not be reinstated until the person files proof of financial responsibility and gives proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section

11836 of the Health and Safety Code or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 18 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23546 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(6) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23566, the privilege shall be revoked for a period of five years. The privilege may

not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 30 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(ii) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if a 30-month program is unavailable in the person's county of residence or employment.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23153 punishable under Section 23566 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(7) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23550 or 23550.5, or Section 23153 punishable under Section 23550.5 the privilege shall be revoked for a period of four years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 24 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23550 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section

11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(8) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (e) of that section, the privilege shall be suspended for a period of 90 days to six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(9) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (f) of that section, the privilege shall be suspended for a period of six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(b) For the purpose of paragraphs (2) to (9), inclusive, of subdivision (a), the finding of the juvenile court judge, the juvenile 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) A judge of a juvenile court, juvenile 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 that, 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 that, 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) For the purposes of the restriction conditions specified in paragraphs (3) to (7), inclusive, of subdivision (a), the department shall terminate the restriction imposed pursuant to this section and shall suspend or revoke the person's driving privilege upon receipt of notification from the program that the person has failed to comply with the program requirements. The person's driving privilege shall remain suspended or revoked for the remaining period of the originating suspension or revocation and until all reinstatement requirements described in this section are met.

(f) For the purposes of this section, completion of a program is the following:

(1) Satisfactory completion of all program requirements approved pursuant to program licensure, as evidenced by a certificate of completion issued, under penalty of perjury, by the licensed program.

(2) Certification, under penalty of perjury, by the director of a program specified in Section 8001 of the Penal Code, that the person has completed a program specified in Section 8001 of the Penal Code.

SEC. 1.2. 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 an 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 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. If any offense specified in this section occurs in a vehicle defined in Section 15210, the suspension or revocation specified below shall apply to the noncommercial driving privilege. The commercial driving privilege shall be disqualified as specified in Sections 15300 to 15302, inclusive. For the 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 23536, the privilege shall be suspended for a period of six months. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code described in subdivision (b) of Section 23538.

Instead of suspending the person's driving privilege, the department shall issue a restricted license upon receipt of an abstract of record from the court certifying that the court has granted probation to the person based on the conditions specified in paragraph (2) of subdivision (a) of, and subdivision (b) of, Section 23538.

(2) Upon a conviction or finding of a violation of Section 23153 punishable under Section 23554, the privilege shall be suspended for a period of one year. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23556.

(3) Except as provided in Section 13352.5, upon a conviction or finding of a violation of Section 23152 punishable under Section 23540,

the privilege shall be suspended for two years. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23542. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 12 months of the suspension period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily provided, subsequent to the current underlying conviction, either of the following:

(i) Proof of enrollment in an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) Proof of enrollment in a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment.

(B) The person agrees, as a condition of the restriction, to continue satisfactory participation in the program described in subparagraph (A).

(C) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(D) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(E) The person provides proof of financial responsibility, as defined in Section 16430.

(F) The person pays all administrative fees or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(4) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23560, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person gives proof of financial responsibility, and the person gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23562. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 18 months of the

revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in that 30-month program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(F) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(5) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23546, the privilege shall be revoked for a period of three years. The privilege shall not be reinstated until the person files proof of financial responsibility and gives proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 18 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23546 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(6) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23566, the privilege shall be revoked for a period of five years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 30 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(ii) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if a 30-month program is unavailable in the person's county of residence or employment.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23153 punishable under Section 23566 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-infuence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(7) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23550 or 23550.5, or Section 23153 punishable under Section 23550.5 the privilege shall be revoked for a period of four years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit

shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 24 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23152 punishable under Section 23550 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(8) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (e) of that section, the privilege shall be suspended for a period of 90 days to six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(9) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (f) of that section, the privilege shall be suspended for a period of six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(b) For the purpose of paragraphs (2) to (9), inclusive, of subdivision (a), the finding of the juvenile court judge, the juvenile 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) A judge of a juvenile court, juvenile 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 that, 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 that, 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) For the purposes of the restriction conditions specified in paragraphs (3) to (7), inclusive, of subdivision (a), the department shall terminate the restriction imposed pursuant to this section and shall suspend or revoke the person's driving privilege upon receipt of notification from the program that the person has failed to comply with the program requirements. The person's driving privilege shall remain suspended or revoked for the remaining period of the originating suspension or revocation and until all reinstatement requirements described in this section are met.

(f) For purposes of this section, completion of a program is the following:

(1) Satisfactory completion of all program requirements approved pursuant to program licensure, as evidenced by a certificate of completion issued, under penalty of perjury, by the licensed program.

(2) Certification, under penalty of perjury, by the director of a program specified in Section 8001 of the Penal Code, that the person has completed a program specified in Section 8001 of the Penal Code.

(g) This section shall become inoperative on September 20, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 1.3. Section 13352 is added to the Vehicle Code, to read:

13352. (a) The department shall immediately suspend or revoke the privilege of a person to operate a motor vehicle upon receipt of an 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. If any offense specified in this section occurs in a vehicle defined in Section 15210, the suspension or revocation specified below shall apply to the noncommercial driving privilege. The commercial driving privilege shall be disqualified as specified in Sections 15300 to 15302, inclusive. For the purposes of this section, suspension or revocation shall be as follows:

(1) Except as required under Section 13352.4, upon a conviction or finding of a violation of Section 23152 punishable under Section 23536, the privilege shall be suspended for a period of six months. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code described in subdivision (b) of Section 23538. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit may not be given to any program activities completed prior to the date of the current violation.

(2) Upon a conviction or finding of a violation of Section 23153 punishable under Section 23554, the privilege shall be suspended for a period of one year. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23556. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit may not be given to any program activities completed prior to the date of the current violation.

(3) Except as provided in Section 13352.5, upon a conviction or finding of a violation of Section 23152 punishable under Section 23540, the privilege shall be suspended for two years. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) of Section 23542. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit may not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion

of 12 months of the suspension period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily provided, subsequent to the violation date of the current underlying conviction, either of the following:

(i) Proof of enrollment in an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) Proof of enrollment in a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment.

(B) The person agrees, as a condition of the restriction, to continue satisfactory participation in the program described in subparagraph (A).

(C) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(D) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(E) The person provides proof of financial responsibility, as defined in Section 16430.

(F) The person pays all administrative fees or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(4) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23560, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person gives proof of financial responsibility, and the person gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) of Section 23562. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 18 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in that 30-month program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(F) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(5) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23546, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person files proof of financial responsibility and gives proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) or (c) of Section 23548, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 18 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23546 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(6) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23550.5 or 23566, the privilege shall be revoked for a period of five years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as described in subdivision (b) of Section 23568, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 30 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of

Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(ii) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if a 30-month program is unavailable in the person's county of residence or employment.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23153 punishable under Section 23566 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(7) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23550 or 23550.5, or Section 23153 punishable under Section 23550.5 the privilege shall be revoked for a period of four years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program

specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 24 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23152 punishable under Section 23550 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(8) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (e) of that section, the privilege shall be suspended for a period of 90 days to six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(9) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (f) of that section, the privilege shall be suspended for a period of six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(b) For the purpose of paragraphs (2) to (9), inclusive, of subdivision (a), the finding of the juvenile court judge, the juvenile 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 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 that, 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 that, 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) For the purposes of the restriction conditions specified in paragraphs (3) to (7), inclusive, of subdivision (a), the department shall terminate the restriction imposed pursuant to this section and shall suspend or revoke the person's driving privilege upon receipt of notification from the driving-under-the-influence program that the person has failed to comply with the program requirements. The person's driving privilege shall remain suspended or revoked for the remaining period of the original suspension or revocation imposed under this section and until all reinstatement requirements described in this section are met.

(f) For purposes of this section, completion of a program is the following:

(1) Satisfactory completion of all program requirements approved pursuant to program licensure, as evidenced by a certificate of completion issued, under penalty of perjury, by the licensed program.

(2) Certification, under penalty of perjury, by the director of a program specified in Section 8001 of the Penal Code, that the person has completed a program specified in Section 8001 of the Penal Code.

(g) The holder of a commercial driver's license who was operating a commercial motor vehicle, as defined in Section 15210, at the time of a violation that resulted in a suspension or revocation of the person's noncommercial driving privilege under this section is not eligible for the

restricted driver's license authorized under paragraphs (3) to (7), inclusive, of subdivision (a).

(h) This section shall become operative on September 20, 2005.

SEC. 1.4. 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 a person to operate a motor vehicle upon the receipt of an 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 the receipt of a report of a judge of the juvenile court, a juvenile 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. If any offense specified in this section occurs in a vehicle defined in Section 15210, the suspension or revocation specified below shall apply to the noncommercial driving privilege. The commercial driving privilege shall be disqualified as specified in Sections 15300 to 15302, inclusive. For the 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 23536, the privilege shall be suspended for a period of six months. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code described in subdivision (b) of Section 23538. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate and complete either program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in subdivision (b) of Section 23538.

Instead of suspending the person's driving privilege, the department shall issue a restricted license upon receipt of an abstract of record from the court certifying that the court has granted probation to the person based on the conditions specified in paragraph (2) of subdivision (a) of, and subdivision (b) of, Section 23538.

(2) Upon a conviction or finding of a violation of Section 23153 punishable under Section 23554, the privilege shall be suspended for a period of one year. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) Section 23556. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate, and complete either

program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in Section 23556.

(3) Except as provided in Section 13352.5, upon a conviction or finding of a violation of Section 23152 punishable under Section 23540, the privilege shall be suspended for two years. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section 23542. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 12 months of the suspension period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily provided, subsequent to the current underlying conviction, either of the following:

(i) Proof of enrollment in an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) Proof of enrollment in a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment.

(B) The person agrees, as a condition of the restriction, to continue satisfactory participation in the program described in subparagraph (A).

(C) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(D) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(E) The person provides proof of financial responsibility, as defined in Section 16430.

(F) The person pays all administrative fees or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(4) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23560, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person gives proof of financial responsibility, and the person gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in Section

23562. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 18 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in that 30-month program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(F) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(5) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23546, the privilege shall be revoked for a period of three years. The privilege shall not be reinstated until the person files proof of financial responsibility and gives proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 18 months of the revocation period, the person may apply to the

department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23546 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(6) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23566, the privilege shall be revoked for a period of five years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit

shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 30 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(ii) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if a 30-month program is unavailable in the person's county of residence or employment.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23153 punishable under Section 23566 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(7) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23550 or 23550.5, or Section 23153 punishable under Section 23550.5 the privilege shall be revoked for a period of four years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or

employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 24 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23550 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(8) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (e) of that section, the privilege shall be suspended for a period of 90 days to six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(9) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (f) of that section, the privilege shall be suspended for a period of six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(b) For the purpose of paragraphs (2) to (9), inclusive, of subdivision (a), the finding of the juvenile court judge, the juvenile 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) A judge of a juvenile court, juvenile 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 that, 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 that, 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) For the purposes of the restriction conditions specified in paragraphs (3) to (7), inclusive, of subdivision (a), the department shall terminate the restriction imposed pursuant to this section and shall suspend or revoke the person's driving privilege upon receipt of notification from the program that the person has failed to comply with the program requirements. The person's driving privilege shall remain suspended or revoked for the remaining period of the originating suspension or revocation and until all reinstatement requirements described in this section are met.

(f) For the purposes of this section, completion of a program is the following:

(1) Satisfactory completion of all program requirements approved pursuant to program licensure, as evidenced by a certificate of completion issued, under penalty of perjury, by the licensed program.

(2) Certification, under penalty of perjury, by the director of a program specified in Section 8001 of the Penal Code, that the person has completed a program specified in Section 8001 of the Penal Code.

(g) This section shall become inoperative on September 20, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 1.5. Section 13352 is added to the Vehicle Code, to read:

13352. (a) The department shall immediately suspend or revoke the privilege of a person to operate a motor vehicle upon the receipt of an 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 the 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. If any offense specified in this section occurs in a vehicle defined in Section 15210, the suspension or revocation specified below shall apply to the noncommercial driving privilege. The commercial driving privilege shall be disqualified as specified in Sections 15300 to 15302, inclusive. For the purposes of this section, suspension or revocation shall be as follows:

(1) Except as required under Section 13352.4, upon a conviction or finding of a violation of Section 23152 punishable under Section 23536, the privilege shall be suspended for a period of six months. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code described in subdivision (b) of Section 23538. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate and complete either program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in subdivision (b) of Section 23538. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit may not be given to any program activities completed prior to the date of the current violation.

(2) Upon a conviction or finding of a violation of Section 23153 punishable under Section 23554, the privilege shall be suspended for a period of one year. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) Section 23556. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll, participate, and complete either program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in Section 23556. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall

be subsequent to the date of the current violation. Credit may not be given to any program activities completed prior to the date of the current violation.

(3) Except as provided in Section 13352.5, upon a conviction or finding of a violation of Section 23152 punishable under Section 23540, the privilege shall be suspended for two years. The privilege may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as described in subdivision (b) of Section 23542. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 12 months of the suspension period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily provided, subsequent to the violation date of the current underlying conviction, either of the following:

(i) Proof of enrollment in an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) Proof of enrollment in a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment.

(B) The person agrees, as a condition of the restriction, to continue satisfactory participation in the program described in subparagraph (A).

(C) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(D) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(E) The person provides proof of financial responsibility, as defined in Section 16430.

(F) The person pays all administrative fees or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(4) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23560, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person gives proof of financial responsibility,

and the person gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as described in subdivision (b) of Section 23562. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 18 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in that 30-month program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(F) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(5) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23546, the privilege shall be revoked for a period of three years. The privilege may not be reinstated until the person files proof of financial responsibility and gives proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as described in subdivision (b) or (c) of Section 23548, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the

purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 18 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23546 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(6) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23550.5 or 23566, the privilege shall be revoked for a period of five years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful

completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, as described in subdivision (b) of Section 23568 or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 30 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(ii) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if a 30-month program is unavailable in the person's county of residence or employment.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23153 punishable under Section 23566 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(7) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23550 or 23550.5, or Section 23153 punishable under Section 23550.5 the privilege shall be revoked for a period of four years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 24 months of the revocation period, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the violation date of the current underlying conviction, either of the following:

(i) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(B) The person submits the ''Verification of Installation'' form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) An individual convicted of a violation of Section 23152 punishable under Section 23550 may also, at any time after sentencing, petition the court for referral to an 18-month driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month

driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(8) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (e) of that section, the privilege shall be suspended for a period of 90 days to six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(9) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (f) of that section, the privilege shall be suspended for a period of six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(b) For the purpose of paragraphs (2) to (9), inclusive, of subdivision (a), the finding of the juvenile court judge, the juvenile 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) A judge of a juvenile court, juvenile 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 that, 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 that, 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) For the purposes of the restriction conditions specified in paragraphs (3) to (7), inclusive, of subdivision (a), the department shall terminate the restriction imposed pursuant to this section and shall suspend or revoke the person's driving privilege upon receipt of notification from the driving-under-the-influence program that the person has failed to comply with the program requirements. The person's driving privilege shall remain suspended or revoked for the remaining period of the original suspension or revocation imposed under

this section and until all reinstatement requirements described in this section are met.

(f) For the purposes of this section, completion of a program is the following:

(1) Satisfactory completion of all program requirements approved pursuant to program licensure, as evidenced by a certificate of completion issued, under penalty of perjury, by the licensed program.

(2) Certification, under penalty of perjury, by the director of a program specified in Section 8001 of the Penal Code, that the person has completed a program specified in Section 8001 of the Penal Code.

(g) The holder of a commercial driver's license who was operating a commercial motor vehicle, as defined in Section 15210, at the time of a violation that resulted in a suspension or revocation of the person's noncommercial driving privilege under this section is not eligible for the restricted driver's license authorized under paragraphs (3) to (7), inclusive, of subdivision (a).

(h) This section shall become operative on September 20, 2005.

SEC. 2. Section 23109 of the Vehicle Code is amended to read:

23109. (a) A person shall not engage in a motor vehicle speed contest on a highway. As used in this section, a motor vehicle speed contest includes a motor vehicle race against another vehicle, a clock, or other timing device. For purposes of this section, an event in which the time to cover a prescribed route of more than 20 miles is measured, but where the vehicle does not exceed the speed limits, is not a speed contest.

(b) A person shall not aid or abet in any motor vehicle speed contest on any highway.

(c) A person shall not engage in any motor vehicle exhibition of speed on a highway, and no person shall aid or abet in a motor vehicle exhibition of speed on any highway.

(d) A person shall not for the purpose of facilitating or aiding or as an incident to any motor vehicle speed contest or exhibition upon a highway in any manner obstruct or place a barricade or obstruction or assist or participate in placing a barricade or obstruction upon any highway.

(e) A person convicted of a violation of subdivision (a) shall be punished by imprisonment in a county jail for not less than 24 hours nor more than 90 days or by a fine of not less than three hundred fifty-five dollars ($355) nor more than one thousand dollars ($1,000), or by both that fine and imprisonment. That person shall also be required to perform 40 hours of community service. The court may order the privilege to operate a motor vehicle suspended for 90 days to six months, as provided in paragraph (8) of subdivision (a) of Section 13352. The person's privilege to operate a motor vehicle may be restricted for 90 days to six months to necessary travel to and from that person's place of

employment and, if driving a motor vehicle is necessary to perform the duties of the person's employment, restricted to driving in that person's scope of employment. This subdivision does not interfere with the court's power to grant probation in a suitable case.

(f) A person convicted of a violation of subdivision (a) for an offense that occurred within five years of the date of a prior offense that resulted in a conviction of a violation of subdivision (a) shall be punished by imprisonment in a county jail for not less than four days nor more than six months and by a fine of not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000). The court shall order the privilege to operate a motor vehicle suspended for a period of six months, as provided in paragraph (9) of subdivision (a) of Section 13352. In lieu of the suspension, the person's privilege to operate a motor vehicle may be restricted for six months to necessary travel to and from that person's place of employment and, if driving a motor vehicle is necessary to perform the duties of the person's employment, restricted to driving in that person's scope of employment. This subdivision does not interfere with the court's power to grant probation in a suitable case.

(g) If the court grants probation to any person punishable under subdivision (f), in addition to the provisions of subdivision (f) and any other terms and conditions imposed by the court, which may include a fine, the court shall impose as a condition of probation that the person be confined in a county jail for not less than 48 hours nor more than six months. The court shall order the person's privilege to operate a motor vehicle to be suspended for a period of six months, as provided in paragraph (9) of subdivision (a) of Section 13352 or restricted pursuant to subdivision (f).

(h) If a person is convicted of a violation of subdivision (a) and the vehicle used in the violation is registered to that person, the vehicle may be impounded at the registered owner's expense for not less than one day nor more than 30 days.

(i) Any person who violates subdivision (b), (c), or (d) of this section shall upon conviction thereof be punished by imprisonment in a county jail for not more than 90 days or by a fine of not more than five hundred dollars ($500) or by both that fine and imprisonment.

(j) If a person's privilege to operate a motor vehicle is restricted by a court pursuant to this section, the court shall clearly mark the restriction and the dates of the restriction on that person's driver's license and promptly notify the Department of Motor Vehicles of the terms of the restriction in a manner prescribed by the department. The Department of Motor Vehicles shall place that restriction in the person's records in the Department of Motor Vehicles and enter the restriction on any license subsequently issued by the Department of Motor Vehicles to that person during the period of the restriction.

(k) The court may order that any person convicted under this section, who is to be punished by imprisonment in a county jail, be imprisoned on days other than days of regular employment of the person, as determined by the court.

(*l*) This section shall be known and may be cited as the Louis Friend Memorial Act.

SEC. 3. (a) Section 1.1 of this bill incorporates amendments to Section 13352 of the Vehicle Code proposed by both this bill and SB 1694. Section 1.1 shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 13352 of the Vehicle Code, (3) SB 1697 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after SB 1694, in which case Sections 1, 1.2, 1.3, 1.4, and 1.5 of this bill shall not become operative.

(b) Sections 1.2 and 1.3 of this bill incorporate amendments to Section 13352 of the Vehicle Code proposed by both this bill and SB 1697. Sections 1.2 and 1.3 shall only become operative if (1) both bills are enacted and become operative on or before January 1, 2005, (2) each bill amends Section 13352 of the Vehicle Code, (3) SB 1694 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after SB 1697, in which case Sections 1, 1.1, 1.4, and 1.5 of this bill shall not become operative.

(c) Sections 1.4 and 1.5 of this bill incorporate amendments to Section 13352 of the Vehicle Code proposed by this bill, SB 1694, and SB 1697. Sections 1.4 and 1.5 shall only become operative if (1) all three bills are enacted and become effective January 1, 2005, (2) all three bills amend Section 13352 of the Vehicle Code, and (3) this bill is enacted after SB 1694 and SB 1697, in which case Sections 1, 1.1, 1.2, and 1.3 shall not become operative.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 596

An act to add Section 1875.24 to the Insurance Code, relating to insurance fraud.

[Approved by Governor September 20, 2004. Filed with
Secretary of State September 20, 2004.]

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

SECTION 1. Section 1875.24 is added to the Insurance Code, to read:

1875.24. (a) If after examination, or upon the basis of other information, the commissioner has good cause to believe that an insurer to whom the provisions of this article apply does not comply with the requirements of this article, or with the regulations set forth in Article 2 (commencing with Section 2698.30) of Subchapter 9 of Chapter 5 of Title 10 of the California Code of Regulations, the commissioner shall notify the insurer of its noncompliance. The notice shall state in what manner and to what extent the noncompliance is alleged to exist, shall specify a reasonable time, not less than 10 days thereafter, in which the noncompliance may be corrected, and shall set forth the amount of any penalty that may be due under subdivision (b).

(b) Any insurer that fails to comply with the provisions of this article or with the regulations described in subdivision (a) shall be liable to the state for a civil penalty not to exceed five thousand dollars ($5,000) for each act, or, if the act was willful, a civil penalty not to exceed ten thousand dollars ($10,000) for each act. The commissioner shall have the discretion to determine what constitutes an act. However, when violations relative to the maintenance and operation of the unit or division are inadvertent, the violations shall be considered a single act for the purpose of this section. Any penalty imposed by the commissioner pursuant to this section shall be determined as provided in subdivision (d) of this section and Article 19 (commencing with Section 2591) of Subchapter 3 of Chapter 5 of Title 10 of the California Code of Regulations. Notwithstanding subdivision (c) of Section 2591.1 of Title 10 of the California Code of Regulations, enforcement of any provision of this section shall be deemed an enforcement action pursuant to Article 19 (commencing with Section 2591) of Subchapter 3 of Chapter 5 of that title.

(c) An insurer served with a notice of noncompliance described herein shall, within the time specified therein, do one or more of the following:

(1) Establish to the satisfaction of the commissioner that the noncompliance does not exist.

(2) Request a hearing, notice of which must be given at least 30 days prior to the date set for a hearing.

(3) Enter into a consent order with the commissioner to correct the specified noncompliance within the time period specified in the consent order.

(d) If, after hearing, the commissioner finds that the facts alleged in the notice of noncompliance are true, he or she shall issue an order requiring compliance with the provisions of this article within a reasonable time. An insurer that fails to comply with an order issued by the commissioner, including a consent order, shall be liable to the state for a civil penalty not to exceed ten thousand dollars ($10,000) for each day the insurer fails to comply with the provisions of the order. Any order, including any consent order, issued pursuant to this section shall specify the amount of the penalty due under subdivision (b), and shall indicate that an additional penalty shall be imposed for each day the insurer fails to comply with the order within the time specified therein. In addition to any other remedy provided by statute, regulation, or otherwise, the commissioner may direct the insurer to take any other corrective action that he or she may deem necessary and proper.

(e) The commissioner shall adopt regulations necessary to implement this section in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

———

CHAPTER 597

An act to add Section 25150.8 to, and to add and repeal Section 25150.7 of, the Health and Safety Code, relating to hazardous waste.

[Approved by Governor September 20, 2004. Filed with Secretary of State September 20, 2004.]

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

SECTION 1. Section 25150.7 is added to the Health and Safety Code, to read:

25150.7. (a) The Legislature finds and declares that this section is intended to address the unique circumstances associated with the generation and management of treated wood waste. The Legislature further declares that this section shall not be construed as setting a precedent applicable to the management, including disposal, of other hazardous wastes.

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

(1) ''Treated wood'' means wood that has been treated with a chemical preservative for purposes of protecting the wood against attacks from insects, microorganisms, fungi, and other environmental conditions that can lead to decay of the wood and the chemical preservative is registered pursuant to the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. Sec. 136 and following).

(2) ''Wood preserving industry'' means business concerns, other than retailers, that manufacture or sell treated wood products in the state.

(c) This section applies only to treated wood waste that is a hazardous waste, solely due to the presence of a preservative in the wood, and to which both of the following requirements apply:

(1) The treated wood waste is not subject to regulation as a hazardous waste under the federal act.

(2) Section 25143.1.5 does not apply to the treated wood waste.

(d) (1) Notwithstanding Sections 25157.8, 25189.5, and 25201, treated wood waste shall be disposed of in either a class I hazardous waste landfill, or in a composite-lined portion of a solid waste landfill unit that meets all requirements applicable to disposal of municipal solid waste in California after October 9, 1993, and that is regulated by waste discharge requirements issued pursuant to Division 7 (commencing with Section 13000) of the Water Code for discharges of designated waste, as defined in Section 13173 of the Water Code, or treated wood waste.

(2) A solid waste landfill that accepts treated wood waste shall comply with all of the following requirements:

(A) Manage the treated wood waste so as to prevent scavenging.

(B) Ensure that any management of the treated wood waste at the solid waste landfill prior to disposal, or in lieu of disposal, complies with the applicable requirements of this chapter, except as otherwise provided pursuant to subdivision (e) or regulations adopted pursuant to subdivision (g).

(C) If monitoring at the composite-lined portion of a landfill unit at which treated wood waste has been disposed of indicates a verified release, then treated wood waste shall no longer be discharged to that landfill unit until corrective action results in cessation of the release.

(e) (1) Treated wood waste is exempt from the requirements of this chapter if all of the following requirements are met:

(A) The treated wood waste is managed so as to prevent scavenging.

(B) The treated wood waste is not disposed of, except as allowed pursuant to subdivision (d).

(C) The treated wood waste is not burned, recycled, reclaimed, or reused, except in accordance with the applicable requirements of this chapter and the regulations adopted pursuant to this chapter.

(D) On and after July 1, 2005, the treated wood waste is not stored for more than 90 days and, when stored, is protected from run-on and run-off, and placed on a surface sufficiently impervious to prevent, to the extent practical, contact with and any leaching to soil or water.

(E) The treated wood waste is not mixed with other wood waste prior to disposal.

(F) The treated wood waste is handled in a manner consistent with all applicable requirements of the California Occupational Safety and Health Act of 1973 (Chapter 1 (commencing with Section 6300) of Part 1 of Division 5 of the Labor Code), including all rules, regulations, and orders relating to hazardous waste.

(2) The exemption provided by this subdivision shall remain in effect until January 1, 2007, and as of that date is inoperative.

(f) (1) Each wholesaler and retailer of treated wood and treated wood-like products in this state shall conspicuously post information at or near the point of display or customer selection of treated wood and treated wood-like products used for fencing, decking, retaining walls, landscaping, outdoor structures, and similar uses. The information shall be provided to wholesalers and retailers by the wood preserving industry in 22-point font, or larger, and contain the following message:

Warning - Potential Danger

These products are treated with wood preservatives registered with the United States Environmental Protection Agency and the California Department of Pesticide Regulation and should only be used in compliance with the product labels.

This wood may contain chemicals classified by the State of California as hazardous and should be handled and disposed of with care. Check

product label for specific preservative information and Proposition 65 warnings concerning presence of chemicals known to the State of California to cause cancer or birth defects.

Anyone working with treated wood, and anyone removing old treated wood, needs to take precautions to minimize exposure to themselves, children, pets, or wildlife, including:

☐ Avoid contact with skin. Wear gloves and long sleeved shirts when working with treated wood. Wash exposed areas thoroughly with mild soap and water after working with treated wood.

☐ Wear a dust mask when machining any wood to reduce the inhalation of wood dusts. Avoid frequent or prolonged inhalation of sawdust from treated wood. Machining operations should be performed outdoors whenever possible to avoid indoor accumulations of airborne sawdust.

☐ Wear appropriate eye protection to reduce the potential for eye injury from wood particles and flying debris during machining.

☐ If preservative or sawdust accumulates on clothes, launder before reuse. Wash work clothes separately from other household clothing.

☐ Promptly clean up and remove all sawdust and scraps and dispose of appropriately.

☐ Do not use treated wood under circumstances where the preservative may become a component of food or animal feed.

☐ Only use treated wood that's visibly clean and free from surface residue for patios, decks, or walkways.

☐ Do not use treated wood where it may come in direct or indirect contact with public drinking water, except for uses involving incidental contact such as docks and bridges.

☐ Do not use treated wood for mulch.

☐ Do not burn treated wood. Preserved wood should not be burned in open fires, stoves, or fireplaces.

For further information, go to (Web site) or call (toll free number).

In addition to the above listed precautions, treated wood waste shall be managed in compliance with applicable hazardous waste control laws.

(2) On or before July 1, 2005, the wood preserving industry shall, jointly and in consultation with the department, make information available to generators of treated wood waste, including fencing, decking and landscape contractors, solid waste landfills, and transporters, that describes how to best handle, dispose of, and otherwise manage treated wood waste, through the use either of a toll-free telephone number, Internet Web site, information labeled on the treated wood, information accompanying the sale of the treated wood, or by mailing if the department determines that mailing is feasible and other methods of communication would not be as effective. A treated wood

manufacturer or supplier to a wholesaler or retailer shall also provide the information with each shipment of treated wood products to a wholesaler or retailer, and the wood preserving industry shall provide it to fencing, decking, and landscaping contractors, by mail, using the Contractor's State Licensing Board's available listings, and license application packages. The department may provide guidance to the wood preserving industry, to the extent resources permit.

(g) (1) On or before January 1, 2007, the department, in consultation with the California Integrated Waste Management Board, the State Water Resources Control Board, and the Office of Environmental Health Hazard Assessment, and after consideration of any known health hazards associated with treated wood waste, shall adopt and may subsequently revise as necessary, regulations establishing management standards for treated wood waste as an alternative to the requirements specified in this chapter and the regulations adopted pursuant to this chapter.

(2) The regulations adopted pursuant to this subdivision shall, at a minimum, ensure all of the following:

(A) Treated wood waste is properly stored, treated, transported, tracked, disposed of, and otherwise managed so as to prevent, to the extent practical, releases of hazardous constituents to the environment, prevent scavenging, and prevent harmful exposure of people, including workers and children, aquatic life, and animals to hazardous chemical constituents of the treated wood waste.

(B) Treated wood waste is not reused, with or without treatment, except for a purpose that is consistent with the approved use of the preservative with which the wood has been treated. For purposes of this subparagraph, ''approved uses'' means a use approved at the time the treated wood waste is reused.

(C) Treated wood waste is managed in accordance with all applicable laws.

(D) Any size reduction of treated wood waste is conducted in a manner that prevents the uncontrolled release of hazardous constituents to the environment, and that conforms to applicable worker health and safety requirements.

(E) All sawdust and other particles generated during size reduction are captured and managed as treated wood waste.

(F) All employees involved in the acceptance, storage, transport, and other management of treated wood waste are trained in the safe and legal management of treated wood waste, including, but not limited to, procedures for identifying and segregating treated wood waste.

(3) This subdivision does not authorize the department to adopt a regulation that does one or more of the following:

(A) Imposes a requirement as an addition to, rather than as an alternative to, one or more of the requirements of this chapter.

(B) Supersedes subdivision (d) concerning the disposal of treated wood waste.

(C) Supersedes any other provision of this chapter that provides a conditional or unconditional exclusion, exemption, or exception to a requirement of this chapter or the regulations adopted pursuant to this chapter, except the department may adopt a regulation pursuant to this subdivision that provides an alternative condition for a requirement specified in this chapter for an exclusion, exemption, or exception and that allows an affected person to choose between complying with the requirements specified in this chapter or complying with the alternative conditions set forth in the regulation.

(h) (1) A person managing treated wood waste who is subject to a requirement of this chapter, including a regulation adopted pursuant to this chapter, shall comply with either the alternative standard specified in the regulations adopted pursuant to subdivision (g) or with the requirements of this chapter.

(2) A person who is in compliance with the alternative standard specified in the regulations adopted pursuant to subdivision (g) is deemed to be in compliance with the requirement of this chapter for which the regulation is identified as being an alternative, and the department and any other entity authorized to enforce this chapter shall consider that person to be in compliance with that requirement of this chapter.

(i) On January 1, 2005, all variances granted by the department before January 1, 2005, governing the management of treated wood waste are inoperative and have no further effect.

(j) Nothing in this section may be construed to limit the authority or responsibility of the department to adopt regulations under any other provision of law.

(k) On or before June 1, 2011, the department shall prepare and post on its Web site a report that makes a determination regarding the successful compliance with, and implementation of, this section.

(*l*) (1) This section shall become inoperative on June 1, 2012, and, as of January 1, 2013 is repealed, unless a later enacted statute that becomes operative on or before January 1, 2013, deletes or extends the dates on which it becomes inoperative and is repealed.

(2) Notwithstanding paragraph (1), any regulations adopted pursuant to this section on or before June 1, 2012 shall continue in force and effect after that date, until repealed or revised by the department.

SEC. 2. Section 25150.8 is added to the Health and Safety Code, to read:

25150.8. If treated wood waste is accepted by a solid waste landfill that manages and disposes of the treated wood waste in accordance with Section 25143.1.5 or paragraphs (1) and (2) of subdivision (d) of Section 25150.7, the treated wood waste, upon acceptance by the solid waste landfill, shall thereafter be deemed to be a solid waste, and not a hazardous waste, for purposes of this chapter and Section 40191 of the Public Resources Code.

SEC. 3. On or before June 1, 2006, the Senate Office of Research, in consultation with appropriate agencies, shall review and make findings regarding policy options concerning treated wood products.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 598

An act to amend Section 19826 of the Business and Professions Code, relating to gambling.

[Approved by Governor September 20, 2004. Filed with Secretary of State September 20, 2004.]

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

SECTION 1. Section 19826 of the Business and Professions Code is amended to read:

19826. The division shall have all of the following responsibilities:

(a) To investigate the qualifications of applicants before any license, permit, or other approval is issued, and to investigate any request to the commission for any approval that may be required pursuant to this chapter. The division may recommend the denial or the limitation, conditioning, or restriction of any license, permit, or other approval.

(b) To monitor the conduct of all licensees and other persons having a material involvement, directly or indirectly, with a gambling operation or its holding company, for the purpose of ensuring that licenses are not issued or held by, and that there is no direct or indirect material involvement with, a gambling operation or holding company by ineligible, unqualified, disqualified, or unsuitable persons, or persons

whose operations are conducted in a manner that is inimical to the public health, safety, or welfare.

(c) To investigate suspected violations of this chapter or laws of this state relating to gambling, including any activity prohibited by Chapter 9 (commencing with Section 319) or Chapter 10 (commencing with Section 330) of Title 9 of Part 1 of the Penal Code.

(d) To investigate complaints that are lodged against licensees, or other persons associated with a gambling operation, by members of the public.

(e) To initiate, where appropriate, disciplinary actions as provided in this chapter. In connection with any disciplinary action, the division may seek restriction, limitation, suspension, or revocation of any license or approval, or the imposition of any fine upon any person licensed or approved.

(f) To adopt regulations reasonably related to its functions and duties as specified in this chapter.

(g) Approve the play of any controlled game, including placing restrictions and limitations on how a controlled game may be played. The division shall make available to the public the rules of play and the collection rates of each gaming activity approved for play at each gambling establishment on the Attorney General's Web site. Actual costs incurred by the division to review and approve game rules shall be reimbursed to the division by the licensee making the request.

CHAPTER 599

An act to amend Sections 900, 923, 931, 934, 1215.1, 1215.2, and 1872.85 of, and to repeal Section 1861.135 of, the Insurance Code, relating to insurance.

[Approved by Governor September 20, 2004. Filed with Secretary of State September 20, 2004.]

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

SECTION 1. Section 900 of the Insurance Code is amended to read:

900. (a) On or before the first day of March of each year every insurer doing business in this state shall make and file with the commissioner, in the number, form, and by the methods prescribed by the commissioner, statements exhibiting its condition and affairs as of the previous December 31. If the first day of March falls on a day other than a business day, the filing is due to the commissioner by the first business day preceding the first day of March.

(b) Each year, on or before the following dates, every insurer doing business in this state shall make and file with the commissioner, in the number, form, and methods prescribed by the commissioner, statements exhibiting its condition and affairs for the period beginning on January 1 of the current calendar year through the end of each quarter of the current year as described below. These quarterly filings shall cover the period of time beginning January 1 of the current year through and including the last day of the quarter for which the report is being made. The first quarter filing shall be filed with the commissioner on or before May 15th of every year. The second quarter filing shall be filed with the commissioner on or before August 15th of every year. The third quarter filing shall be filed with the commissioner on or before November 15th of every year. If any of these dates fall on a day other than a business day, then the filing is due to the commissioner by the first business day preceding that date.

SEC. 2. Section 923 of the Insurance Code is amended to read:

923. The commissioner shall require every insurer which is required to file an annual or quarterly statement to use the statement blanks and instructions thereto for the appropriate year adopted by the National Association of Insurance Commissioners. The statements shall be completed in conformity with the Accounting Practices and Procedures Manual adopted by the National Association of Insurance Commissioners, to the extent that the practices and procedures contained in the manual do not conflict with any other provision of this code. The commissioner may make changes from time to time in the form of the statements and the number and method of filing reports as seem to him or her best adapted to elicit from the insurers a true exhibit of their condition. The commissioner shall notify each insurer of any changes from the National Association of Insurance Commissioners' statement blanks which the commissioner has determined pursuant to this section to be appropriate.

SEC. 3. Section 931 of the Insurance Code is amended to read:

931. (a) Each domestic, foreign, and alien insurer doing business in this state shall annually, on or before the first day of March of each year, file with the National Association of Insurance Commissioners a copy of its annual statement convention blank, along with any additional filings as prescribed by the commissioner for the preceding year. The information filed with the National Association of Insurance Commissioners shall be in the same format and scope as that required by the commissioner and shall include the signed jurat page and the actuarial certification. Any amendments and addendums to the annual statement filing subsequently filed with the commissioner shall also be filed with the National Association of Insurance Commissioners.

(b) Each year, on or before the following dates, every domestic, foreign, and alien insurer doing business in this state shall make and file with the National Association of Insurance Commissioners, in the number, form, and methods prescribed by the commissioner, a copy of the quarterly statements exhibiting its condition and affairs for the period beginning on January 1 of the current calendar year through the end of each quarter of the current year as described below. These quarterly filings shall cover the period of time beginning January 1 of the current year through and including the last day of the quarter for which the report is being made. The first quarter filing shall be filed on or before May 15th of every year. The second quarter filing shall be filed on or before August 15th of every year. The third quarter filing shall be filed on or before November 15th of every year. If any of these dates fall on a day other than a business day, then the filing is due to the National Association of Insurance Commissioners by the first business day preceding that date. The information filed with the National Association of Insurance Commissioners shall include a jurat page. A copy of any amendments and addendums to the quarterly statement filings subsequently filed with the commissioner shall also be filed with the National Association of Insurance Commissioners.

(c) Foreign insurers that are domiciled in a state which has a law substantially similar to subdivision (a) of this section shall be deemed in compliance with this section.

SEC. 4. Section 934 of the Insurance Code is amended to read:

934. The commissioner may suspend, revoke, or refuse to renew the certificate of authority of any insurer failing to file its annual or quarterly statement with the National Association of Insurance Commissioners when due or within any extension of time which the commissioner, for good cause, may grant.

SEC. 5. Section 1215.1 of the Insurance Code is amended to read:

1215.1. (a) Any domestic insurer, either by itself or in cooperation with one or more persons, may organize or acquire one or more subsidiaries subject to the limitations of this section.

(b) In addition to investments in common stock, preferred stock, debt obligations, and other securities permitted under all other sections of this chapter, a domestic insurer may also do one or more of the following:

(1) Invest in common stock, preferred stock, debt obligations, and other securities of one or more subsidiaries, amounts that do not exceed the lesser of 10 percent of the insurer's assets or 50 percent of the insurer's surplus as regards policyholders. However, after these investments, the insurer's surplus as regards policyholders shall be reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs. In calculating the amount of these investments, there shall be excluded investments in insurance

subsidiaries, and there shall be included (A) total net moneys or other consideration expended and obligations assumed in the acquisition or formation of a subsidiary, including all organizational expenses and contributions to capital and surplus of the subsidiary whether or not represented by the purchase of capital stock or issuance of other securities, and (B) all amounts expended in acquiring additional common stock, preferred stock, debt obligations, and other securities and all contributions to the capital or surplus of a subsidiary subsequent to its acquisition or formation.

''Insurance subsidiary'' is an insurer that is organized within the United States and is controlled, directly or indirectly, by a reporting insurer subject to this article. For purposes of this paragraph, ''investments in insurance subsidiaries'' shall include the following:

(A) Any direct investment in an insurance subsidiary.

(B) The insurer's proportionate share of any investment in an insurance subsidiary held by any subsidiary of the insurer. This shall be calculated by multiplying the amount of the subsidiary's investment in the insurance subsidiary by the insurer's percentage of ownership of the subsidiary.

(2) Invest any amount in common stock, preferred stock, debt obligations, and other securities of one or more subsidiaries, provided that each subsidiary agrees to limit its investments in any asset so that these investments will not cause the amount of the total investment of the insurer to exceed any of the investment limitations specified in paragraph (1) or in this chapter applicable to the insurer. For the purpose of this paragraph, ''the total investment of the insurer'' shall include (A) any direct investment by the insurer in an asset, and (B) the insurer's proportionate share of any investment of an asset by any subsidiary of the insurer, which shall be calculated by multiplying the amount of the subsidiary's investment by the percentage of the insurer's ownership of that subsidiary.

(3) With the approval of the commissioner, invest any amount in common stock, preferred stock, debt obligations, or other securities of one or more subsidiaries, provided that after this investment the insurer's surplus as regards policyholders shall be reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs.

(c) Investments in common stock, preferred stock, debt obligations, or other securities of subsidiaries made pursuant to subdivision (b) shall neither limit nor be subject to any of the otherwise applicable authorizations, restrictions, or prohibitions contained in this part applicable to these investments of insurers.

(d) Whether any investment pursuant to subdivision (b) meets the applicable requirements thereof is to be determined immediately after the investment is made, taking into account the then outstanding

principal balance on all previous investments in debt obligations, and the value of all previous investments in equity securities as of the date they were made.

(e) If an insurer ceases to control a subsidiary, it shall dispose of any investment therein made pursuant to this section within three years from the time of the cessation of control, or within any further time as the commissioner may prescribe, unless at any time after the investment has been made, the investment has met the requirements for investment under any other section of this part.

SEC. 6. Section 1215.2 of the Insurance Code is amended to read:

1215.2. (a) No person shall make a tender offer for, or a request or invitation for tenders of, or enter into an agreement to exchange securities for or acquire in the open market, any voting security, or any security convertible into a voting security, of a domestic insurer or of any other person controlling a domestic insurer, if the other person is not substantially engaged either directly or through its affiliates in any businesses other than that of insurance, if, as a result of the consummation thereof, the person would, directly or indirectly, acquire control of the insurer, and no person shall enter into an agreement to merge with or otherwise to acquire control of a domestic insurer, unless, at the time copies of the offer or purchase or request or invitation are first published or sent or given to security holders or the agreement or transaction is entered into, as the case may be, the person has filed with the commissioner, and has sent to the insurer, a statement containing the following information, and any additional information, as the commissioner may by rule or regulation prescribe as necessary or appropriate in the public interest or for the protection of policyholders or shareholders:

(1) The background and identity of all persons by whom or on whose behalf the purchases or the exchange, merger, or other acquisition of control are to be effected.

(2) The source and amount of the funds or other consideration used or to be used in making the purchases or in effecting the exchange, merger, or other acquisition of control, and, if any part of the funds or other consideration has been or is to be borrowed or otherwise obtained for the purpose of making the purchases or effecting the exchange, merger, or other acquisition of control, a description of the transaction and the names of the parties thereto. However, where a source of funds is a loan made in the lender's ordinary course of business, if the person filing the statement so requests, the name of the lender shall not be made available to the public.

(3) Any plans or proposals which those persons may have to liquidate the insurer, to sell its assets or merge it with any person, or to make any other major change in its business or corporate structure or management.

(4) The amount of each class of voting securities or securities which may be converted into voting securities of the insurer or the controlling person which are beneficially owned, and the amount of each class of voting securities or securities which may be converted into voting securities of the insurer or the controlling person concerning which there is a right to acquire beneficial ownership, by each person and by each affiliate of each person, together with the name and address of each affiliate.

(5) Information as to any contracts, arrangements, or understandings with any person with respect to any securities of the insurer or the controlling person, including, but not limited to, transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies, naming the persons with whom the contracts, arrangements, or understandings have been entered into, and giving the details thereof.

All requests or invitations for tenders or advertisements making a tender offer or requesting or inviting tenders of the voting securities of the insurer or the controlling person made by or on behalf of the person, and a copy of the agreement to exchange or otherwise acquire securities or to merge with or otherwise to acquire control of the insurer, shall be filed with the commissioner and sent to the insurer as a part of the statement and shall contain the information contained in the statement as the commissioner may by rule or regulation prescribe. Copies of any additional material soliciting or requesting the tender offers subsequent to the initial solicitation or request, and copies of any amendment to the agreement, shall contain the information as the commissioner may by rule or regulation prescribe as necessary or appropriate in the public interest or for the protection of policyholders or shareholders, and shall be filed with the commissioner and sent to the insurer not later than the time copies of the material are first published or sent or given to security holders or the amendment is entered into.

(b) If the person required to file the statement referred to in subdivision (a) of this section is a partnership, limited partnership, syndicate, or other group, the commissioner may require that the information called for by paragraphs (1) to (5), inclusive, of subdivision (a) shall be given with respect to: (1) each partner of the partnership or limited partnership, (2) each member of the syndicate or group, and (3) each person who controls the partner or member. If a person referred to in paragraph (1), (2), or (3) of this subdivision is a corporation or the person required to file the statement referred to in subdivision (a) is a corporation, the commissioner may require that the information called for by paragraphs (1) to (5), inclusive, of subdivision (a) shall be given with respect to the corporation and each officer and director of the

corporation and each person who is directly or indirectly the beneficial owner of more than 10 percent of the outstanding voting securities of the corporation.

(c) If any tender offer, request, or invitation for tenders, or agreement to exchange or otherwise acquire securities or to merge or otherwise acquire control referred to in subdivision (a) of this section, is proposed to be made by means of a registration statement under the federal Securities Act of 1933, or in circumstances requiring the disclosure of similar information under the federal Securities Exchange Act of 1934, or under a state law requiring similar registration or disclosure, the person required to file the statement referred to in subdivision (a) may file that registration statement with the commissioner as full satisfaction of the requirement in subdivision (a).

(d) The purchases, exchanges, mergers, or other acquisitions of control referred to in subdivision (a) of this section may not be made until the commissioner approves the purchases, exchanges, mergers, or other acquisitions of control. The commissioner shall approve or disapprove the transaction within 60 days after the statement required by subdivision (a) has been filed with the commissioner. The commissioner may disapprove the transaction if the commissioner finds any of the following:

(1) After the change of control the domestic insurer referred to in subdivision (a) could not satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed.

(2) The purchases, exchanges, mergers, or other acquisitions of control would substantially lessen competition in insurance in this state or create a monopoly therein.

(3) The financial condition of an acquiring person might jeopardize the financial stability of the insurer, or prejudice the interests of its policyholders.

(4) The plans or proposals which the acquiring person has to liquidate the insurer, to sell its assets, or to merge it with any person, or to make any other major change in its business or corporate structure or management, are not fair and reasonable to policyholders.

(5) The competence, experience, and integrity of those persons who would control the operation of the insurer indicate that it would not be in the interest of policyholders, or the public to permit them to do so.

(e) The commissioner shall require the payment of two thousand three hundred sixty dollars ($2,360) as a fee for filing an application under this section, the amount to accompany the application.

(f) The provisions of this section shall not apply to any offer for or request or invitation for tenders of any voting securities, or any agreement to exchange securities for or otherwise acquire control, if the

insurer whose shares are to be acquired remains a direct or indirect subsidiary of the same ultimate controlling company person within the insurer's insurance holding company system, neither the acquiring person nor any affiliate acquires or incurs any debt, guarantee, or other liability related to the transaction, and no shares are purchased by or sold to a person who is not an affiliated person in that insurance holding company system, or if, and to the extent that, the commissioner, by rule or regulation or by order, exempts the offer, request, invitation, or agreement from the provisions of this section as not comprehended within the purposes thereof.

SEC. 7. Section 1861.135 of the Insurance Code is repealed.

SEC. 8. Section 1872.85 of the Insurance Code is amended to read:

1872.85. (a) Every admitted disability insurer or other entity liable for any loss due to health insurance fraud doing business in this state shall pay an annual fee to be determined by the commissioner, but not to exceed ten cents ($0.10) annually for each insured under an individual or group insurance policy it issues in this state, in order to fund increased investigation and prosecution of fraudulent disability insurance claims. After incidental expenses, 50 percent of those funds received from the assessment fee per insured shall be distributed to the Bureau of Fraudulent Claims of the Department of Insurance for enhanced investigative efforts, and 50 percent of the funds shall be distributed to local district attorneys, pursuant to subdivisions (b) and (c), for investigation and prosecution of disability insurance fraud cases. The funds received under this section shall be deposited into the Disability Insurance Fraud Account, which is hereby created in the Insurance Fund, and shall be expended and distributed, when appropriated by the Legislature, only for enhanced investigation and prosecution of disability insurance fraud.

In the course of its investigation, the Bureau of Fraudulent Claims shall aggressively pursue all reported incidents of probable fraud and, in addition, shall forward to the appropriate disciplinary body the names of any individuals licensed under the Business and Professions Code who are convicted of engaging in fraudulent activity along with all relevant supporting evidence.

(b) The commissioner shall distribute funds pursuant to subdivision (a) to district attorneys who are able to show a likely positive outcome that will enhance the prosecution of disability insurance fraud in their jurisdiction based on specific criteria promulgated by the commissioner. A district attorney desiring funds pursuant to subdivision (a) shall submit to the commissioner an application that includes, but is not limited to, all of the following:

(1) The proposed use of the moneys and the anticipated outcome.

(2) A list of all prior cases or projects in the district attorney's jurisdiction that have been funded under the provisions of this section, and a copy of the final accounting for each case or project. If a case or project is ongoing, the most recent accounting shall be provided.

(3) A detailed budget for the moneys, including salaries and general expenses, that specifically identifies the purchase or rental cost of equipment or supplies.

(c) (1) A district attorney who receives moneys pursuant to this section shall submit a final detailed accounting at the conclusion of each case or project funded. For a case or project that continues for longer than six months, an interim accounting shall be submitted every six months, or as otherwise directed by the commissioner.

(2) A district attorney who receives moneys pursuant to this section shall submit a final report to the commissioner, which may be made public, as to the success of each case or project funded by this section. The report shall provide information and statistics on the number of active investigations, arrests, indictments, and convictions associated with a case or project. The applications for moneys, the distribution of moneys, and the annual report required by Section 1872.9 shall be public documents.

(3) Notwithstanding any other provision of this section, information submitted to the commissioner pursuant to this section concerning criminal investigations, whether active or inactive, shall be confidential.

(4) The commissioner may conduct a fiscal audit of the programs administered under this subdivision. The fiscal audit shall be conducted by an internal audit unit of the department. The cost of fiscal audits shall be paid from the Disability Insurance Fraud Fund, upon appropriation by the Legislature.

(5) If the commissioner determines that a district attorney is unable or unwilling to investigate or prosecute a relevant disability insurance fraud case, the commissioner may discontinue distribution of moneys allocated for that matter pursuant to this section, and may redistribute moneys to other eligible district attorneys.

(d) Activities of the Bureau of Fraudulent Claims with regard to investigating and prosecuting fraudulent disability insurance claims pursuant to this section shall be included in the report required by Section 1872.9.

(e) This section shall not apply to policies issued by a reciprocal or interinsurance exchange, as defined by Sections 1303 and 1350, or coverage provided by or through a motor club, as defined by Section 12142, affiliated with a reciprocal or interinsurance exchange, if the

annual premium charged for the coverage or the annual cost to the insurer for providing that coverage does not exceed one dollar ($1) per insured.

CHAPTER 600

An act to amend Sections 15006 and 15027 of, and to add Section 15027.1 to, of the Insurance Code, relating to public insurance adjusters.

[Approved by Governor September 20, 2004. Filed with Secretary of State September 20, 2004.]

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

SECTION 1. Section 15006 of the Insurance Code is amended to read:

15006. (a) No person shall engage in a business regulated by this chapter, or act or assume to act as, or represent himself or herself to be, a licensee unless he or she is licensed under this chapter. Any person who violates this subdivision shall, in addition to any other penalties provided by law, be liable to the state for a civil penalty in an amount not exceeding ten thousand dollars ($10,000), or if that violation is willful, in an amount not exceeding twenty-five thousand dollars ($25,000). The penalty shall be assessed and recovered in a civil action brought by the commissioner in a court of competent jurisdiction in the name of the people of the State of California.

(b) Any contract for services regulated by this chapter that is entered into by an insured with any person who is in violation of subdivision (a) may be voided at the option of the insured, and the insured shall not be liable for the payment of any past services rendered, or future services to be rendered, by that person under that contract or otherwise.

(c) Whenever it appears to the commissioner that any person is engaging in acts or practices in violation of subdivision (a), the commissioner may, without any requirement of notice or hearing, issue and cause to be served upon that person an order requiring that person to cease and desist immediately from engaging further in those acts or practices.

(d) Any person who fails to comply fully with an order of the commissioner issued under subdivision (c) shall be liable to the state for a civil penalty in an amount not exceeding one hundred dollars ($100) per day for each and every day that the violation or failure to comply continues, but in no event to exceed a maximum amount of five thousand dollars ($5,000). The commissioner shall collect the amount so payable and may bring an action in a court of competent jurisdiction in the name

of the people of the State of California to enforce collection. This penalty is in addition to any other penalties provided by law.

(e) The powers vested in the commissioner by this section are in addition to any and all other powers and remedies vested in the commissioner by law, and nothing herein shall be construed as requiring the commissioner to employ the powers conferred in this section instead of or as a condition precedent to the exercise of any other power or remedy vested in the commissioner.

SEC. 2. Section 15027 of the Insurance Code is amended to read:

15027. (a) No licensee shall, directly or indirectly, act within this state as a public insurance adjuster without having first entered into a contract, in writing, on a form approved by the insurance commissioner and executed in duplicate by the public adjuster and the insured or a duly authorize representative. One copy of this contract shall be kept on file by the licensee, available at all times for inspection, without notice, by the commissioner or his or her duly authorized representative.

(b) No licensee shall solicit or attempt to solicit a client for employment during the progress of a loss-producing occurrence.

(c) No licensee or any other person or entity offering, for a fee, service regulated by this chapter shall solicit a client for employment or initiate any contract with a policyholder between the hours of 6 p.m. and 8 a.m.

(d) No licensee shall use any form of contract other than that approved by the commissioner and which contains each of the following:

(1) A provision allowing the client to rescind the contract by written notice sent or delivered to the licensee by midnight of the third business day after the day on which the client signs an agreement which complies with this section. Each copy of the contract shall contain a completed form, captioned ''Notice of Cancellation,'' which shall be placed at the end of the contract and be separated from the remainder of the contract by a printed line. Nothing shall be printed on the reverse side of the notice form. The notice form shall be completed by the licensee, and shall contain in type of at least 10-point the following statement written in the same language, e.g., Spanish, as used in the contract:

Notice of Cancellation

_____

(Date of Contract)

You may cancel this contract, without any penalty or obligation, within three business days from the above date.

If you cancel, any money or other consideration paid by you will be returned within 10 days following the receipt of your cancellation notice, and any security interest arising out of the transaction will be canceled.

To cancel this contract, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a telegram to:

_____
(name of public adjuster)

at

_____
(address of public adjuster's place of business)

not later than midnight of _____
(Date)

I hereby cancel this contract _____
(Date)

_____
(Client's signature)

(2) The statement ''WE REPRESENT THE INSURED ONLY'' prominently displayed in at least 10-point type.

(3) A provision disclosing the percentage of the insured's claim, or other fee, that the licensee will charge for his or her services. The licensee shall obtain the initials of the insured next to this provision.

(4) A conspicuous statement in at least 10-point type in immediate proximity to the space reserved for the client's signature, as follows: ''You may cancel this contract at any time before midnight of the third business day after the date of this contract. See the notice of cancellation form at the end of this contract for an explanation of this right.''

(e) No licensee shall knowingly make any false report to his or her employer or divulge to any other person, except as he or she may be required by law to do so, any information acquired by him or her except at the direction of the employer or a client for whom the information is obtained.

(f) No licensee shall use a badge in connection with the official activities of the licensee's business.

(g) No licensee shall permit an employee or agent in his or her own name to advertise, engage clients, furnish reports, or present bills to clients, or in any manner whatever to conduct business for which a license is required under this chapter.

(h) Pursuant to subdivisions (a) and (c) of Section 15006, the commissioner shall have the authority to enforce the provisions of this chapter and prosecute violations thereunder committed by unlicensed persons or entities that hold themselves out or act as public insurance adjusters.

(i) For purposes of this section, ''business day'' shall have the same meaning given to that term in subdivision (e) of Section 1689.5 of the Civil Code, as in effect on the operative date of this statute.

(j) The contract and the notice of cancellation set forth in paragraph (1) of subdivision (d) shall be written in the same language, e.g., Spanish, as principally used in the negotiation of the contract.

(k) Within 10 days after a contract has been canceled, the licensee shall tender to the client any payments made by the client and any note or other evidence of indebtedness. The licensee is not entitled to compensation for services performed prior to cancellation. Any security interest shall be canceled upon cancellation of the contract.

(*l*) Notice of cancellation given by the client need not take the particular form specified in paragraph (1) of subdivision (d). Notice of cancellation, however expressed, is effective if it indicates the intention of the client not to be bound by the contract.

(m) Cancellation occurs when the client gives written notice of cancellation to the licensee at the address specified in the contract.

(n) Notice of cancellation, if given by mail, is effective when deposited in the mail properly addressed with postage prepaid.

(o) Until the licensee has complied with this section, the client may cancel the contract.

(p) The licensee shall provide the client with two completed copies of the contract and notice of cancellation at the time the client signs the contract.

(q) Any confession of judgment or waiver of the provisions of this chapter shall be deemed contrary to public policy and shall be void and unenforceable.

(r) The changes made to this section by the act that added this subdivision shall apply only to contracts entered into on and after January 1, 2005.

SEC. 3. Section 15027.1 is added to the Insurance Code, to read:

15027.1. (a) Notwithstanding subdivision (c) of Section 15027, a licensee shall not solicit a contract of engagement under this chapter until seven days have elapsed since the occurrence of a disaster.

(b) Subdivision (a) shall not apply if the licensee is contacted directly by the insured or the insured's representative.

(c) For the purposes of this section, ''disaster'' means a loss-producing event that damages or destroys more than 25 dwellings, or a ''disaster'' as that term is defined in subdivision (b) of Section 1689.14 of the Civil Code.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates

a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 601

An act to amend Sections 10163.3, 10172.5, 10174, and 10489.93 of, and to add Sections 10163.35 and 10168.93 to, the Insurance Code, relating to life insurance.

[Approved by Governor September 20, 2004. Filed with Secretary of State September 20, 2004.]

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

SECTION 1. Section 10163.3 of the Insurance Code is amended to read:

10163.3. In the case of any plan of life insurance that provides for future premium determination, the amounts of which are to be determined by the insurance company based on then estimates of future experience, or in the case of any plan of life insurance that is of such a nature that minimum values cannot be determined by the methods described in Section 10160, 10161, 10162, 10163, 10163.1, or 10163.2, then:

(a) The commissioner must be satisfied that the benefits provided under the plan are substantially as favorable to policyholders and insureds as the minimum benefits otherwise required by Section 10160, 10161, 10162, 10163, 10163.1, or 10163.2.

(b) The commissioner must be satisfied that the benefits and the pattern of premiums of that plan are not such as to mislead prospective policyholders or insureds.

(c) The cash surrender values and paid-up nonforfeiture benefits provided by the plan must not be less than the minimum values and benefits required for the plan computed by a method consistent with the principles of this Standard Nonforfeiture Law for Life Insurance, as determined by regulations promulgated by the commissioner.

SEC. 2. Section 10163.35 is added to the Insurance Code, to read:

10163.35. (a) Notwithstanding any other provision of law, the form of any policy, contract, or certificate providing life insurance that is subject to this article shall be filed by the obligor under the policy, contract, or certificate with the commissioner before it is marketed, issued, delivered, or used in this state.

(b) Nothing contained in this section shall be construed as requiring or providing for the prior approval by the commissioner of forms of individual life insurance policies, contracts, or certificates prior to the time the forms are marketed, issued, delivered, or used in this state.

SEC. 3. Section 10168.93 is added to the Insurance Code, to read:

10168.93. (a) Notwithstanding any other provision of law, the form of any annuity contract that is subject to this article shall be filed by the obligor under the contract with the commissioner before it is marketed, issued, delivered, or used in this state.

(b) Nothing contained in this section shall be construed as requiring or providing for the prior approval by the commissioner of forms of individual annuity contracts prior to the time the forms are marketed, issued, delivered, or used in this state.

SEC. 4. Section 10172.5 of the Insurance Code is amended to read:

10172.5. (a) Notwithstanding any other provision of law, each insurer admitted to transact life insurance, credit life insurance, or accidental death insurance in this state that fails or refuses to pay the proceeds of, or payments under, any policy of life insurance issued by it within 30 days after the date of death of the insured shall pay interest, at a rate not less than the then current rate of interest on death proceeds left on deposit with the insurer computed from the date of the insured's death, on any moneys payable and unpaid after the expiration of the 30-day period. This section shall apply only to deaths of insureds which occur on or after January 1, 1976.

(b) Nothing in this section shall be construed to allow any insurer admitted to transact life insurance, credit life insurance, or accidental death insurance in this state to withhold payment of money payable under a life insurance policy to any beneficiary for a period longer than reasonably necessary to transmit such payment. Whenever possible payment shall be made within 30 days after the date of death of the insured.

(c) In any case in which interest on the proceeds of, or payments under, any policy of life insurance, credit life insurance, or accidental death insurance becomes payable pursuant to subdivision (a), the insurer shall notify the named beneficiary or beneficiaries at their last known address that interest will be paid on the proceeds of, or payments under, such policy from the date of death of the named insured. Such notice shall specify the rate of interest to be paid.

(d) This section shall not require the payment of interest in any case in which the beneficiary elects in writing delivered to the insurer to receive the proceeds of, or payments under, the policy by any means other than a lump-sum payment thereof.

SEC. 4.5. Section 10172.5 of the Insurance Code is amended to read:

10172.5. (a) Notwithstanding any other provision of law, each insurer admitted to transact life insurance, credit life insurance, or accidental death insurance in this state that fails or refuses to pay the proceeds of, or payments under, any policy of life insurance issued by it within 30 days after the date of death of the insured shall pay interest, at a rate not less than the then current rate of interest on death proceeds left on deposit with the insurer computed from the date of the insured's death, on any moneys payable and unpaid after the expiration of the 30-day period. This section shall apply only to deaths of insureds which occur on or after January 1, 1976.

(b) Nothing in this section shall be construed to allow any insurer admitted to transact life insurance, credit life insurance, or accidental death insurance in this state to withhold payment of money payable under a life insurance policy to any beneficiary for a period longer than reasonably necessary to transmit that payment. Whenever possible payment shall be made within 30 days after the date of death of the insured.

(c) In any case in which interest on the proceeds of, or payments under, any policy of life insurance, credit life insurance, or accidental death insurance becomes payable pursuant to subdivision (a), the insurer shall notify the named beneficiary or beneficiaries at their last known address that interest will be paid on the proceeds of, or payments under, that policy from the date of death of the named insured. That notice shall specify the rate of interest to be paid. In any case where the notice required by Section 249.5 of the Probate Code has been given to a life insurer, that insurer is not required to provide the notice required by this section until after it has been notified that a child has actually been born within two years of the death of the decedent. The obligation shall be deemed satisfied by giving notice to the person who first provides proof to the insurer that the child has been born alive.

(d) This section shall not require the payment of interest in any case in which the beneficiary elects in writing delivered to the insurer to receive the proceeds of, or payments under, the policy by any means other than a lump-sum payment thereof.

SEC. 5. Section 10174 of the Insurance Code is amended to read:

10174. Policies of disability insurance, as defined in Section 106, that provide for death benefits, shall, as to those death benefits, be subject to Sections 10172, 10172.5, and 10173.

SEC. 6. Section 10489.93 of the Insurance Code is amended to read:

10489.93. In the case of any plan of life insurance that provides for future premium determination, the amounts of which are to be determined by the insurance company based on then estimates of future experience, or in the case of any plan of life insurance or annuity that is of such a nature that the minimum reserves cannot be determined by the

methods described in Sections 10489.5, 10489.6, and 10489.9, the reserves which are held under any such plan must:

(a) Be appropriate in relation to the benefits and the pattern of premiums for that plan; and

(b) Be computed by a method which is consistent with the principles of this Standard Valuation Law, as determined by regulations promulgated by the commissioner.

SEC. 7. Section 4.5 of this bill incorporates amendments to Section 10172.5 of the Insurance Code proposed by both this bill and AB 1910. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 10172.5 of the Insurance Code, and (3) this bill is enacted after AB 1910, in which case Section 4 of this bill shall not become operative.

CHAPTER 602

An act to amend Sections 12028, 12028.5, 12028.7, 12030, and 12084 of, and to add Section 12021.3 to, the Penal Code, and to repeal Section 8107 of the Welfare and Institutions Code, relating to firearms.

[Approved by Governor September 20, 2004. Filed with Secretary of State September 20, 2004.]

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

SECTION 1. Section 12021.3 is added to the Penal Code, to read:

12021.3. (a) (1) Any person who claims title to any firearm that is in the custody or control of a court or law enforcement agency and who wishes to have the firearm returned to him or her shall make application for a determination by the Department of Justice as to whether he or she is eligible to possess a firearm. The application shall include the following:

(A) The applicant's name, date and place of birth, gender, telephone number, and complete address.

(B) Whether the applicant is a United States citizen. If the applicant is not a United States citizen, he or she shall also provide his or her country of citizenship and his or her alien registration or I-94 number.

(C) If the firearm is a handgun, the firearm's make, model, caliber, barrel length, handgun type, country of origin, and serial number.

(D) For residents of California, the applicant's valid California driver's license number or valid California identification card number issued by the Department of Motor Vehicles. For nonresidents of California, a copy of the applicant's military identification with orders

indicating that the individual is stationed in California, or a copy of the applicant's valid driver's license from the state of residence, or a copy of the applicant's state identification card from the state of residence. Copies of the documents provided by non-California residents shall be notarized.

(E) The name of the court or law enforcement agency holding the firearm.

(F) The signature of the applicant and the date of signature.

(G) 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 application, including any notarized information pursuant to subparagraph (D) of paragraph (1) of subdivision (a) shall be guilty of a misdemeanor.

(2) A person who owns a firearm that is in the custody of a court or law enforcement agency and who does not wish to obtain possession of the firearm, and the firearm is an otherwise legal firearm, and the person otherwise has right to title of the firearm, shall be entitled to sell or transfer title of the firearm to a licensed dealer as defined in Section 12071.

(3) 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 application, including any notarized information pursuant to subparagraph (D) of paragraph (1) of subdivision (a) is punishable as a misdemeanor.

(b) No law enforcement agency or court that has taken custody of any firearm may return the firearm to any individual unless the following requirements are satisfied:

(1) That individual presents to the agency or court notification of a determination by the department pursuant to subdivision (e) that the person is eligible to possess firearms.

(2) If the agency or court has direct access to the Automated Firearms System, the agency or court has verified that the firearm is not listed as stolen pursuant to Section 11108, and that the firearm has been recorded in the Automated Firearms System in the name of the individual who seeks its return.

(3) If the firearm has been reported lost or stolen pursuant to Section 11108, a law enforcement agency shall notify the owner or person entitled to possession pursuant to Section 11108.5. However, that person shall provide proof of eligibility to possess a firearm pursuant to subdivision (e). Nothing in this subdivision shall prevent the local law enforcement agency from charging the rightful owner or person entitled to possession of the firearm the fees described in subdivision (j). However, individuals who are applying for a background check to retrieve a firearm that comes into the custody or control of the court or

law enforcement agency pursuant to subdivision (a) shall be exempt from the fees in subdivision (c) provided that the court or agency determines the firearm was reported stolen to a law enforcement agency prior to the date the firearm came into custody or control of the court or law enforcement agency or within five business days of the firearm being stolen from its owner. The court or agency shall notify the Department of Justice of this fee exemption in a manner prescribed by the department.

(c) The Department of Justice shall establish a fee of twenty dollars ($20) per request for return of a firearm, plus a three-dollar ($3) charge for each additional handgun being processed as part of the request to return a firearm, to cover its costs for processing firearm clearance determinations submitted pursuant to this section. The fees shall be deposited into the Dealers' Record of Sale Special Account. The department may increase the fee by using the California Consumer Price Index as compiled and reported by the California Department of Industrial Relations to determine an annual rate of increase. Any fee increase shall be rounded to the nearest dollar.

(d) When the Department of Justice receives a completed application pursuant to subdivision (a) accompanied with the fee required pursuant to subdivision (c), it shall conduct an eligibility check of the applicant to determine whether the applicant is eligible to possess firearms.

(e) (1) If the department determines that the applicant is eligible to possess the firearm, the department shall provide the applicant with written notification that includes the following:

(A) The identity of the applicant.

(B) A statement that the applicant is eligible to possess a firearm.

(C) If the firearm is a handgun, a description of the handgun by make, model, and serial number.

(2) If the firearm is a handgun, the department shall enter a record of the handgun into the Automated Firearms System.

(3) The department shall have 30 days from the date of receipt to complete the background check unless delayed by circumstances beyond the control of the department. The applicant may contact the department to inquire about the reason for the delay.

(f) If the department denies the application, and the firearm is an otherwise legal firearm, the department shall notify the applicant of the denial and provide a form for the applicant to use to sell or transfer the firearm to a licensed dealer as defined in Section 12071. The applicant may contact the department to inquire about the reason for the denial.

(g) Notwithstanding any other provision of law, no law enforcement agency or court shall be required to retain a firearm for more than 180 days after the owner of the firearm has been notified by the court or law enforcement agency that the firearm has been made available for return.

An unclaimed firearm may be disposed of after the 180-day period has expired.

(h) Notwithstanding Section 11106, the department may retain personal information about an applicant in connection with a claim for a firearm that is not a handgun to allow for law enforcement confirmation of compliance with this section. The information retained may include personal identifying information regarding the individual applying for the clearance, but may not include information that identifies any particular firearm that is not a handgun.

(i) (1) If a local law enforcement agency determines that the applicant is the legal owner of any firearm deposited with the local law enforcement agency and is prohibited from possessing any firearm and the firearm is an otherwise legal firearm, the applicant shall be entitled to sell or transfer the firearm to a licensed dealer as defined in Section 12071.

(2) If the firearm has been lost or stolen, the firearm shall be restored to the lawful owner pursuant to Section 11108.5 upon his or her identification of the firearm and proof of ownership, and proof of eligibility to possess a firearm pursuant to subdivision (e). Nothing in this subdivision shall prevent the local law enforcement agency from charging the rightful owner of the firearm the fees described in subdivision (j).

(3) Subdivision (a) of Section 12070 shall not apply to deliveries, transfers, or returns of firearms made by a court or a local law enforcement agency pursuant to this section.

(4) Subdivision (d) of Section 12072 shall not apply to deliveries, transfers, or returns of firearms made pursuant to this section.

(j) (1) A city, county, or city and county, or a state agency may adopt a regulation, ordinance, or resolution imposing a charge equal to its administrative costs relating to the seizure, impounding, storage, or release of firearms. The fees shall not exceed the actual costs incurred for the expenses directly related to taking possession of a firearm, storing the firearm, and surrendering possession of the firearm to a licensed firearms dealer or to the owner. Those administrative costs may be waived by the local or state agency upon verifiable proof that the firearm was reported stolen at the time the firearm came into the custody or control of the law enforcement agency.

(2) The following apply to any charges imposed for administrative costs pursuant to this subdivision:

(A) The charges shall only be imposed on the person claiming title to the firearms.

(B) Any charges shall be collected by the local or state authority only from the person claiming title to the firearm.

(C) The charges shall be in addition to any other charges authorized or imposed pursuant to this code.

(D) No charge may be imposed for any hearing or appeal relating to the removal, impound, storage, or release of a firearm unless that hearing or appeal was requested in writing by the legal owner of the firearm. In addition, the charge may be imposed only upon the person requesting that hearing or appeal.

(3) No costs for any hearing or appeal related to the release of a firearm shall be charged to the legal owner who redeems the firearm unless the legal owner voluntarily requests the post storage hearing or appeal. No city, county, city and county, or state agency shall require a legal owner to request a post storage hearing as a requirement for release of the firearm to the legal owner.

SEC. 2. Section 12028 of the Penal Code is amended to read:

12028. (a) The unlawful concealed carrying upon the person of any explosive substance, other than fixed ammunition, dirk, or dagger, as provided in Section 12020, the unlawful carrying of any handguns in violation of Section 12025, and the unlawful possession or carrying of any item in violation of Section 653k is a nuisance.

(b) (1) Except as provided in paragraph (2), a firearm of any nature owned or possessed in violation of Section 12021, 12021.1, or 12101 of this code, or Chapter 3 (commencing with Section 8100) of Division 5 of the Welfare and Institutions Code, or used in the commission of any misdemeanor as provided in this code, any felony, or an attempt to commit any misdemeanor as provided in this code or any felony, is, upon a conviction of the defendant or upon a juvenile court finding that an offense which would be a misdemeanor or felony if committed by an adult was committed or attempted by the juvenile with the use of a firearm, a nuisance. A finding that the defendant was guilty of the offense but was insane at the time the offense was committed is a conviction for the purposes of this section.

(2) A firearm is not a nuisance pursuant to this subdivision if the firearm owner disposes of his or her firearm pursuant to paragraph (2) of subdivision (d) of Section 12021.

(c) Any weapon described in subdivision (a), or, upon conviction of the defendant or upon a juvenile court finding that an offense which would be a misdemeanor or felony if committed by an adult was committed or attempted by the juvenile with the use of a firearm, any weapon described in subdivision (b) shall be surrendered to the sheriff of a county or the chief of police or other head of a municipal police department of any city or city and county or the chief of police of any campus of the University of California or the California State University or the Commissioner of the California Highway Patrol. For purposes of this subdivision, the Commissioner of the California Highway Patrol

shall receive only weapons that were confiscated by a member of the California Highway Patrol. The officers to whom the weapons are surrendered, except upon the certificate of a judge of a court of record, or of the district attorney of the county, that the retention thereof is necessary or proper to the ends of justice, may annually, between the 1st and 10th days of July, in each year, offer the weapons, which the officers in charge of them consider to have value with respect to sporting, recreational, or collection purposes, for sale at public auction to persons licensed pursuant to Section 12071 to engage in businesses involving any weapon purchased. If any weapon has been stolen and is thereafter recovered from the thief or his or her transferee, or is used in a manner as to constitute a nuisance pursuant to subdivision (a) or (b) without the prior knowledge of its lawful owner that it would be so used, it shall not be so offered for sale but shall be restored to the lawful owner, as soon as its use as evidence has been served, upon his or her identification of the weapon and proof of ownership, and after the law enforcement agency has complied with Section 12021.3.

(d) If, under this section, a weapon is not of the type that can be sold to the public, generally, or is not sold pursuant to subdivision (c), the weapon, in the month of July, next succeeding, or sooner, if necessary to conserve local resources including space and utilization of personnel who maintain files and security of those weapons, shall be destroyed so that it can no longer be used as such a weapon except upon the certificate of a judge of a court of record, or of the district attorney of the county, that the retention of it is necessary or proper to the ends of justice.

(e) This section does not apply to any firearm in the possession of the Department of Fish and Game or which was used in the violation of any provision of the Fish and Game Code or any regulation adopted pursuant thereto, or which is forfeited pursuant to Section 5008.6 of the Public Resources Code.

(f) No stolen weapon shall be sold or destroyed pursuant to subdivision (c) or (d) unless reasonable notice is given to its lawful owner, if his or her identity and address can be reasonably ascertained.

SEC. 3. 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 any of the following:

(A) Intentionally or recklessly to cause or attempt to cause bodily injury.

(B) Sexual assault.

(C) To place a person in reasonable apprehension of imminent serious bodily injury to that person or to another.

(D) To molest, attack, strike, stalk, destroy personal property, or violate the terms of a domestic violence protective order issued pursuant

to Part 4 (commencing with Section 6300) of Division 10 of the Family Code.

(2) ''Domestic violence'' means 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 of the Family Code.

(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 of the Family Code).

(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.

(3) ''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 peace officer of the Department of the California Highway Patrol, as defined in subdivision (a) of Section 830.2, a member of the University of California Police Department, as defined in subdivision (b) 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 (c) of Section 830.2, a peace officer of the Department of Parks and Recreation, as defined in subdivision (f) of Section 830.2, a peace officer, as defined in subdivision (d) of Section 830.31, a peace officer, as defined in subdivisions (a) and (b) of Section 830.32, and a peace officer, as defined in Section 830.5, who is at the scene of a domestic violence incident involving a threat to human life or a physical assault, shall take temporary custody of any firearm or other deadly weapon in plain sight or discovered pursuant to a consensual or other lawful 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, the time limit for recovery as required by this section, 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 (f), if a firearm or other deadly weapon is not retained for use as evidence related to criminal charges brought as a result of the domestic violence incident or is not retained because it was illegally possessed, the firearm 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 five business days 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 five business days following the initial seizure, except as provided in subdivision (d), the court shall allow reasonable attorney's fees to the prevailing party.

(c) Any peace officer, as defined in subdivisions (a) and (b) of Section 830.32, who takes custody of a firearm or deadly weapon pursuant to this section shall deliver the firearm within 24 hours to the city police department or county sheriff's office in the jurisdiction where the college or school is located.

(d) Any firearm or other deadly weapon that has been taken into custody that 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, and after the law enforcement agency has complied with Section 12021.3.

(e) 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, by a peace officer of the Department of the California Highway Patrol, as defined in subdivision (a) of Section 830.2, by a peace officer of the Department of Parks and Recreation, as defined in subdivision (f) of Section 830.2, by a peace officer, as defined in subdivision (d) of Section 830.31, or by a peace officer, as defined in Section 830.5, 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 (j), 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.

(f) In those cases in which 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 60 days of the date of seizure, initiate a petition in superior court to determine if the firearm or other deadly

weapon should be returned. The law enforcement agency may make an ex parte application stating good cause for an order extending the time to file a petition. Including any extension of time granted in response to an ex parte request, a petition must be filed within 90 days of the date of seizure of the firearm or other deadly weapon.

(g) 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.

(h) 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 a preponderance of the 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.

(i) 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.

(j) 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 there is a petition for a second 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. 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.

(k) 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. 4. Section 12028.7 of the Penal Code is amended to read:

12028.7. (a) When a firearm is taken into custody by a law enforcement officer, the officer shall issue the person who possessed the firearm a receipt describing the firearm, and listing any serial number or other identification on the firearm.

(b) The receipt shall indicate where the firearm may be recovered, any applicable time limit for recovery, and the date after which the owner or possessor may recover the firearm pursuant to Section 12021.3.

(c) Nothing in this section is intended to displace any existing law regarding the seizure or return of firearms.

SEC. 5. Section 12030 of the Penal Code is amended to read:

12030. (a) The officer having custody of any firearms which may be useful to the California National Guard, the Coast Guard Auxiliary, or to any military or naval agency of the federal or state government, including, but not limited to, the California National Guard military museum and resource center, may, upon the authority of the legislative body of the city, city and county, or county by which he or she is employed and the approval of the Adjutant General, deliver the firearms to the commanding officer of a unit of the California National Guard, the Coast Guard Auxiliary, or any other military agency of the state or federal government in lieu of destruction as required by this chapter. The officer delivering the firearms shall take a receipt for them containing a complete description thereof and shall keep the receipt on file in his or her office as a public record.

(b) Any law enforcement agency which has custody of any firearms, or any parts of any firearms, which are subject to destruction as required by this chapter may, in lieu of destroying the weapons, retain and use any of them as may be useful in carrying out the official duties of the agency, or upon approval of a court, may release them to any other law enforcement agency for use in carrying out the official duties of that agency, or may turn over to the criminalistics laboratory of the Department of Justice or the criminalistics laboratory of a police department, sheriff's office, or district attorney's office any weapons which may be useful in carrying out the official duties of their respective agencies.

(c) Any firearm, or part of any firearm, which, rather than being destroyed, is used for official purposes pursuant to this section shall be destroyed by the agency using the weapon when it is no longer needed by the agency for use in carrying out its official duties. In the case of

firearms or weaponry donated to the California National Guard military museum and resource center, they may be disposed of pursuant to Section 179 of the Military and Veterans Code.

(d) Any law enforcement agency which has custody of any firearms, or any parts of any firearms, which are subject to destruction as required by this chapter may, in lieu of destroying the firearms, obtain an order from the superior court directing the release of the firearms to the sheriff. The sheriff shall enter those weapons into the Automated Firearms System (AFS), via the California Law Enforcement Telecommunications System, with a complete description of each weapon, including the make, type, category, caliber, and serial number of the firearms, and the name of the academy receiving the weapon entered into the AFS miscellaneous field. The sheriff shall then release the firearms to the basic training academy certified by the Commission on Peace Officer Standards and Training, so that the firearms may be used for instructional purposes in the certified courses. As used in this section, the term ''firearms'' shall not include destructive devices, as defined in Section 12301. All firearms released to an academy shall be under the care, custody, and control of the particular academy.

Any firearm, or part of any firearm, which is not destroyed, and is used for the purposes authorized by this section, shall be returned to the law enforcement agency which had original custody of the firearm when it is no longer needed by the basic training academy, or when the basic training academy is no longer certified by the commission. When those firearms are returned, the law enforcement agency to whom the firearms are returned, shall on the date of the return, enter into the Automated Firearms System (AFS), via the California Law Enforcement Telecommunications System, a complete description of each weapon, including the make, type, category, caliber, and serial number of the firearms, and the name of the entity returning the firearm.

(e) Any law enforcement agency that retains custody of any firearm pursuant to this section or that destroys a firearm pursuant to Section 12028 shall notify the Department of Justice of the retention or destruction. This notification shall consist of a complete description of each firearm, including the name of the manufacturer or brand name, model, caliber, and serial number.

SEC. 6. Section 12084 of the Penal Code is amended to read:

12084. (a) As used in this section, the following definitions apply:

(1) ''Agency'' means a sheriff's department in a county of less than 200,000 persons, according to the most recent federal decennial census, that elects to process purchases, sales, loans, or transfers of firearms.

(2) ''Seller'' means the seller or transferor of a firearm or the person loaning the firearm.

(3) ''Purchaser'' means the purchaser or transferee of a firearm or the person being loaned a firearm.

(4) ''Purchase'' means the purchase, loan, sale, or transfer of a firearm.

(5) ''Department'' means the Department of Justice.

(6) ''LEFT'' means the Law Enforcement Firearms Transfer Form consisting of the transfer form utilized to purchase a firearm in accordance with this section.

(b) As an alternative to completing the sale, transfer, or loan of a firearm through a licensed dealer pursuant to Section 12082, the parties to the purchase of a firearm may complete the transaction through an agency in accordance with this section in order to comply with subdivision (d) of Section 12072.

(c) (1) LEFTs shall be prepared by the State Printer and shall be furnished to agencies on application at a cost to be determined by the Department of General Services for each 100 leaves in quintuplicate, one original and four duplicates for the making of carbon copies. The original and duplicate copies shall differ in color, and shall be in the form provided by this section. The State Printer, upon issuing the LEFT, shall forward to the department the name and address of the agency together with the series and sheet numbers on the LEFT. The LEFT shall not be transferable.

(2) The department shall prescribe the form of the LEFT. It shall be in the same exact format set forth in Sections 12077 and 12082, with the same distinct formats for firearms that are handguns and for firearms that are not handguns, except that, instead of the listing of information concerning a dealer, the LEFT shall contain the name, telephone number, and address of the law enforcement agency.

(3) The original of each LEFT shall be retained in consecutive order. Each book of 50 originals shall become the permanent record of transactions that shall be retained not less than three years from the date of the last transaction and shall be provided for the inspection of any peace officer, department employee designated by the Attorney General, or agent of the federal Bureau of Alcohol, Tobacco and Firearms upon the presentation of proper identification.

(4) Ink shall be used to complete each LEFT. The agency shall ensure that all information is provided legibly. The purchaser and seller shall be informed that incomplete or illegible information delays purchases.

(5) Each original LEFT shall contain instructions regarding the procedure for completion of the form and the routing of the form. The agency shall comply with these instructions which shall include the information set forth in this subdivision.

(6) One firearm transaction shall be reported on each LEFT. For purposes of this paragraph, a ''transaction'' means a single sale, loan, or

transfer of any number of firearms that are not handguns between the same two persons.

(d) The following procedures shall be followed in processing the purchase:

(1) Without waiting for the conclusion of any waiting period to elapse, the seller shall immediately deliver the firearm to the agency solely to complete the LEFT. Upon completion of the LEFT, the firearm shall be immediately returned by the agency to the seller without waiting for the waiting period to elapse.

(2) The purchaser shall be required to present clear evidence of his or her identity and age, as defined in Section 12071, to the agency. The agency shall require the purchaser to complete the original and one copy of the LEFT. An employee of the agency shall then affix his or her signature as a witness to the signature and identification of the purchaser.

(3) Two copies of the LEFT shall, on that date of purchase, be placed in the mail, postage prepaid to the department at Sacramento. The third copy shall be provided to the purchaser and the fourth copy to the seller.

(4) 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 is a person described in Section 12021 or 12021.1 of this code or Section 8100 or 8103 of the Welfare and Institutions Code.

(5) If the department determines that the copies of the LEFT submitted to it pursuant to paragraph (3) contain any blank spaces or inaccurate, illegible, or incomplete information, preventing identification of the purchaser or the firearm to be purchased, or if any fee required pursuant to paragraph (6) is not submitted by the agency in conjunction with submission of the copies of the LEFT, or if the department determines that the person 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 agency of that fact. Upon notification by the department, the purchaser shall submit any fee required pursuant to paragraph (6), as appropriate, and, if notification by the department is received by the agency at any time prior to delivery of the firearm, the delivery of the firearm shall be withheld until the conclusion of the waiting period described in paragraph (7).

(6) (A) The agency may charge a fee, not to exceed actual cost, sufficient to reimburse the agency for processing the transfer.

(B) The department may charge a fee, not to exceed actual cost, sufficient to reimburse the department for providing the information. The department shall charge the same fee that it would charge a dealer pursuant to Section 12082.

(7) The firearm shall not be delivered to the purchaser as follows:

(A) Within 10 days of the submission to the department of any fees required pursuant to this subdivision, or within 10 days of the submission to the department of any correction to the LEFT, whichever is later. On and after April 1, 1997, within 10 days of the application to purchase, or after notice by the department pursuant to paragraph (5), within 10 days of the submission to the department of any fees required pursuant to this subdivision, or within 10 days of the submission to the department of any correction to the LEFT, whichever is later.

(B) Unless unloaded.

(C) In the case of a handgun, unless securely wrapped or in a locked container.

(D) Unless the purchaser presents clear evidence of his or her identity and age to the agency.

(E) Whenever the agency is notified by the department that the person is in a prohibited class described in Section 12021 or 12021.1, or Section 8100 or 8103 of the Welfare and Institutions Code.

(F) Unless done at the agency's premises.

(G) In the case of a handgun, unless the purchaser presents to the seller a handgun safety certificate.

(H) Unless the purchaser is at least 18 years of age.

(e) The action of a law enforcement agency acting pursuant to Section 12084 shall be deemed to be a discretionary act 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.

(f) Whenever the Department of Justice acts pursuant to this section as it pertains to firearms other than handguns, its 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.

(g) 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 LEFT is guilty of a misdemeanor.

(h) All sums received by the department pursuant to this section shall be deposited in the Dealers' Record of Sale Special Account of the General Fund.

SEC. 7. Section 8107 of the Welfare and Institutions Code is repealed.

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 that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or

changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 603

An act to amend Sections 5371.4, 5411.5, 5412.2, and 5413.5 of, and to add Section 5381.5 to, the Public Utilities Code, relating to charter-party carriers.

[Approved by Governor September 20, 2004. Filed with Secretary of State September 20, 2004.]

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

SECTION 1. Section 5371.4 of the Public Utilities Code is amended to read:

5371.4. (a) The governing body of any city, county, or city and county may not impose a fee on charter-party carriers operating limousines. However, the governing body of any city, county, or city and county may impose a business license fee on, and may adopt and enforce any reasonable rules and regulations pertaining to operations within its boundaries for, any charter-party carrier domiciled or maintaining a business office within that city, county, or city and county.

(b) The governing body of any airport may not impose vehicle safety, vehicle licensing, or insurance requirements on charter-party carriers operating limousines that are more burdensome than those imposed by the commission. However, the governing board of any airport may require a charter-party carrier operating limousines to obtain an airport permit for operating authority at the airport.

(c) Notwithstanding subdivisions (a) and (b), the governing body of any airport may adopt and enforce reasonable and nondiscriminatory local airport rules, regulations, and ordinances pertaining to access, use of streets and roads, parking, traffic control, passenger transfers, trip fees, and occupancy, and the use of buildings and facilities, that are applicable to charter-party carriers operating limousines on airport property.

(d) This section does not apply to any agreement entered into pursuant to Sections 21690.5 to 21690.9, inclusive, between the governing body of an airport and charter-party carriers operating limousines.

(e) The commission shall conduct an audit and review of the annual gross revenues earned by charter-party carriers operating limousines for the purpose of ascertaining whether the imposition of additional fees

based on a charter-party carrier's gross annual revenues would place an undue administrative or financial burden on the charter-party carrier industry. The commission shall report its findings to the Legislature on or before June 30, 1992.

(f) The governing body of any airport shall not impose a fee based on gross receipts of charter-party carriers operating limousines.

(g) Notwithstanding subdivisions (a) to (f), inclusive, nothing in this section prohibits a city, county, city and county, or the governing body of any airport, from adopting and enforcing reasonable permit requirements, fees, rules, and regulations applicable to charter-party carriers of passengers other than those operating limousines.

(h) Notwithstanding subdivisions (a) to (f), inclusive, a city, county, or city and county may impose reasonable rules for the inspection of waybills of charter-party carriers of passengers operating within the jurisdiction of the city, county, or city and county, for purposes of verifying valid prearranged travel.

(i) For the purposes of this section, ''limousine'' includes any luxury sedan, of either standard or extended length, with a seating capacity of not more than nine passengers including the driver, used in the transportation of passengers for hire on a prearranged basis within this state.

SEC. 2. Section 5381.5 is added to the Public Utilities Code, to read:

5381.5. The commission shall, by rule or other appropriate procedure, ensure that every charter-party carrier of passengers operates on a prearranged basis within the state, consistent with Section 5360.5. The commission shall require every charter-party carrier of passengers to include on a waybill or trip report at least all of the following:

(a) The name of at least one passenger in the traveling party, or identifying information of the traveling party's affiliation, along with the point of origin and destination of the passenger or traveling party.

(b) Information as to whether the transportation was arranged by telephone or written contract.

SEC. 3. Section 5411.5 of the Public Utilities Code is amended to read:

5411.5. (a) Whenever a peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, arrests a person for a violation of Section 5411 involving the operation of a charter-party carrier of passengers without a valid certificate or permit at a public airport, within 100 feet of a public airport, or within two miles of the international border between the United States and Mexico, the peace officer may impound and retain possession of the vehicle used in violation of Section 5411.

(b) Whenever a peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, arrests a person

for operating a charter-party carrier of passengers as a taxicab in violation of an ordinance or resolution of a city, county, or city and county, the peace officer may impound and retain possession of the vehicle.

(c) If the vehicle is seized from a person who is not the owner of the vehicle, the impounding authority shall immediately give notice to the owner by first-class mail.

(d) The vehicle shall immediately be returned to the owner without cost to the owner if the infraction or violation is not prosecuted or is dismissed, the owner is found not guilty of the offense, or it is determined that the vehicle was used in violation of Section 5411 without the knowledge and consent of the owner. Otherwise, the vehicle shall be returned to the owner upon payment of any fine ordered by the court. After the expiration of six weeks from the final disposition of the criminal case, unless the owner is in the process of making payments to the court, the impounding authority may deal with the vehicle as lost or abandoned property under Section 1411 of the Penal Code.

(e) At any time, a person may make a motion in superior court for the immediate return of the vehicle on the ground that there was no probable cause to seize it or that there is some other good cause, as determined by the court, for the return of the vehicle. A proceeding under this section is a limited civil case.

(f) No peace officer, however, may impound any vehicle owned or operated by a nonprofit organization exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code which serves youth or senior citizens and provides transportation incidental to its programs or services.

SEC. 4. Section 5412.2 of the Public Utilities Code is amended to read:

5412.2. (a) When a person is convicted of the offense of operating a charter-party carrier of passengers or a taxicab without a valid certificate or permit, in addition to any other penalties provided by law, if the court determines the operator has the ability to pay, the court shall impose a mandatory fine not exceeding two thousand five hundred dollars ($2,500) for a first conviction or five thousand dollars ($5,000) for a subsequent conviction.

(b) As used in this section, ''taxicab'' means a passenger vehicle designed for carrying not more than eight persons, excluding the driver, and used to carry passengers for hire. ''Taxicab'' shall not include a charter-party carrier of passengers within the meaning of the Passenger Charter-Party Carriers' Act, Chapter 8 (commencing with Section 5351).

SEC. 5. Section 5413.5 of the Public Utilities Code is amended to read:

5413.5. (a) Whenever the commission, after hearing, finds that any person or corporation is operating as a charter-party carrier of passengers without a valid certificate or permit, or fails to include in any public advertisement the number of the permit or identifying symbol required by Section 5386, the commission may impose a fine of not more than five thousand dollars ($5,000) for each violation. The commission may assess the person or corporation an amount sufficient to cover the reasonable expense of investigation incurred by the commission. The commission may assess interest on any fine or assessment imposed, to commence on the day the payment of the fine or assessment becomes delinquent. All fines, assessments, and interest collected shall be deposited at least once each month in the General Fund.

(b) Whenever the commission, after hearing, finds that any person or corporation is operating a charter-party carrier of passengers as a taxicab without a valid certificate or permit in violation of an ordinance or resolution of a city, county, or city and county, the commission may impose a fine of not more than five thousand dollars ($5,000) for each violation. The commission may assess the person or corporation an amount sufficient to cover the reasonable expense of investigation incurred by the commission. The commission may assess interest on any fine or assessment imposed, to commence on the day the payment of the fine or assessment becomes delinquent. All fines, assessments, and interest collected shall be deposited at least once each month in the General Fund.

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 that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 604

An act to amend Section 25510 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor September 20, 2004. Filed with Secretary of State September 20, 2004.]

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

SECTION 1. Section 25510 of the Business and Professions Code is amended to read:

25510. Notwithstanding any other provision of this chapter, a manufacturer may furnish to a licensed wholesaler, and a licensed wholesaler or manufacturer may furnish to an on-sale licensee, only the following specified items of alcoholic beverage tapping equipment: kegs, tapping heads, air lines, alcoholic beverage lines, clamps, washers, coupling devices, rods, vents, valves, keg spacers, and filters for an initial installation in a new on-sale licensed account or for a changeover of equipment from one tapping system to another. A supplier may service, repair, and replace the above-specified items of alcoholic beverage tapping equipment as necessary. This section shall not permit a supplier to furnish or repair alcoholic beverage equipment not specified in this section to an on-sale licensee. Alcoholic beverage tapping equipment furnished by a supplier shall remain the property of the supplier.

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 that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 605

An act to amend Section 2051 of, and to add Section 675.1 to, the Insurance Code, relating to fire insurance.

[Approved by Governor September 20, 2004. Filed with Secretary of State September 20, 2004.]

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

SECTION 1. Section 675.1 is added to the Insurance Code, to read:

675.1. In the case of a total loss to the primary insured structure under a residential policy subject to Section 675, the following provisions apply:

(a) If reconstruction of the primary insured structure has not been completed by the time of policy renewal, the insurer, prior to or at the

time of renewal, and after consultation by the insurer or its representative with the insured as to what limits and coverages might or might not be needed, shall adjust the limits and coverages, write an additional policy, or attach an endorsement to the policy that reflects the change, if any, in the insured's exposure to loss. The insurer shall adjust the premium charged to reflect any change in coverage.

(b) The insurer shall not cancel coverage while the primary insured structure is being rebuilt, except for the reasons specified in subdivisions (a) to (e), inclusive, of Section 676. The insurer shall not use the fact that the primary insured structure is in damaged condition as a result of the total loss as the sole basis for a decision to cancel the policy pursuant to subdivision (e) of that section.

(c) Except for the reasons specified in subdivisions (a) to (e), inclusive, of Section 676, the insurer shall offer to, at least once, renew the policy in accordance with the provisions of subdivision (a) if the total loss to the primary insured structure was caused by a disaster, as defined in subdivision (b) of Section 1689.14 of the Civil Code, and the loss was not also due to the negligence of the insured.

(d) With respect to policies of residential earthquake insurance, the California Earthquake Authority, or any insurer, including a participating insurer, as defined in subdivision (i) of Section 10089.5, may defer its initial implementation of this section until no later than October 1, 2005.

(e) With respect to a residential earthquake insurance policy issued by the California Earthquake Authority, the following provisions apply:

(1) The participating insurer that issued the underlying policy of residential property insurance on the primary insured structure shall consult with the insured as to what limits and coverages might or might not be needed as required by subdivision (a).

(2) The California Earthquake Authority, in lieu of meeting the requirements of subdivision (a), shall establish procedures and practices that allow it to reasonably accommodate the needs and interests of consumers in maintaining appropriate earthquake insurance coverage, within the statutory and regulatory limitations on the types of insurance coverages and the coverage limits of the policies that the authority may issue.

SEC. 2. Section 2051 of the Insurance Code is amended to read:

2051. (a) Under an open policy, the measure of indemnity in fire insurance is the expense to the insured of replacing the thing lost or injured in its condition at the time of the injury, the expense being computed as of the time of the commencement of the fire.

(b) Under an open policy that requires payment of actual cash value, the measure of the actual cash value recovery, in whole or partial settlement of the claim, shall be determined as follows:

(1) In case of total loss to the structure, the policy limit or the fair market value of the structure, whichever is less.

(2) In case of a partial loss to the structure, or loss to its contents, the amount it would cost the insured to repair, rebuild, or replace the thing lost or injured less a fair and reasonable deduction for physical depreciation based upon its condition at the time of the injury or the policy limit, whichever is less. In case of a partial loss to the structure, a deduction for physical depreciation shall apply only to components of a structure that are normally subject to repair and replacement during the useful life of that structure.

CHAPTER 606

An act to amend Sections 12073 and 12078 of, and to add Section 12081 to, the Penal Code, relating to firearms, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 20, 2004. Filed with Secretary of State September 20, 2004.]

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

SECTION 1. It is the intent of the Legislature to encourage safety while facilitating the appropriate use of firearms by the entertainment industry by enacting a special permit program that will simplify that use for persons who are properly screened. The Legislature finds and declares that the fees in subdivision (c) of Section 12081 of the Penal Code are set at a level that will cover only the costs of this program, and that any adjustment of the fees in the future shall provide only for the costs of the entertainment firearms permit program.

SEC. 2. Section 12073 of the Penal Code is amended to read:

12073. (a) As required by the Department of Justice, every dealer shall keep a register or record of electronic or telephonic transfer in which shall be entered the information prescribed in Section 12077.

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

(1) The delivery, sale, or transfer of an unloaded firearm that is not a handgun by a dealer to another dealer upon proof of compliance with the requirements of paragraph (1) of subdivision (f) of Section 12072.

(2) The delivery, sale, or transfer of an unloaded firearm by a dealer to another dealer if that firearm is intended as merchandise in the receiving dealer's business upon proof of compliance with the requirements of paragraph (1) of subdivision (f) of Section 12072.

(3) The delivery, sale, or transfer of an unloaded firearm by a dealer to a person licensed as an importer or manufacturer pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and any regulations issued pursuant thereto.

(4) The delivery, sale, or transfer of an unloaded firearm by a dealer who sells, transfers, or delivers the firearm to a person who resides outside this state who is licensed pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and any regulations issued pursuant thereto.

(5) The delivery, sale, or transfer of an unloaded firearm by a dealer to a wholesaler if that firearm is being returned to the wholesaler and is intended as merchandise in the wholesaler's business.

(6) The delivery, sale, or transfer of an unloaded firearm that is not a handgun by a dealer to himself or herself.

(7) The loan of an unloaded firearm by a dealer who also operates a target facility which holds a business or regulatory license on the premises of the building designated in the license or whose building designated in the license is on the premises of any club or organization organized for the purpose of practicing shooting at targets upon established ranges, whether public or private, to a person at that target facility or club or organization, if the firearm is kept at all times within the premises of the target range or on the premises of the club or organization.

(8) The delivery of an unloaded firearm by a dealer to a gunsmith for service or repair.

(9) The return of an unloaded firearm to the owner of that firearm by a dealer, if the owner initially delivered the firearm to the dealer for service or repair.

(10) The loan of an unloaded firearm by a dealer to a person who possesses a valid entertainment firearms permit issued pursuant to Section 12081, for use solely as a prop in a motion picture, television, video, theatrical, or other entertainment production or event.

(c) A violation of this section is a misdemeanor.

SEC. 3. Section 12078 of the Penal Code is amended to read:

12078. (a) (1) The waiting periods described in Sections 12071, 12072, and 12084 shall 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. 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 dealer or local law enforcement agency acting pursuant to Section 12084 at the time of purchase or transfer and the purchaser or transferee shall identify himself or herself as the person authorized in the certification. The dealer or local law enforcement agency shall keep the certification with the record of sale, or LEFT, as the case may be. On the date that the delivery, sale, or transfer is made, the dealer delivering the firearm or the law enforcement agency processing the transaction pursuant to Section 12084 shall forward by prepaid mail to the Department of Justice a report of the transaction pursuant to subdivision (b) or (c) of Section 12077 or Section 12084. If electronic or telephonic transfer of applicant information is used, on the date that the application to purchase is completed, the dealer delivering the firearm shall transmit to the Department of Justice an electronic or telephonic report of the transaction as is indicated in subdivision (b) or (c) of Section 12077.

(2) Subdivision (b) of Section 12801 and the preceding provisions of this article do not apply to deliveries, transfers, or sales of firearms made to authorized law enforcement representatives of cities, counties, cities and counties, or state or federal governments for exclusive use by those governmental agencies if, prior to the delivery, transfer, or sale of these firearms, written authorization from the head of the agency authorizing the transaction is presented to the person from whom the purchase, delivery, or transfer is being made. Proper written authorization is defined as verifiable written certification from the head of the agency by which the purchaser or transferee is employed, identifying the employee as an individual authorized to conduct the transaction, and authorizing the transaction for the exclusive use of the agency by which he or she is employed. Within 10 days of the date a handgun is acquired by the agency, a record of the same shall be entered as an institutional weapon into the Automated Firearms System (AFS) via the California Law Enforcement Telecommunications System (CLETS) by the law enforcement or state agency. Those agencies without access to AFS shall arrange with the sheriff of the county in which the agency is located to input this information via this system.

(3) Subdivision (b) of Section 12801 and the preceding provisions of this article do not apply to the loan of a firearm made by an authorized law enforcement representative of a city, county, or city and county, or the state or federal government to a peace officer employed by that agency and authorized to carry a firearm for the carrying and use of that firearm by that peace officer in the course and scope of his or her duties.

(4) Subdivision (b) of Section 12801 and the preceding provisions of this article do not apply to the delivery, sale, or transfer of a firearm by a law enforcement agency to a peace officer pursuant to Section 10334 of the Public Contract Code. Within 10 days of the date that a handgun

is sold, delivered, or transferred pursuant to Section 10334 of the Public Contract Code to that peace officer, the name of the officer and the make, model, serial number, and other identifying characteristics of the firearm being sold, transferred, or delivered shall be entered into the Automated Firearms System (AFS) via the California Law Enforcement Telecommunications System (CLETS) by the law enforcement or state agency that sold, transferred, or delivered the firearm. Those agencies without access to AFS shall arrange with the sheriff of the county in which the agency is located to input this information via this system.

(5) Subdivision (b) of Section 12801 and the preceding provisions of this article do not apply to the delivery, sale, or transfer of a firearm by a law enforcement agency to a retiring peace officer who is authorized to carry a firearm pursuant to Section 12027.1. Within 10 days of the date that a handgun is sold, delivered, or transferred to that retiring peace officer, the name of the officer and the make, model, serial number, and other identifying characteristics of the firearm being sold, transferred, or delivered shall be entered into the Automated Firearms System (AFS) via the California Law Enforcement Telecommunications System (CLETS) by the law enforcement or state agency that sold, transferred, or delivered the firearm. Those agencies without access to AFS shall arrange with the sheriff of the county in which the agency is located to input this information via this system.

(6) Subdivision (d) of Section 12072 and subdivision (b) of Section 12801 do 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 paragraph shall be disposed of pursuant to the applicable provisions of Section 12028 or 12032.

(7) Subdivision (d) of Section 12072 and subdivision (b) of Section 12801 shall not apply to the sale, loan, delivery, or transfer of a firearm made by an authorized law enforcement representative of a city, county, city and county, state, or the federal government to any public or private nonprofit historical society, museum, or institutional collection or the purchase or receipt of that firearm by that public or private nonprofit historical society, museum, or institutional collection if all of the following conditions are met:

(A) The entity receiving the firearm is open to the public.

(B) The firearm prior to delivery is deactivated or rendered inoperable.

(C) The firearm is not subject to Section 12028, 12028.5, 12030, or 12032.

(D) The firearm is not prohibited by other provisions of law from being sold, delivered, or transferred to the public at large.

(E) Prior to delivery, the entity receiving the firearm submits a written statement to the law enforcement representative stating that the firearm will not be restored to operating condition, and will either remain with that entity, or if subsequently disposed of, will be transferred in accordance with the applicable provisions of this article and, if applicable, Section 12801.

(F) Within 10 days of the date that the firearm is sold, loaned, delivered, or transferred to that entity, the name of the government entity delivering the firearm, and the make, model, serial number, and other identifying characteristics of the firearm and the name of the person authorized by the entity to take possession of the firearm shall be reported to the department in a manner prescribed by the department.

(G) In the event of a change in the status of the designated representative, the entity shall notify the department of a new representative within 30 days.

(8) Subdivision (d) of Section 12072 and subdivision (b) of Section 12801 shall not apply to the sale, loan, delivery, or transfer of a firearm made by any person other than a representative of an authorized law enforcement agency to any public or private nonprofit historical society, museum, or institutional collection if all of the following conditions are met:

(A) The entity receiving the firearm is open to the public.

(B) The firearm is deactivated or rendered inoperable prior to delivery.

(C) The firearm is not of a type prohibited from being sold, delivered, or transferred to the public.

(D) Prior to delivery, the entity receiving the firearm submits a written statement to the person selling, loaning, or transferring the firearm stating that the firearm will not be restored to operating condition, and will either remain with that entity, or if subsequently disposed of, will be transferred in accordance with the applicable, provisions of this article and, if applicable Section 12801.

(E) If title to a handgun is being transferred to the public or private nonprofit historical society, museum, or institutional collection, then the designated representative of that public or private historical society, museum or institutional collection within 30 days of taking possession of that handgun, shall forward by prepaid mail or deliver in person to the Department of Justice, a single report signed by both parties to the transaction, that includes information identifying the person representing that public or private historical society, museum, or institutional collection, how title was obtained and from whom, and a description of the firearm in question, along with a copy of the written

statement referred to in subparagraph (D). The report forms that are to be completed pursuant to this paragraph shall be provided by the Department of Justice.

(F) In the event of a change in the status of the designated representative, the entity shall notify the department of a new representative within 30 days.

(b) (1) Section 12071, subdivisions (c) and (d) of Section 12072, and subdivision (b) of Section 12801 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.

(2) Subdivision (b) of Section 12801 shall not apply to the delivery, sale, or transfer of a handgun to a person licensed pursuant to Section 12071, where the licensee is receiving the handgun in the course and scope of his or her activities as a person licensed pursuant to Section 12071.

(c) (1) Subdivision (d) of Section 12072 shall not apply to the infrequent transfer of a firearm that is not a handgun by gift, bequest, intestate succession, or other means by one individual to another if both individuals are members of the same immediate family.

(2) Subdivision (d) of Section 12072 shall not apply to the infrequent transfer of a handgun by gift, bequest, intestate succession, or other means by one individual to another if both individuals are members of the same immediate family and both of the following conditions are met:

(A) The person to whom the firearm is transferred shall, within 30 days of taking possession of the firearm, forward by prepaid mail or deliver in person to the Department of Justice, a report that includes information concerning the individual taking possession of the firearm, how title was obtained and from whom, and a description of the firearm in question. The report forms that individuals complete pursuant to this paragraph shall be provided to them by the Department of Justice.

(B) The person taking title to the firearm shall first obtain a handgun safety certificate.

(C) The person receiving the firearm is 18 years of age or older.

(3) As used in this subdivision, ''immediate family member'' means any one of the following relationships:

(A) Parent and child.

(B) Grandparent and grandchild.

(d) (1) 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 and, when the firearm is a handgun, commencing January 1,

2003, the individual being loaned the handgun has a valid handgun safety certificate.

(2) Subdivision (d) of Section 12072, and subdivision (b) of Section 12801 shall not apply to the loan of a firearm where all of the following conditions exist:

(A) The person loaning the firearm is at all times within the presence of the person being loaned the firearm.

(B) The loan is for a lawful purpose.

(C) The loan does not exceed three days in duration.

(D) The individual receiving the firearm is not prohibited from owning or possessing a firearm pursuant to Section 12021 or 12021.1 of this code, or by Section 8100 or 8103 of the Welfare and Institutions Code.

(E) The person loaning the firearm is 18 years of age or older.

(F) The person being loaned the firearm is 18 years of age or older.

(e) Section 12071, subdivisions (c) and (d) of Section 12072, and subdivision (b) of Section 12801 shall not apply to the delivery of a firearm to a gunsmith for service or repair, or to the return of the firearm to its owner by the gunsmith.

(f) Subdivision (d) of Section 12072 and subdivision (b) of Section 12801 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 handgun, 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 or similar events.

(2) Subdivision (d) of Section 12072 shall not apply to the transfer of a firearm other than a handgun, 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 handgun 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 two business days of completion of the application to purchase, the dealer shall forward by prepaid mail to the Department of Justice a report of the same as is indicated in subdivision (c) of Section 12077. If the electronic or telephonic transfer of applicant information is used, within two business days of completion of the application to purchase, the dealer delivering the firearm shall transmit to the Department of Justice an electronic or telephonic report of the same as is indicated in subdivision (c) of Section 12077.

(h) Subdivision (d) of Section 12072 and subdivision (b) of Section 12801 shall not apply to the loan of a firearm to a person 18 years of age or older for the purposes of shooting at targets if the loan occurs on the premises of a target facility that 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 a firearm that is not a handgun by operation of law if 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.

(2) Subdivision (d) of Section 12072 shall not apply to a person who takes title or possession of a handgun by operation of law if 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 and all of the following conditions are met:

(A) If the person taking title or possession is neither a levying officer as defined in Section 481.140, 511.060, or 680.210 of the Code of Civil Procedure, nor a person who is receiving that firearm pursuant to subparagraph (G), (I), or (J) of paragraph (2) of subdivision (u), the person shall, within 30 days of taking possession, forward by prepaid mail or deliver in person to the Department of Justice, a report 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 that individuals complete pursuant to this paragraph shall be provided to them by the department.

(B) If the person taking title or possession is receiving the firearm pursuant to subparagraph (G) of paragraph (2) of subdivision (u), the person shall do both of the following:

(i) Within 30 days of taking possession, forward by prepaid mail or deliver in person to the department, a report 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 that individuals complete pursuant to this paragraph shall be provided to them by the department.

(ii) Prior to taking title or possession of the firearm, the person shall obtain a handgun safety certificate.

(C) Where the person receiving title or possession of the handgun is a person described in subparagraph (I) of paragraph (2) of subdivision (u), on the date that the person is delivered the firearm, the name and other information concerning the person taking possession of the firearm, how title or possession of the firearm was obtained and from whom, and a description of the firearm by make, model, serial number, and other identifying characteristics, shall be entered into the Automated Firearms System (AFS) via the California Law Enforcement Telecommunications System (CLETS) by the law enforcement or state agency that transferred or delivered the firearm. Those agencies without access to AFS shall arrange with the sheriff of the county in which the agency is located to input this information via this system.

(D) Where the person receiving title or possession of the handgun is a person described in subparagraph (J) of paragraph (2) of subdivision (u), on the date that the person is delivered the firearm, the name and other information concerning the person taking possession of the firearm, how title or possession of the firearm was obtained and from whom, and a description of the firearm by make, model, serial number, and other identifying characteristics, shall be entered into the AFS via the CLETS by the law enforcement or state agency that transferred or delivered the firearm. Those agencies without access to AFS shall arrange with the sheriff of the county in which the agency is located to input this information via this system. In addition, that law enforcement agency shall not deliver that handgun to the person referred to in this subparagraph unless, prior to the delivery of the same, the person presents proof to the agency that he or she is the holder of a handgun safety certificate.

(3) 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 subsequently transfers ownership of the firearm to himself or herself in his or her individual capacity. In the case of a handgun, the individual shall obtain a handgun safety certificate prior to transferring

ownership to himself or herself, or taking possession of a handgun in an individual capacity.

(j) Subdivision (d) of Section 12072 and subdivision (b) of Section 12801 shall not apply to deliveries, transfers, or returns of firearms made pursuant to Section 12028, 12028.5, or 12030.

(k) Section 12071, subdivision (c) of Section 12072, and subdivision (b) of Section 12801 shall not apply to any of the following:

(1) The delivery, sale, or transfer of unloaded firearms that are not handguns by a dealer to another dealer upon proof of compliance with the requirements of paragraph (1) of subdivision (f) of Section 12072.

(2) The delivery, sale, or transfer of unloaded 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 unloaded 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 of compliance with the requirements of paragraph (1) of subdivision (f) of Section 12072.

(5) The delivery, sale, or transfer of an unloaded firearm that is not a handgun by a dealer to himself or herself.

(6) The loan of an unloaded firearm by a dealer who also operates a target facility that holds a business or regulatory license on the premises of the building designated in the license or whose building designated in the license is on the premises of any club or organization organized for the purposes of practicing shooting at targets upon established ranges, whether public or private, to a person at that target facility or that club or organization, if the firearm is at all times kept within the premises of the target range or on the premises of the club or organization.

(*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 handgun or who moves out of this state with his or her handgun may submit a report of the same to the Department of Justice in a format prescribed by the department.

(m) Subdivision (d) of Section 12072 and subdivision (b) of Section 12801 shall not apply to the delivery, sale, or transfer of unloaded firearms to a wholesaler as merchandise in the wholesaler's business by manufacturers or importers 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, or by another wholesaler, if the delivery, sale, or transfer is made in accordance with

Chapter 44 (commencing with Section 921) of Title 18 of the United States Code.

(n) (1) The waiting period described in Section 12071 or 12072 shall not apply to the delivery, sale, or transfer of a handgun by a dealer in either of the following situations:

(A) The dealer is delivering the firearm to another dealer and it is not intended as merchandise in the receiving dealer's business.

(B) The dealer is delivering the firearm to himself or herself and it is not intended as merchandise in his or her business.

(2) In order for this subdivision to apply, both of the following shall occur:

(A) If the dealer is receiving the firearm from another dealer, the dealer receiving the firearm shall present proof to the dealer delivering the firearm that he or she is licensed pursuant to Section 12071 by complying with paragraph (1) of subdivision (f) of Section 12072.

(B) Whether the dealer is delivering, selling, or transferring the firearm to himself or herself or to another dealer, on the date that the application to purchase is completed, the dealer delivering the firearm shall forward by prepaid mail to the Department of Justice a report of the same and the type of information concerning the purchaser or transferee as is indicated in subdivision (b) of Section 12077. Where the electronic or telephonic transfer of applicant information is used, on the date that the application to purchase is completed, the dealer delivering the firearm shall transmit an electronic or telephonic report of the same and the type of information concerning the purchaser or transferee as is indicated in subdivision (b) of Section 12077.

(o) Section 12071 and subdivisions (c) and (d) of Section 12072 shall not apply to the delivery, sale, or transfer of firearms regulated pursuant to Section 12020, Chapter 2 (commencing with Section 12200), or Chapter 2.3 (commencing with Section 12275), if the delivery, sale, or transfer is conducted in accordance with the applicable provisions of Section 12020, Chapter 2 (commencing with Section 12200), or Chapter 2.3 (commencing with Section 12275).

(p) (1) Paragraph (3) of subdivision (a) and subdivision (d) of Section 12072 shall not apply to the loan of a firearm that is not a handgun to a minor, with the express permission of the parent or legal guardian of the minor, if the loan does not exceed 30 days in duration and is for a lawful purpose.

(2) Paragraph (3) of subdivision (a) of Section 12072, subdivision (d) of Section 12072, and subdivision (b) of Section 12801 shall not apply to the loan of a handgun to a minor by a person who is not the parent or legal guardian of the minor if all of the following circumstances exist:

(A) The minor has the written consent of his or her parent or legal guardian that is presented at the time of, or prior to the time of, the loan,

or is accompanied by his or her parent or legal guardian at the time the loan is made.

(B) The minor is being loaned the firearm for the purpose of engaging in a lawful, recreational sport, including, but not limited to, competitive shooting, or agricultural, ranching, or hunting activity, or a motion picture, television, or video production, or entertainment or theatrical event, the nature of which involves the use of a firearm.

(C) The duration of the loan does not exceed the amount of time that is reasonably necessary to engage in the lawful, recreational sport, including, but not limited to, competitive shooting, or agricultural, ranching, or hunting activity, or a motion picture, television, or video production, or entertainment or theatrical event, the nature of which involves the use of a firearm.

(D) The duration of the loan does not, in any event, exceed 10 days.

(3) Paragraph (3) of subdivision (a), and subdivision (d), of Section 12072, and subdivision (b) of Section 12801 shall not apply to the loan of a handgun to a minor by his or her parent or legal guardian if both of the following circumstances exist:

(A) The minor is being loaned the firearm for the purposes of engaging in a lawful, recreational sport, including, but not limited to, competitive shooting, or agricultural, ranching, or hunting activity, or a motion picture, television, or video production, or entertainment or theatrical event, the nature of which involves the use of a firearm.

(B) The duration of the loan does not exceed the amount of time that is reasonably necessary to engage in the lawful, recreational sport, including, but not limited to, competitive shooting, or agricultural, ranching, or hunting activity, or a motion picture, television, or video production, or entertainment or theatrical event, the nature of which involves the use of a firearm.

(4) Paragraph (3) of subdivision (a), and subdivision (d), of Section 12072 shall not apply to the transfer or loan of a firearm that is not a handgun to a minor by his or her parent or legal guardian.

(5) Paragraph (3) of subdivision (a), and subdivision (d), of Section 12072 shall not apply to the transfer or loan of a firearm that is not a handgun to a minor by his or her grandparent who is not the legal guardian of the minor if the transfer is done with the express permission of the parent or legal guardian of the minor.

(6) Subparagraph (A) of paragraph (3) of subdivision (a) of Section 12072 shall not apply to the sale of a handgun if both of the following requirements are satisfied:

(A) The sale is to a person who is at least 18 years of age.

(B) The firearm is an antique firearm as defined in paragraph (16) of subsection (a) of Section 921 of Title 18 of the United States Code.

(q) Subdivision (d) of Section 12072 shall not apply to the loan of a firearm that is not a handgun to a licensed hunter for use by that licensed hunter for a period of time not to exceed the duration of the hunting season for which that firearm is to be used.

(r) The waiting period described in Section 12071, 12072, or 12084 shall not apply to the delivery, sale, or transfer of a firearm to the holder of a special weapons permit issued by the Department of Justice issued pursuant to Section 12095, 12230, 12250, or 12305. On the date that the application to purchase is completed, the dealer delivering the firearm or the law enforcement agency processing the transaction pursuant to Section 12084, shall forward by prepaid mail to the Department of Justice a report of the same as described in subdivision (b) or (c) of Section 12077 or Section 12084. If the electronic or telephonic transfer of applicant information is used, on the date that the application to purchase is completed, the dealer delivering the firearm shall transmit to the Department of Justice an electronic or telephonic report of the same as is indicated in subdivision (b) or (c) of Section 12077.

(s) (1) Subdivision (d) of Section 12072 and subdivision (b) of Section 12801 shall not apply to the infrequent loan of an unloaded firearm by a person who is neither a dealer as defined in Section 12071 nor a federal firearms licensee pursuant to Chapter 44 of Title 18 of the United States Code, to a person 18 years of age or older for use solely as a prop in a motion picture, television, video, theatrical, or other entertainment production or event.

(2) Subdivision (d), and paragraph (1) of subdivision (f), of Section 12072, and subdivision (b) of Section 12801 shall not apply to the loan of an unloaded firearm by a person who is not a dealer as defined in Section 12071 but who is a federal firearms licensee pursuant to Chapter 44 of Title 18 of the United States Code, to a person who possesses a valid entertainment firearms permit issued pursuant to Section 12081, for use solely as a prop in a motion picture, television, video, theatrical, or other entertainment production or event. The person loaning the firearm pursuant to this paragraph shall retain a photocopy of the entertainment firearms permit as proof of compliance with this requirement.

(3) Subdivision (b) of Section 12071, subdivision (c) of, and paragraph (1) of subdivision (f) of, Section 12072, and subdivision (b) of Section 12801 shall not apply to the loan of an unloaded firearm by a dealer as defined in Section 12071, to a person who possesses a valid entertainment firearms permit issued pursuant to Section 12081, for use solely as a prop in a motion picture, television, video, theatrical, or other entertainment production or event. The dealer shall retain a photocopy of the entertainment firearms permit as proof of compliance with this requirement.

(t) (1) The waiting period described in Sections 12071, 12072, and 12084 shall not apply to the sale, delivery, loan, or transfer of a firearm that is a curio or relic, as defined in Section 478.11 of Title 27 of the Code of Federal Regulations, or its successor, by a dealer or through a law enforcement agency to a person who is licensed as a collector pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and the regulations issued pursuant thereto who has a current certificate of eligibility issued to him or her by the Department of Justice pursuant to Section 12071. On the date that the delivery, sale, or transfer is made, the dealer delivering the firearm or the law enforcement agency processing the transaction pursuant to Section 12084, shall forward by prepaid mail to the Department of Justice a report of the transaction pursuant to subdivision (b) of Section 12077 or Section 12084. If the electronic or telephonic transfer of applicant information is used, on the date that the application to purchase is completed, the dealer delivering the firearm shall transmit to the Department of Justice an electronic or telephonic report of the transaction as is indicated in subdivision (b) or (c) of Section 12077.

(2) Subdivision (d) of Section 12072 shall not apply to the infrequent sale, loan, or transfer of a firearm that is not a handgun, which is a curio or relic manufactured at least 50 years prior to the current date, but not including replicas thereof, as defined in Section 478.11 of Title 27 of the Code of Federal Regulations, or its successor.

(u) 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.

(I) Firearms received by the family of a police officer or deputy sheriff from a local agency pursuant to Section 50081 of the Government Code.

(J) The transfer of a firearm by a law enforcement agency to the person who found the firearm where the delivery is to the person as the finder of the firearm pursuant to Article 1 (commencing with Section 2080) of Chapter 4 of Division 3 of the Civil Code.

SEC. 4. Section 12081 is added to the Penal Code, to read:

12081. (a) Any person who is at least 21 years of age may apply for an entertainment firearms permit from the Department of Justice that authorizes the permitholder to possess firearms loaned to him or her for use solely as a prop in a motion picture, television, video, theatrical, or other entertainment production or event. Upon receipt of an initial or renewal application submitted as specified in subdivision (b), the department shall examine its records, records the department is authorized to request from the State Department of Mental Health pursuant to Section 8104 of the Welfare and Institutions Code, and records of the National Instant Criminal Background Check System as described in subsection (t) of Section 922 of Title 18 of the United States Code, in order to determine if the applicant is prohibited from possessing or receiving firearms. The department shall issue an entertainment firearms permit only if the records indicate that the applicant is not prohibited from possessing or receiving firearms pursuant to any federal, state, or local law.

(b) (1) Requests for entertainment firearms permits shall be made on application forms prescribed by the Department of Justice that requires applicant information, including but not limited to the following:

(A) Complete name.

(B) Residential and mailing address.

(C) Telephone number.

(D) Date of birth.

(E) Place of birth.

(F) Country of citizenship and, if other than United States, alien number or admission number.

(G) Valid driver's license number or valid identification card number issued by the California Department of Motor Vehicles.

(H) Social security number.

(I) Signature.

(2) All applications must be submitted with the appropriate fee as specified in subdivision (c).

(3) Initial applications for an entertainment firearms permit shall require the submission of fingerprint images and related information in

a manner prescribed by the department, for the purpose of obtaining information as to the existence and nature of a record of state or federal level convictions and state or federal level arrests for which the department establishes that the individual was released on bail or on his or her own recognizance pending trial as needed to determine whether the applicant may be issued the permit. Requests for federal level criminal offender record information received by the Department of Justice pursuant to this section shall be forwarded by the department to the Federal Bureau of Investigation.

(4) The Department of Justice shall review the criminal offender record information specified in subdivision (*l*) of Section 11105 for entertainment firearms permit applicants.

(5) The Department of Justice shall review subsequent arrests, pursuant to Section 11105.2, to determine the continuing validity of the permit as specified in subdivision (d) for all entertainment firearms permitholders.

(6) Any person who furnishes a fictitious name or address or knowingly furnishes any incorrect information or knowingly omits any information required to be provided on this application is guilty of a misdemeanor.

(c) The Department of Justice shall recover the full costs of administering the program by assessing the following application fees:

(1) For the initial application: one hundred four dollars ($104). Of this sum, fifty-six dollars ($56) shall be deposited into the Fingerprint Fee Account, and forty-eight dollars ($48) shall be deposited into the Dealer Record of Sale Account.

(2) For each annual renewal application: twenty-nine dollars ($29), which shall be deposited into the Dealer Record of Sale Account.

(d) The implementation of subdivisions (a), (b), and (c) by the department is exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(e) The department shall annually review and shall adjust the fees specified in subdivision (c), if necessary, to fully fund, but not to exceed the actual costs of, the permit program provided for by this section, including enforcement of the program.

(f) An entertainment firearms permit issued by the Department of Justice shall be valid for one year from the date of issuance. If at any time during that year the permitholder becomes prohibited from possessing or receiving firearms pursuant to any federal, state, or local law, his or her entertainment firearms permit shall be no longer valid.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will

be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

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

In order to assure appropriate regulation of firearms in the entertainment industry, it is necessary that this act take effect immediately.

CHAPTER 607

An act to amend Section 53071.5 of the Government Code, to amend Section 417.4 of, to add Sections 12550, 12553, 12554, 12555, and 12556 to, to repeal Section 417.2 of, and to amend the heading of Article 1 (commencing with Section 12550) of Chapter 6 of Title 2 of Part 4 of, the Penal Code, relating to imitation firearms, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 20, 2004. Filed with Secretary of State September 20, 2004.]

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

SECTION 1. Section 53071.5 of the Government Code is amended to read:

53071.5. By the enforcement of this section, the Legislature occupies the whole field of regulation of the manufacture, sale, or possession of imitation firearms, as defined in Section 12550 of the Penal Code, and that section shall preempt and be exclusive of all regulations relating to the manufacture, sale, or possession of imitation firearms, including regulations governing the manufacture, sale, or possession of BB devices and air rifles described in subdivision (g) of Section 12001 of the Penal Code.

SEC. 2. Section 417.2 of the Penal Code is repealed.

SEC. 3. Section 417.4 of the Penal Code is amended to read:

417.4. Every person who, except in self-defense, draws or exhibits an imitation firearm, as defined in Section 12550, in a threatening manner against another in such a way as to cause a reasonable person apprehension or fear of bodily harm is guilty of a misdemeanor

punishable by imprisonment in a county jail for a term of not less than 30 days.

SEC. 4. The heading of Article 1 (commencing with Section 12550) of Chapter 6 of Title 2 of Part 4 of the Penal Code is amended to read:

Article 1. BB Devices and Imitation Firearms

SEC. 5. Section 12550 is added to the Penal Code, to read:

12550. As used in this article, the following definitions apply:

(a) ''BB device'' is defined in subdivision (g) of Section 12001.

(b) ''Firearm'' is defined in subdivision (b) of Section 12001.

(c) ''Imitation firearm'' means any BB device, toy gun, replica of a firearm, or other device that is so substantially similar in coloration and overall appearance to an existing firearm as to lead a reasonable person to perceive that the device is a firearm.

SEC. 6. Section 12553 is added to the Penal Code, to read:

12553. Any person who changes, alters, removes, or obliterates any coloration or markings that are required for by any applicable state or federal law or regulation, for any imitation firearm, or device described in subdivision (c) of Section 12555, in any way that makes the imitation firearm or device look more like a firearm is guilty of a misdemeanor. This subdivision shall not apply to manufacturer, importer, or distributor of imitation firearms or to the lawful use in theatrical productions, including motion pictures, television, and stage productions.

(b) Any manufacturer, importer, or distributor of imitation firearms that fails to comply with any applicable federal law or regulation governing the marking of a toy, look-alike or imitation firearm as defined by federal law or regulation is guilty of a misdemeanor.

SEC. 7. Section 12554 is added to the Penal Code, to read:

12554. (a) Any imitation firearm manufactured after July 1, 2005, shall, at the time of offer for sale in this state, be accompanied by a conspicuous advisory in writing as part of the packaging, but not necessarily affixed to the imitation firearm, to the effect that the product may be mistaken for a firearm by law enforcement officers or others, that altering the coloration or markings required by state or federal law or regulations so as to make the product look more like a firearm is dangerous, and may be a crime, and that brandishing or displaying the product in public may cause confusion and may be a crime.

(b) Any manufacturer, importer, or distributor that fails to comply with this advisory for any imitation firearm manufactured after July 1, 2005, shall be liable for a civil fine for each action brought by a city attorney or district attorney of not more than one thousand dollars ($1,000) for the first action, five thousand dollars ($5,000) for the second

action, and ten thousand dollars ($10,000) for the third action and each subsequent action.

SEC. 8. Section 12555 is added to the Penal Code, to read:

12555. Any person who, for commercial purposes, purchases, sells, manufactures, ships, transports, distributes, or receives, by mail order or in any other manner, an imitation firearm except as authorized by this section shall be liable for a civil fine in an action brought by the city attorney or the district attorney of not more than ten thousand dollars ($10,000) for each violation.

(b) The manufacture, purchase, sale, shipping, transport, distribution, or receipt, by mail or in any other manner, of imitation firearms is authorized if the device is manufactured, purchased, sold, shipped, transported, distributed, or received for any of the following purposes:

(1) Solely for export in interstate or foreign commerce.

(2) Solely for lawful use in theatrical productions, including motion picture, television, and stage productions.

(3) For use in a certified or regulated sporting event or competition.

(4) For use in military or civil defense activities, or ceremonial activities.

(5) For public displays authorized by public or private schools.

(c) As used in this section, ''imitation firearm'' does not include any of the following:

(1) A nonfiring collector's replica that is historically significant, and is offered for sale in conjunction with a wall plaque or presentation case.

(2) A BB device, as defined in subdivision (g) of Section 12001.

(3) A device where the entire exterior surface of the device is white, bright red, bright orange, bright yellow, bright green, bright blue, bright pink, or bright purple, either singly or as the predominant color in combination with other colors in any pattern, as provided by federal regulations governing imitation firearms, or where the entire device is constructed of transparent or translucent materials which permits unmistakable observation of the device's complete contents, as provided by federal regulations governing imitation firearms.

SEC. 9. Section 12556 is added to the Penal Code, to read:

12556. (a) No person may openly display or expose any imitation firearm, as defined in Section 12550, in a public place.

(b) Violation of this section, except as provided in subdivision (c), is an infraction punishable by a fine of one hundred dollars ($100) for the first offense, and three hundred dollars ($300) for a second offense.

(c) A third or subsequent violation of this section is punishable as a misdemeanor.

(d) Subdivision (a) shall not apply to the following, when the imitation firearm is:

(1) Packaged or concealed so that it is not subject to public viewing.

(2) Displayed or exposed in the course of commerce, including commercial film or video productions, or for service, repair, or restoration of the imitation firearm.

(3) Used in a theatrical production, a motion picture, video, television, or stage production.

(4) Used in conjunction with a certified or regulated sporting event or competition.

(5) Used in conjunction with lawful hunting, or lawful pest control activities.

(6) Used or possessed at certified or regulated public or private shooting ranges.

(7) Used at fairs, exhibitions, expositions, or other similar activities for which a permit has been obtained from a local or state government.

(8) Used in military, civil defense, or civic activities, including flag ceremonies, color guards, parades, award presentations, historical reenactments, and memorials.

(9) Used for public displays authorized by public or private schools or displays that are part of a museum collection.

(10) Used in parades, ceremonies, or other similar activities for which a permit has been obtained from a local or state government.

(11) Displayed on a wall plaque or in a presentation case.

(12) Used in areas where the discharge of a firearm is lawful.

(13) A device where the entire exterior surface of the device is white, bright red, bright orange, bright yellow, bright green, bright blue, bright pink, or bright purple, either singly or as the predominant color in combination with other colors in any pattern, or where the entire device is constructed of transparent or translucent materials which permits unmistakable observation of the device's complete contents. Merely having an orange tip as provided in federal law and regulations does not satisfy this requirement. The entire surface must be colored or transparent or translucent.

(e) For purposes of this section, the term ''public place'' means an area open to the public and includes streets, sidewalks, bridges, alleys, plazas, parks, driveways, front yards, parking lots, automobiles, whether moving or not, and buildings open to the general public, including those that serve food or drink, or provide entertainment, and the doorways and entrances to buildings or dwellings.

(f) Nothing in this section shall be construed to preclude prosecution for a violation of Section 171b, 171.5, or 626.10.

SEC. 10. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates

a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

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 effectively regulate imitation firearms for purposes of promoting public safety, it is necessary that this act take effect immediately.

CHAPTER 608

An act to amend Sections 4145 and 4147 of, and to repeal Section 4146 of, the Business and Professions Code, to amend Section 11364 of, and to add Chapter 13.5 (commencing with Section 121285) to Part 4 of Division 105 of, the Health and Safety Code, relating to hypodermic needles and syringes.

[Approved by Governor September 20, 2004. Filed with Secretary of State September 20, 2004.]

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

SECTION 1. Section 4145 of the Business and Professions Code is amended to read:

4145. (a) Notwithstanding any other provision of law, a pharmacist or physician may, without a prescription or a permit, furnish hypodermic needles and syringes for human use, and a person may, without a prescription or license, obtain hypodermic needles and syringes from a pharmacist or physician for human use, if one of the following requirements is met:

(1) The person is known to the furnisher and the furnisher has previously been provided a prescription or other proof of a legitimate medical need requiring a hypodermic needle or syringe to administer a medicine or treatment.

(2) Pursuant to authorization by a county, with respect to all of the territory within the county, or a city, with respect to the territory within the city, for the period commencing January 1, 2005, and ending December 31, 2010, a pharmacist may furnish or sell 10 or fewer hypodermic needles or syringes at any one time to a person 18 years of age or older if the pharmacist works for a pharmacy that is registered for

the Disease Prevention Demonstration Project pursuant to Chapter 13.5 (commencing with Section 121285) of Part 4 of Division 105 of the Health and Safety Code and the pharmacy complies with the provisions of that chapter.

(b) Notwithstanding any other provision of law, a pharmacist, veterinarian, or person licensed pursuant to Section 4141 may, without a prescription or license, furnish hypodermic needles and syringes for use on animals, and a person may, without a prescription or license, obtain hypodermic needles and syringes from a pharmacist, veterinarian, or person licensed pursuant to Section 4141 for use on animals, providing that no needle or syringe shall be furnished to a person who is unknown to the furnisher and unable to properly establish his or her identity.

SEC. 2. Section 4146 of the Business and Professions Code is repealed.

SEC. 3. Section 4147 of the Business and Professions Code is amended to read:

4147. (a) For the purposes of this section, "playground'' means any park or outdoor recreational area specifically designed to be used by children that has play equipment installed or any similar facility located on public or private school grounds or county parks.

(b) Any hypodermic needle or syringe that is to be disposed of, shall be contained, treated, and disposed of, pursuant to Part 14 (commencing with Section 117600) of Division 104 of the Health and Safety Code.

(c) It is unlawful to discard or dispose of a hypodermic needle or syringe upon the grounds of a playground, beach, park, or any public or private elementary, vocational, junior high, or high school.

(d) A person who knowingly violates subdivision (c) is guilty of a misdemeanor, and upon conviction shall be punished by a fine of not less than two hundred dollars ($200) and not more than two thousand dollars ($2,000), or by imprisonment in a county jail for up to six months, or by both that fine and imprisonment.

(e) Subdivision (c) does not apply to the containment, treatment, and disposal of medical sharps waste from medical care or first aid services rendered on school grounds, nor to the containment, treatment, and disposal of hypodermic needles or syringes used for instructional or educational purposes on school grounds.

SEC. 4. Section 11364 of the Health and Safety Code is amended to read:

11364. (a) It is unlawful to possess an opium pipe or any device, contrivance, instrument, or paraphernalia used for unlawfully injecting or smoking (1) a controlled substance specified in subdivision (b), (c), or (e), or paragraph (1) of subdivision (f) of Section 11054, specified in paragraph (14), (15), or (20) of subdivision (d) of Section 11054,

specified in subdivision (b) or (c) of Section 11055, or specified in paragraph (2) of subdivision (d) of Section 11055, or (2) a controlled substance which is a narcotic drug classified in Schedule III, IV, or V.

(b) This section shall not apply to hypodermic needles or syringes that have been containerized for safe disposal in a container that meets state and federal standards for disposal of sharps waste.

(c) Pursuant to authorization by a county, with respect to all of the territory within the county, or a city, with respect to the territory within in the city, for the period commencing January 1, 2005, and ending December 31, 2010, subdivision (a) shall not apply to the possession solely for personal use of 10 or fewer hypodermic needles or syringes if acquired from an authorized source.

SEC. 5. Chapter 13.5 (commencing with Section 121285) is added to Part 4 of Division 105 of the Health and Safety Code, to read:

CHAPTER 13.5. DISEASE PREVENTION DEMONSTRATION PROJECT

121285. (a) The Disease Prevention Demonstration Project, a collaboration between pharmacies and local and state health officials, is hereby authorized for the purpose of evaluating the long-term desirability of allowing licensed pharmacists to furnish or sell nonprescription hypodermic needles or syringes to prevent the spread of blood-borne pathogens, including HIV and hepatitis C.

(b) The State Department of Health Services shall evaluate the effects of allowing pharmacists to furnish or sell a limited number of hypodermic needles or syringes without prescription, and provide a report to the Governor and the Legislature on or before January 15, 2010. The State Department of Health Services is encouraged to seek funding from private and federal sources to pay for the evaluation. The report shall include, but need not be limited to, the effect of nonprescription hypodermic needle or syringe sale on all of the following:

(1) Hypodermic needle or syringe sharing practice among those who inject illegal drugs.

(2) Rates of disease infection caused by hypodermic needle or syringe sharing.

(3) Needlestick injuries to law enforcement officers and waste management employees.

(4) Drug crime or other crime in the vicinity of pharmacies.

(5) Safe or unsafe discard of used hypodermic needles or syringes.

(6) Rates of injection of illegal drugs.

(c) The State Department of Health Services shall convene an uncompensated evaluation advisory panel comprised of all of the following: two or more specialists in the control of infectious diseases; one or more representatives of the California State Board of Pharmacy;

one or more representatives of independent pharmacies; one or more representatives of chain pharmacy owners; one or more representatives of law enforcement executives, such as police chiefs and sheriffs; one or more representatives of rank and file law enforcement officers; a specialist in hazardous waste management from the State Department of Health Services; one or more representatives of the waste management industry; and one or more representatives of local health officers.

(d) In order to furnish or sell nonprescription hypodermic needles or syringes as part of the Disease Prevention Demonstration Project in a county or city that has provided authorization pursuant to Section 4145 of the Business and Professions Code, a pharmacy shall do all of the following:

(1) Register with the local health department by providing a contact name and related information, and certify that it will provide, at the time of furnishing or sale of hypodermic needles or syringes, written information or verbal counseling on all of the following:

(A) How to access drug treatment.

(B) How to access testing and treatment for HIV and hepatitis C.

(C) How to safely dispose of sharps waste.

(2) Store hypodermic needles and syringes so that they are available only to authorized personnel, and not openly available to customers.

(3) In order to provide for the safe disposal of hypodermic needles and syringes, a registered pharmacy shall provide one or more of the following options:

(A) An onsite safe hypodermic needle and syringe collection and disposal program.

(B) Furnish or make available for purchase mail-back sharps disposal containers authorized by the United States Postal Service that meet applicable state and federal requirements, and provide tracking forms to verify destruction at a certified disposal facility.

(C) Furnish or make available for purchase personal sharps disposal containers that meet state and federal standards for disposal of medical waste.

(e) Local health departments shall be responsible for all of the following:

(1) Maintaining a list of all pharmacies within the local health department's jurisdiction that have registered under the Disease Prevention Demonstration Project.

(2) Making available to pharmacies written information that may be provided or reproduced to be provided in writing or orally by the pharmacy at the time of furnishing or the sale of nonprescription hypodermic needles or syringes, including all of the following:

(A) How to access drug treatment.

(B) How to access testing and treatment for HIV and hepatitis C.

(C) How to safely dispose of sharps waste.

(f) As used in this chapter, ''sharps waste'' means hypodermic needles, syringes, and lancets.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because in that regard this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

However, notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

SEC. 7. This act shall become operative only if Senate Bill 1362 of the 2003–04 Regular Session is enacted and becomes effective on or before January 1, 2005.

CHAPTER 609

An act to amend Section 1107 of the Evidence Code, and to amend Section 1473.5 of the Penal Code, relating to battering.

[Approved by Governor September 20, 2004. Filed with Secretary of State September 20, 2004.]

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

SECTION 1. 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 intimate partner battering and its effects, including the nature and effect of physical, emotional, or mental abuse on 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 intimate partner battering and its effects 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 and may include acts defined in Section 242, subdivision (e) of Section 243, Section 262, 273.5, 273.6, 422, or 653m of the Penal Code.

(d) This section is intended as a rule of evidence only and no substantive change affecting the Penal Code is intended.

(e) This section shall be known, and may be cited, as the Expert Witness Testimony on Intimate Partner Battering and Its Effects Section of the Evidence Code.

(f) The changes in this section that become effective on January 1, 2005, are not intended to impact any existing decisional law regarding this section, and that decisional law should apply equally to this section as it refers to ''intimate partner battering and its effects'' in place of ''battered women's syndrome.''

SEC. 2. Section 1473.5 of the Penal Code is amended to read:

1473.5. (a) A writ of habeas corpus also may be prosecuted on the basis that expert testimony relating to intimate partner battering and its effects, within the meaning of Section 1107 of the Evidence Code, was not received in evidence at the trial court proceedings relating to the prisoner's incarceration, and is of such substance that, had it been received in evidence, there is a reasonable probability, sufficient to undermine confidence in the judgment of conviction, that the result of the proceedings would have been different. Sections 1260 to 1262, inclusive, apply to the prosecution of a writ of habeas corpus pursuant to this section. As used in this section, ''trial court proceedings'' means those court proceedings that occur from the time the accusatory pleading is filed until and including judgment and sentence.

(b) This section is limited to violent felonies as specified in subdivision (c) of Section 667.5 that were committed before August 29, 1996, and that resulted in judgments of conviction after a plea or trial as to which expert testimony admissible pursuant to Section 1107 of the Evidence Code may be probative on the issue of culpability.

(c) If a petitioner for habeas corpus under this section previously filed a petition for writ of habeas corpus, it is grounds for denial of the new petition if a court determined on the merits in the prior petition that the omission of expert testimony relating to battered women's syndrome or intimate partner battering and its effects at trial was not prejudicial and did not entitle the petitioner to the writ of habeas corpus.

(d) For purposes of this section, the changes that become effective on January 1, 2005, are not intended to expand the uses or applicability of expert testimony on battering and its effects that were in effect immediately prior to that date in criminal cases.

(e) This section shall remain in effect only until January 1, 2010, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2010, deletes or extends that date.

CHAPTER 610

An act to amend Sections 6585 and 25350.6 of the Government Code, to amend Sections 33607.5 and 33681.12 of, and to add Section 33681.15 to, the Health and Safety Code, and to amend Sections 97.70, 97.71, 97.72, 97.73, 7203.1, 10754.11, 11001.5, and 11005 of, and to repeal Section 97.74 of, the Revenue and Taxation Code, relating to local government finance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 20, 2004. Filed with Secretary of State September 20, 2004.]

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

SECTION 1. Section 6585 of the Government Code, as amended by Section 2 of Chapter 211 of the Statutes of 2004, is amended to read:

6585. The definitions in this section shall govern the construction and interpretation of this article.

(a) ''Authority'' means an entity created pursuant to Article 1 (commencing with Section 6500). In the case of an authority issuing bonds pursuant to this chapter in which VLF receivables, as defined in subdivision (i), are pledged to the payment of the bonds, other than VLF receivables so pledged for a county of the first class, an authority shall consist of not less than 100 local agencies.

(b) ''Bond purchase agreement'' means a contractual agreement executed between the authority and the local agency whereby the authority agrees to purchase bonds of the local agency.

(c) ''Bonds'' means bonds (including, but not limited to, assessment bonds, redevelopment agency bonds, government issued mortgage bonds, and industrial development bonds), notes (including bond, revenue, tax, or grant anticipation notes), commercial paper, floating rate, and variable maturity securities, and any other evidences of indebtedness and also includes certificates of participation or lease-purchase agreements.

(d) ''Cost,'' as applied to a public capital improvement or portion thereof financed under this part, means all or any part of the cost of construction, renovation, and acquisition of all lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and interests acquired or used for a public capital improvement; the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which the buildings or structures may be moved; the cost of all machinery and equipment; finance charges; interest prior to, during, and for a period after, completion of that construction, as determined by the authority; provisions for working capital, reserves for principal and interest and for extensions, enlargements, additions, replacements, renovations, and improvements; the cost of architectural, engineering, financial and legal services, plans, specifications, estimates, administrative expenses, and other expenses necessary or incident to determining the feasibility of constructing any project or incident to the construction or acquisition or financing of any public capital improvement.

(e) ''Legislative body'' means the governing body of a local agency.

(f) ''Local agency'' means a party to the agreement creating the authority, or an agency or subdivision of that party, sponsoring a project of public capital improvements, or any city, county, city and county, authority, district, or public corporation of this state.

(g) ''Public capital improvements'' means one or more projects specified in Section 6546.

(h) ''Revenue'' means all income and receipts of the authority from a bond purchase agreement, bonds acquired by the authority, loans, installment sale agreements, and other revenue-producing agreements entered into by the authority, projects financed by the authority, grants and other sources of income, VLF receivables purchased pursuant to Section 6588.5, and all interest or other income from any investment of any money in any fund or account established for the payment of principal or interest or premiums on bonds.

(i) ''VLF receivable'' means the right to payment of moneys due or to become due to a local agency out of funds payable in connection with vehicle license fees to a local agency pursuant to Section 10754.11 of the Revenue and Taxation Code.

(j) ''Working capital'' means money to be used by, or on behalf of, a local agency for any purpose for which a local agency may borrow money pursuant to Section 53852, or for any purpose for which a VLF receivable sold to an authority could have been used by the local agency.

SEC. 2. Section 25350.6 of the Government Code is amended to read:

25350.6. (a) Moneys credited to the Motor Vehicle License Fee Account in the Transportation Tax Fund or allocated to the Vehicle

License Fee Property Tax Compensation Fund of the County of Orange pursuant to paragraph (2) of subdivision (a) of Section 97.70 of the Revenue and Taxation Code to which Orange County may at any time be entitled shall be pledged, without any necessity for specific authorization of the pledge by the board of supervisors, to all certificates of participation or lease-revenue bonds executed and delivered or issued, as the case may be, during 1996 or 1997, including obligations executed and delivered or issued before 2010 to refund those certificates of participation or lease-revenue bonds, to finance or refinance the lease or lease-purchase of property of the county and having a stated maturity of 20 years or more. Any refunding obligations shall not have a final maturity later than the final maturity of the refunded obligations. The amount so pledged with respect to any fiscal year of the county shall not exceed the amounts to be paid in that fiscal year on those certificates or lease-revenue bonds.

(b) The state hereby covenants with the holders of any certificates of participation or lease-revenue bonds, including refunding obligations, entitled to the pledge granted by this section that, as long as any of the certificates of participation or lease-revenue bonds entitled to the pledge granted by this section shall remain outstanding, the state shall not alter or amend the deposit of moneys into, or the allocation of moneys credited to, the Motor Vehicle License Fee Account in the Transportation Tax Fund under Chapter 5 (commencing with Section 11001) of Part 5 of Division 2 of the Revenue and Taxation Code or the allocation of moneys to and from the Vehicle License Fee Property Tax Compensation Fund of the County of Orange under Section 97.70 of the Revenue and Taxation Code in any manner that would adversely affect the security of, or the ability of the county to pay the principal of and interest on, the certificates of participation or lease-revenue bonds entitled to the pledge granted by this section. However, nothing precludes any alteration or amendment if and when adequate provision has been made by law for the protection from impairment of the contract represented by the certificates of participation or lease-revenue bonds, and the right to so alter or amend is hereby reserved. The County of Orange may include this covenant of the state in the agreements or other documents underlying the certificates of participation or lease-revenue bonds.

SEC. 3. Section 33607.5 of the Health and Safety Code is amended to read:

33607.5. (a) (1) This section shall apply to each redevelopment project area that, pursuant to a redevelopment plan which contains the provisions required by Section 33670, is either: (A) adopted on or after January 1, 1994, including later amendments to these redevelopment plans; or (B) adopted prior to January 1, 1994, but amended, after January 1, 1994, to include new territory. For plans amended after

January 1, 1994, only the tax increments from territory added by the amendment shall be subject to this section. All the amounts calculated pursuant to this section shall be calculated after the amount required to be deposited in the Low and Moderate Income Housing Fund pursuant to Sections 33334.2, 33334.3, and 33334.6 has been deducted from the total amount of tax increment funds received by the agency in the applicable fiscal year.

(2) The payments made pursuant to this section shall be in addition to any amounts the affected taxing entities receive pursuant to subdivision (a) of Section 33670. The payments made pursuant to this section to the affected taxing entities, including the community, shall be allocated among the affected taxing entities, including the community if the community elects to receive payments, in proportion to the percentage share of property taxes each affected taxing entity, including the community, receives during the fiscal year the funds are allocated, which percentage share shall be determined without regard to any amounts allocated to a city, a city and county, or a county pursuant to Sections 97.68 and 97.70 of the Revenue and Taxation Code, and without regard to any allocation reductions to a city, a city and county, a county, a special district, or a redevelopment agency pursuant to Sections 97.71, 97.72, and 97.73 of the Revenue and Taxation Code and Section 33681.12. The agency shall reduce its payments pursuant to this section to an affected taxing entity by any amount the agency has paid, directly or indirectly, pursuant to Section 33445, 33445.5, 33445.6, 33446, or any other provision of law other than this section for, or in connection with, a public facility owned or leased by that affected taxing agency, except: (A) any amounts the agency has paid directly or indirectly pursuant to an agreement with a taxing entity adopted prior to January 1, 1994; or (B) any amounts that are unrelated to the specific project area or amendment governed by this section. The reduction in a payment by an agency to a school district, community college district, or county office of education, or for special education, shall be subtracted only from the amount that otherwise would be available for use by those entities for educational facilities pursuant to paragraph (4). If the amount of the reduction exceeds the amount that otherwise would have been available for use for educational facilities in any one year, the agency shall reduce its payment in more than one year.

(3) If an agency reduces its payment to a school district, community college district, or county office of education, or for special education, the agency shall do all of the following:

(A) Determine the amount of the total payment that would have been made without the reduction.

(B) Determine the amount of the total payment without the reduction which: (i) would have been considered property taxes; and (ii) would

have been available to be used for educational facilities pursuant to paragraph (4).

(C) Reduce the amount available to be used for educational facilities.

(D) Send the payment to the school district, community college district, or county office of education, or for special education, with a statement that the payment is being reduced and including the calculation required by this subdivision showing the amount to be considered property taxes and the amount, if any, available for educational facilities.

(4) (A) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section to school districts, 43.3 percent shall be considered to be property taxes for the purposes of paragraph (1) of subdivision (h) of Section 42238 of the Education Code, and 56.7 percent shall not be considered to be property taxes for the purposes of that section and shall be available to be used for educational facilities.

(B) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section to community college districts, 47.5 percent shall be considered to be property taxes for the purposes of Section 84751 of the Education Code, and 52.5 percent shall not be considered to be property taxes for the purposes of that section and shall be available to be used for educational facilities.

(C) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section to county offices of education, 19 percent shall be considered to be property taxes for the purposes of Section 2558 of the Education Code, and 81 percent shall not be considered to be property taxes for the purposes of that section and shall be available to be used for educational facilities.

(D) Except as specified in subparagraph (E), of the total amount paid each year pursuant to this section for special education, 19 percent shall be considered to be property taxes for the purposes of Section 56712 of the Education Code, and 81 percent shall not be considered to be property taxes for the purposes of that section and shall be available to be used for education facilities.

(E) If, pursuant to paragraphs (2) and (3), an agency reduces its payments to an educational entity, the calculation made by the agency pursuant to paragraph (3) shall determine the amount considered to be property taxes and the amount available to be used for educational facilities in the year the reduction was made.

(5) Local education agencies that use funds received pursuant to this section for school facilities shall spend these funds at schools that are: (A) within the project area, (B) attended by students from the project area, (C) attended by students generated by projects that are assisted directly by the redevelopment agency, or (D) determined by the

governing board of a local education agency to be of benefit to the project area.

(b) Commencing with the first fiscal year in which the agency receives tax increments and continuing through the last fiscal year in which the agency receives tax increments, a redevelopment agency shall pay to the affected taxing entities, including the community if the community elects to receive a payment, an amount equal to 25 percent of the tax increments received by the agency after the amount required to be deposited in the Low and Moderate Income Housing Fund has been deducted. In any fiscal year in which the agency receives tax increments, the community that has adopted the redevelopment project area may elect to receive the amount authorized by this paragraph.

(c) Commencing with the 11th fiscal year in which the agency receives tax increments and continuing through the last fiscal year in which the agency receives tax increments, a redevelopment agency shall pay to the affected taxing entities, other than the community which has adopted the project, in addition to the amounts paid pursuant to subdivision (b) and after deducting the amount allocated to the Low and Moderate Income Housing Fund, an amount equal to 21 percent of the portion of tax increments received by the agency, which shall be calculated by applying the tax rate against the amount of assessed value by which the current year assessed value exceeds the first adjusted base year assessed value. The first adjusted base year assessed value is the assessed value of the project area in the 10th fiscal year in which the agency receives tax increment revenues.

(d) Commencing with the 31st fiscal year in which the agency receives tax increments and continuing through the last fiscal year in which the agency receives tax increments, a redevelopment agency shall pay to the affected taxing entities, other than the community which has adopted the project, in addition to the amounts paid pursuant to subdivisions (b) and (c) and after deducting the amount allocated to the Low and Moderate Income Housing Fund, an amount equal to 14 percent of the portion of tax increments received by the agency, which shall be calculated by applying the tax rate against the amount of assessed value by which the current year assessed value exceeds the second adjusted base year assessed value. The second adjusted base year assessed value is the assessed value of the project area in the 30th fiscal year in which the agency receives tax increments.

(e) (1) Prior to incurring any loans, bonds, or other indebtedness, except loans or advances from the community, the agency may subordinate to the loans, bonds or other indebtedness the amount required to be paid to an affected taxing entity by this section, provided that the affected taxing entity has approved these subordinations pursuant to this subdivision.

(2) At the time the agency requests an affected taxing entity to subordinate the amount to be paid to it, the agency shall provide the affected taxing entity with substantial evidence that sufficient funds will be available to pay both the debt service and the payments required by this section, when due.

(3) Within 45 days after receipt of the agency's request, the affected taxing entity shall approve or disapprove the request for subordination. An affected taxing entity may disapprove a request for subordination only if it finds, based upon substantial evidence, that the agency will not be able to pay the debt payments and the amount required to be paid to the affected taxing entity. If the affected taxing entity does not act within 45 days after receipt of the agency's request, the request to subordinate shall be deemed approved and shall be final and conclusive.

(f) (1) The Legislature finds and declares both of the following:

(A) The payments made pursuant to this section are necessary in order to alleviate the financial burden and detriment that affected taxing entities may incur as a result of the adoption of a redevelopment plan, and payments made pursuant to this section will benefit redevelopment project areas.

(B) The payments made pursuant to this section are the exclusive payments that are required to be made by a redevelopment agency to affected taxing entities during the term of a redevelopment plan.

(2) Notwithstanding any other provision of law, a redevelopment agency shall not be required, either directly or indirectly, as a measure to mitigate a significant environmental effect or as part of any settlement agreement or judgment brought in any action to contest the validity of a redevelopment plan pursuant to Section 33501, to make any other payments to affected taxing entities, or to pay for public facilities that will be owned or leased to an affected taxing entity.

(g) As used in this section, a ''local education agency'' is a school district, a community college district, or a county office of education.

SEC. 4. Section 33681.12 of the Health and Safety Code, as added by Section 15 of Chapter 211 of the Statutes of 2004, is amended to read:

33681.12. (a) (1) During the 2004–05 fiscal year, a redevelopment agency shall, prior to May 10, remit an amount equal to the amount determined for that agency pursuant to subparagraph (I) of paragraph (2) to the county auditor for deposit in the county's Educational Revenue Augmentation Fund created pursuant to Article 3 (commencing with Section 97) of Chapter 6 of Part 0.5 of Division 1 of the Revenue and Taxation Code. During the 2005–06 fiscal year, a redevelopment agency shall, prior to May 10, remit an amount equal to the amount determined for that agency pursuant to subparagraph (I) of paragraph (2) to the county auditor for deposit in the county's Educational Revenue Augmentation Fund created pursuant to Article 3 (commencing with

Section 97) of Chapter 6 of Part 0.5 of Division 1 of the Revenue and Taxation Code.

(2) For the 2004–05 and 2005–06 fiscal years, on or before November 15, the Director of Finance shall do all 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, 33607.5, or 33676.

(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, 33607.5, or 33676.

(C) Determine a percentage factor by dividing one hundred twenty-five million dollars ($125,000,000) 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) Determine the total amount of property tax revenue apportioned to each agency pursuant to Section 33670, including any amounts apportioned to affected taxing agencies pursuant to Section 33401, 33607.5, or 33676.

(F) Determine the total amount of property tax revenue apportioned to all agencies pursuant to Section 33670, including any amounts apportioned to affected taxing agencies pursuant to Section 33401, 33607.5, or 33676.

(G) Determine a percentage factor by dividing one hundred twenty-five million dollars ($125,000,000) by the amount determined pursuant to subparagraph (F).

(H) Determine an amount for each agency by multiplying the amount determined pursuant to subparagraph (E) by the percentage factor determined pursuant to subparagraph (G).

(I) Add the amount determined pursuant to subparagraph (D) to the amount determined pursuant to subparagraph (H).

(J) Notify each agency and each legislative body of the amount determined pursuant to subparagraph (I).

(K) Notify each county auditor of the amounts determined pursuant to subparagraph (I) for each agency in his or her county.

(3) The obligation of any agency to make the payments required pursuant to this subdivision shall be subordinate to the lien of any pledge of collateral securing, directly or indirectly, the payment of the principal, or interest on any bonds of the agency including, without limitation, bonds secured by a pledge of taxes allocated to the agency pursuant to Section 33670.

(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 2004–05 fiscal year and, if applicable, the 2005–06 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 subdivision.

(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 within 10 years following the date on which moneys are remitted to the county auditor for deposit in the county's Educational Revenue Augmentation Fund pursuant to subdivision (a).

(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 the applicable 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, or that the legislative body intends to remit the amount in lieu of the agency pursuant to Section 33681.14.

(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 project pursuant to Section 16 of Article XVI of the California Constitution.

(g) In making the determinations required by subdivision (a), the Director of Finance shall use those amounts reported as the ''Tax Increment Retained by Agency'' for all agencies and for each agency in the most recent published edition of the Controller's Community Redevelopment Agencies Annual Report made pursuant to Section 12463.3 of the Government Code.

(h) If revised reports have been accepted by the Controller on or before September 1, 2005, the Director of Finance shall use appropriate

data that has been certified by the Controller for the purpose of making the determinations required by subdivision (a).

(i) (1) Notwithstanding any other provision of law, a county redevelopment agency may enter into a loan agreement with the legislative body to have the agency remit to the county's Educational Revenue Augmentation Fund for each of the 2004–05 and 2005–06 fiscal years an amount greater than that determined pursuant to subparagraph (I) of paragraph (2) of subdivision (a) if all of the following conditions are met:

(A) The agency does not exercise its authority under subdivision (b) to borrow from its Low and Moderate Income Housing Fund to finance its payments to the county's Educational Revenue Augmentation Fund.

(B) The agency does not have any outstanding loans from its Low and Moderate Income Housing Fund that were made under subdivision (b) of Section 33981.5, subdivision (b) of Section 33681.7, or subdivision (b) of Section 33681.9.

(C) The loan agreement requires the county to repay any excess remitted amounts, including interest, to the agency within three fiscal years subsequent to the fiscal year in which the loan is made.

(D) The agency making the loan does not participate in pooled borrowing under Section 33681.15.

(2) A loan agreement described in paragraph (1) shall be transmitted to the county auditor not later than December 1 of the fiscal year in which the loan is made. Any amount remitted by the agency to the county Educational Revenue Augmentation Fund for the 2004–05 or 2005–06 fiscal year in excess of the amount determined pursuant to paragraph (1) of subdivision (a) shall be credited to the amount that would otherwise be subtracted by the county auditor pursuant to subdivision (a) of Section 97.71 of the Revenue and Taxation Code for, as applicable, the 2004–05 and 2005–06 fiscal years.

SEC. 5. Section 33681.15 is added to the Health and Safety Code, to read:

33681.15. (a) For the purposes of this section, an ''authorized issuer'' is limited to a joint powers entity created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code that consists of no less than 100 local agencies issuing bonds pursuant to the Marks-Roos Local Bond Pooling Act of 1984 (commencing with Section 6584) of the Government Code.

(b) An authorized issuer may issue bonds, notes, or other evidence of indebtedness to provide net proceeds to make one or more loans to one or more redevelopment agencies to be used by the agency to timely make the payment required by Section 33681.12.

(c) With the prior approval of the legislative body by adoption of a resolution by a majority of that body that recites that a first lien on the

property tax revenues allocated to the legislative body will be created in accordance with subdivision (h), an agency may enter into an agreement with an authorized issuer issuing bonds pursuant to subdivision (b) to repay a loan used to make the payment required by Section 33681.12, notwithstanding the expiration of the time limit on establishing loans, advances, advances and indebtedness, and the time limit on repayment of indebtedness. For the purpose of calculating the amount that 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 an agreement or court order has been reached, any funds used to repay a loan entered into pursuant to this section shall be deducted from the amount of property tax revenue deemed to have been received by the agency.

(d) A loan made pursuant to this section shall be repayable by the agency from any available funds of the agency not otherwise obligated for other uses and shall be repayable by the agency on a basis subordinate to all existing and future obligations of the agency.

(e) Upon making a loan to an agency pursuant to this section, the trustee for the bonds issued to provide the funds to make the loan shall timely pay, on behalf of the agency, to the county auditor of the county in which the agency is located the net proceeds (after payment of costs of issuance, credit enhancement costs, and reserves, if any) of the loan in payment in full or in part, as directed by the agency, of the amount required to be paid by the agency pursuant to Section 33681.12 and shall provide the county auditor with the repayment schedule for the loan, together with the name of the trustee.

(f) In the event the agency shall, at any time and from time to time, fail to repay timely the loan in accordance with the schedule provided to the county auditor, the trustee for the bonds shall promptly notify the county auditor of the amount of the payment on the loan that is past due.

(g) The county auditor shall reallocate from the legislative body and shall pay, on behalf of the agency, the past due amount from the first available proceeds of the property tax allocation that would otherwise be transferred to the legislative body pursuant to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code. This transfer shall be deemed a reallocation of the property tax revenue from the legislative body to the agency for the purpose of payment of the loan, and not as a payment by the legislative body on the loan.

(h) To secure repayment of a loan to an agency made pursuant to this section, the trustee for the bonds issued to provide the funds to make the loan shall have a lien on the property tax revenues allocated to the legislative body pursuant to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code. This lien

shall arise by operation of this section automatically upon the making of the loan without the need for any action on the part of any person. This lien shall be valid, binding, perfected, and enforceable against the legislative body, its successors, creditors, purchasers, and all others asserting rights in those property tax revenues, irrespective of whether those persons have notice of the lien, irrespective of the fact that the property tax revenues subject to the lien may be commingled with other property, and without the need for physical delivery, recordation, public notice, or any other act. This lien shall be a first priority lien on these property tax revenues. This lien shall not apply to any portion of the property taxes allocated to the agency pursuant to Section 33670.

SEC. 6. Section 97.70 of the Revenue and Taxation Code, as added by Section 21 of Chapter 211 of the Statutes of 2004, is amended to read:

97.70. Notwithstanding any other provision of law, for the 2004–05 fiscal year and for each fiscal year thereafter, all of the following apply:

(a) (1) (A) The auditor shall reduce the total amount of ad valorem property tax revenue that is otherwise required to be allocated to a county's Educational Revenue Augmentation Fund by the countywide vehicle license fee adjustment amount.

(B) If, for the fiscal year, after complying with Section 97.68 there is not enough ad valorem property tax revenue that is otherwise required to be allocated to a county Educational Revenue Augmentation Fund for the auditor to complete the allocation reduction required by subparagraph (A), the auditor shall additionally reduce the total amount of ad valorem property tax revenue that is otherwise required to be allocated to all school districts and community college districts in the county for that fiscal year by an amount equal to the difference between the countywide vehicle license fee adjustment amount and the amount of ad valorem property tax revenue that is otherwise required to be allocated to the county Educational Revenue Augmentation Fund for that fiscal year. This reduction for each school district and community college district in the county shall be the percentage share of the total reduction that is equal to the proportion that the total amount of ad valorem property tax revenue that is otherwise required to be allocated to the school district or community college district bears to the total amount of ad valorem property tax revenue that is otherwise required to be allocated to all school districts and community college districts in a county. For purposes of this subparagraph, ''school districts'' and ''community college districts'' do not include any districts that are excess tax school entities, as defined in Section 95.

(2) The countywide vehicle license fee adjustment amount shall be allocated to the Vehicle License Fee Property Tax Compensation Fund that shall be established in the treasury of each county.

(b) (1) The auditor shall allocate moneys in the Vehicle License Fee Property Tax Compensation Fund according to the following:

(A) Each city in the county shall receive its vehicle license fee adjustment amount.

(B) Each county and city and county shall receive its vehicle license fee adjustment amount.

(2) The auditor shall allocate one-half of the amount specified in paragraph (1) on or before January 31 of each fiscal year, and the other one-half on or before May 31 of each fiscal year.

(c) For purposes of this section, all of the following apply:

(1) ''Vehicle license fee adjustment amount'' for a particular city, county, or a city and county means, subject to an adjustment under paragraph (2) and Section 97.71, all of the following:

(A) For the 2004–05 fiscal year, an amount equal to the difference between the following two amounts:

(i) The estimated total amount of revenue that would have been deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund, including any amounts that would have been certified to the Controller by the auditor of the County of Ventura under subdivision (j) of Section 98.02, as that section read on January 1, 2004, for distribution under the law as it read on January 1, 2004, to the county, city and county, or city for the 2004–05 fiscal year if the fee otherwise due under the Vehicle License Fee Law (Pt. 5 (commencing with Section 10701) of Div. 2) was 2 percent of the market value of a vehicle, as specified in Section 10752 and 10752.1 as those sections read on January 1, 2004.

(ii) The estimated total amount of revenue that is required to be distributed from the Motor Vehicle License Fee Account in the Transportation Tax Fund to the county, city and county, and each city in the county for the 2004–05 fiscal year under Section 11005, as that section read on the operative date of the act that amended this clause.

(B) (i) Subject to an adjustment under clause (ii), for the 2005–06 fiscal year, the sum of the following two amounts:

(I) The difference between the following two amounts:

(Ia) The actual total amount of revenue that would have been deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund, including any amounts that would have been certified to the Controller by the auditor of the County of Ventura under subdivision (j) of Section 98.02, as that section read on January 1, 2004, for distribution under the law as it read on January 1, 2004, to the county, city and county, or city for the 2004–05 fiscal year if the fee otherwise due under the Vehicle License Fee Law (Part 5 (commencing with Section 10701) of Division 2) was 2 percent of the market value of a

vehicle, as specified in Sections 10752 and 10752.1 as those sections read on January 1, 2004.

(Ib) The actual total amount of revenue that was distributed from the Motor Vehicle License Fee Account in the Transportation Tax Fund to the county, city and county, and each city in the county for the 2004–05 fiscal year under Section 11005, as that section read on the operative date of the act that amended this sub-subclause.

(II) The product of the following two amounts:

(IIa) The amount described in subclause (I).

(IIb) The percentage change from the prior fiscal year to the current fiscal year in gross taxable assessed valuation within the jurisdiction of the entity, as reflected in the equalized assessment roll for those fiscal years. For the first fiscal year for which a change in a city's jurisdictional boundaries first applies, the percentage change in gross taxable assessed valuation from the prior fiscal year to the current fiscal year shall be calculated solely on the basis of the city's previous jurisdictional boundaries, without regard to the change in that city's jurisdictional boundaries. For each following fiscal year, the percentage change in gross taxable assessed valuation from the prior fiscal year to the current fiscal year shall be calculated on the basis of the city's current jurisdictional boundaries.

(ii) The amount described in clause (i) shall be adjusted as follows:

(I) If the amount described in subclause (I) of clause (i) for a particular city, county, or city and county is greater than the amount described in subparagraph (A) for that city, county, or city and county, the amount described in clause (i) shall be increased by an amount equal to this difference.

(II) If the amount described in subclause (I) of clause (i) for a particular city, county, or city and county is less than the amount described in subparagraph (A) for that city, county, or city and county, the amount described in clause (i) shall be decreased by an amount equal to this difference.

(C) For the 2006–07 fiscal year and for each fiscal year thereafter, the sum of the following two amounts:

(i) The vehicle license fee adjustment amount for the prior fiscal year, if Section 97.71 and clause (ii) of subparagraph (B) did not apply for that fiscal year, for that city, county, and city and county.

(ii) The product of the following two amounts:

(I) The amount described in clause (i).

(II) The percentage change from the prior fiscal year to the current fiscal year in gross taxable assessed valuation within the jurisdiction of the entity, as reflected in the equalized assessment roll for those fiscal years. For the first fiscal year for which a change in a city's jurisdictional boundaries first applies, the percentage change in gross taxable assessed

valuation from the prior fiscal year to the current fiscal year shall be calculated solely on the basis of the city's previous jurisdictional boundaries, without regard to the change in that city's jurisdictional boundaries. For each following fiscal year, the percentage change in gross taxable assessed valuation from the prior fiscal year to the current fiscal year shall be calculated on the basis of the city's current jurisdictional boundaries.

(2) ''Countywide vehicle license fee adjustment amount'' means, for any fiscal year, the total sum of the amounts described in paragraph (1) for a county or city and county, and each city in the county.

(3) On or before June 30 of each fiscal year, the auditor shall report to the Controller the vehicle license fee adjustment amount for the county and each city in the county for that fiscal year.

(d) For the 2005–06 fiscal year and each fiscal year thereafter, the amounts determined under subdivision (a) of Section 96.1, or any successor to that provision, shall not reflect, for a preceding fiscal year, any portion of any allocation required by this section.

(e) For purposes of Section 15 of Article XI of the California Constitution, the allocations from a Vehicle License Fee Property Tax Compensation Fund constitute successor taxes that are otherwise required to be allocated to counties and cities, and as successor taxes, the obligation to make those transfers as required by this section shall not be extinguished nor disregarded in any manner that adversely affects the security of, or the ability of, a county or city to pay the principal and interest on any debts or obligations that were funded or secured by that city's or county's allocated share of motor vehicle license fee revenues.

(f) This section shall not be construed to do any of the following:

(1) Reduce any allocations of excess, additional, or remaining funds that would otherwise have been allocated to county superintendents of schools, cities, counties, and cities and counties pursuant to clause (i) of subparagraph (B) of paragraph (4) of subdivision (d) of Sections 97.2 and 97.3 or Article 4 (commencing with Section 98) had this section not been enacted. The allocations required by this section shall be adjusted to comply with this paragraph.

(2) Require an increased ad valorem property tax revenue allocation or increased tax increment allocation to a community redevelopment agency.

(3) Alter the manner in which ad valorem property tax revenue growth from fiscal year to fiscal year is otherwise determined or allocated in a county.

(4) Reduce ad valorem property tax revenue allocations required under Article 4 (commencing with Section 98).

(g) Tax exchange or revenue sharing agreements, entered into prior to the operative date of this section, between local agencies or between

local agencies and nonlocal agencies are deemed to be modified to account for the reduced vehicle license fee revenues resulting from the act that added this section. These agreements are modified in that these reduced revenues are, in kind and in lieu thereof, replaced with ad valorem property tax revenue from a Vehicle License Fee Property Tax Compensation Fund or an Educational Revenue Augmentation Fund.

SEC. 7. Section 97.71 of the Revenue and Taxation Code, as added by Section 22 of Chapter 211 of the Statutes of 2004, is amended to read:

97.71. Notwithstanding any other provision of law, for each of the 2004–05 and 2005–06 fiscal years, all of the following apply:

(a) (1) The total amount of revenue required to be allocated to each county and each city and county under Section 97.70 shall be reduced by the dollar amount indicated as follows:

	Property Tax Reduction per County
Alameda	$ 14,993,115
Alpine	13,578
Amador	341,856
Butte	1,968,640
Calaveras	367,372
Colusa	227,244
Contra Costa	9,266,091
Del Norte	260,620
El Dorado	1,465,981
Fresno	7,778,611
Glenn	302,192
Humboldt	1,433,725
Imperial	1,499,081
Inyo	188,370
Kern	6,684,032
Kings	1,409,501
Lake	531,524
Lassen	317,119
Los Angeles	103,217,625
Madera	1,164,287
Marin	2,369,777
Mariposa	177,419
Mendocino	997,570
Merced	2,211,012
Modoc	119,325

Mono	92,964
Monterey	3,789,991
Napa	1,128,692
Nevada	503,547
Orange	27,730,861
Placer	2,219,818
Plumas	238,066
Riverside	14,161,003
Sacramento	12,232,737
San Benito	477,872
San Bernardino	16,361,855
San Diego	27,470,228
San Francisco	15,567,648
San Joaquin	6,075,964
San Luis Obispo	2,350,289
San Mateo	6,704,877
Santa Barbara	3,894,357
Santa Clara	17,155,293
Santa Cruz	2,433,423
Shasta	1,592,267
Sierra	37,051
Siskiyou	496,974
Solano	3,796,251
Sonoma	4,439,389
Stanislaus	4,516,707
Sutter	764,351
Tehama	618,393
Trinity	104,770
Tulare	3,781,964
Tuolumne	515,961
Ventura	7,085,556
Yolo	1,735,079
Yuba	620,137

(2) The total amount of reductions for all counties and cities and counties determined pursuant to this subdivision is three hundred fifty million dollars ($350,000,000) for the 2004–05 fiscal year and that same amount for the 2005–06 fiscal year.

(b) (1) The total amount of revenue required to be allocated to a city and county under Section 97.70 shall be reduced by the product of the following two amounts:

(A) The percentage represented by the following fraction:

(i) The numerator is the total amount of money allocated to the city and county from the Motor Vehicle License Fee Account in the Transportation Tax Fund for the 2002–03 fiscal year pursuant to subdivision (c) of Section 11005, as reported in the State Controller's Monthly Motor Vehicle License Fee Reports for the 2002–03 fiscal year.

(ii) The denominator is the total amount of money allocated among all cities and cities and counties from the Motor Vehicle License Fee Account in the Transportation Tax Fund for the 2002–03 fiscal year pursuant to subdivision (c) of Section 11005, as reported in the State Controller's Monthly Motor Vehicle License Fee Reports for the 2002–03 fiscal year.

(B) Three hundred fifty million dollars ($350,000,000).

(2) (A) The total amount of revenue required to be allocated to each city under Section 97.70 shall be reduced by the sum of the following three amounts:

(i) The product of the following two amounts:

(I) The percentage represented by the following fraction:

(Ia) The numerator is the total amount of money allocated to the city from the Motor Vehicle License Fee Account in the Transportation Tax Fund for the 2002–03 fiscal year, as reported in the State Controller's Monthly Motor Vehicle License Fee Reports for the 2002–03 fiscal year.

(Ib) The denominator is the total amount of money allocated among all cities from the Motor Vehicle License Fee Account in the Transportation Tax Fund for the 2002–03 fiscal year, as reported in the State Controller's Monthly Motor Vehicle License Fee Reports for the 2002–03 fiscal year.

(II) The product of the following two amounts:

(IIa) Thirty-three and one-third percent.

(IIb) The difference between three hundred fifty million dollars ($350,000,000) and the amount described in paragraph (1).

(ii) The product of the following two amounts:

(I) The percentage represented by the following fraction:

(Ia) The numerator is the total amount of money transmitted to the city under Section 7204 for the 2002–03 fiscal year, as reported in Table 21A of the 2002–03 edition of the State Board of Equalization Annual Report.

(Ib) The denominator is the total amount of money transmitted to all cities under Section 7204 for the 2002–03 fiscal year, as reported in Table 21A of the 2002–03 edition of the State Board of Equalization Annual Report.

(II) The product of the following two amounts:

(IIa) Thirty-three and one-third percent.

(IIb) The difference between three hundred fifty million dollars ($350,000,000) and the amount described in paragraph (1).

(iii) The product of the following two amounts:

(I) The percentage represented by the following fraction:

(Ia) The numerator is the total amount of ad valorem property tax revenue allocated to the city for the 2002–03 fiscal year, as reported in the 2001–02 edition of the State Controller's Cities Annual Report.

(Ib) The denominator is the total amount of ad valorem property tax revenue allocated among all cities for the 2002–03 fiscal year, as reported in the 2001–02 edition of the State Controller's Cities Annual Report.

(II) The product of the following two amounts:

(IIa) Thirty-three and one-third percent.

(IIb) The difference between three hundred fifty million dollars ($350,000,000) and the amount described in paragraph (1).

(B) Notwithstanding subparagraph (A), the reduction required by this paragraph for any city shall not be less than 2 percent, nor more than 4 percent, of the general revenues of the city, as reported in the 2001–02 edition of the State Controller's Cities Annual Report. If the amount determined for a city under subparagraph (A) exceeds 4 percent of the general revenues of the city, as reported in the 2001–02 edition of the State Controller's Cities Annual Report, the amount of that excess shall be allocated among the reductions required for all other cities in percentage shares corresponding to those reduction amounts.

(3) On or before September 15, 2004, the Controller shall notify the auditor of each county and city and county of the reductions required by this subdivision.

(4) The total amount of reductions for all cities and cities and counties determined pursuant to this subdivision shall be three hundred fifty million dollars ($350,000,000) for the 2004–05 fiscal year and that same amount for the 2005–06 fiscal year.

(5) (A) In lieu of a reduction under paragraph (2), a city may transmit to the county auditor for deposit in the county Educational Revenue Augmentation Fund an amount equal to that reduction. For the 2004–05 fiscal year, if the county auditor does not receive a payment under this paragraph from a city on or before October 1, 2004, the auditor shall make the reduction required by paragraph (2). For the 2005–06 fiscal year, if the county auditor does not receive a payment under this paragraph from a city on or before October 1, 2005, the auditor shall make the reduction required by paragraph (2).

(B) Notwithstanding any other provision of law, to make the transmittals authorized by this paragraph, a city may use any funds or revenues, the use of which is not restricted by federal law or the California Constitution.

(6) (A) Notwithstanding any other provision of law, a city that has established a reserve for subsidence contingencies may, for the 2004–05 and 2005–06 fiscal years only, retain interest earned on that reserve for the previous calendar year in an amount not to exceed the amount of the reduction for that city required by this subdivision.

(B) The Legislature finds and declares that the amounts retained by a city pursuant to subparagraph (A) are in excess of trust needs and are free from the public trust for navigation, commerce, fisheries, and any other trust uses and restrictions.

(C) A city that has retained an amount under subparagraph (A) shall, beginning with the 2006–07 fiscal year, repay to the reserve for subsidence contingencies that amount so retained. The repayment shall be made in annual increments, which increments shall not be less than five hundred thousand dollars ($500,000), until the amount retained by the city has been repaid. Those amounts repaid to the reserve for subsidence contingencies are subject to the public trust and shall be used only for the purposes prescribed by law for the reserve.

(c) That amount of revenue that is not allocated to a county, city and county, or a city as a result of subdivisions (a) and (b), and that amount that is received by the county auditor under paragraph (5) of subdivision (b), shall be deposited in the county Educational Revenue Augmentation Fund and shall be allocated as specified in subdivision (d) of Section 97.3.

(d) For the 2005–06 fiscal year and each fiscal year thereafter, the amounts determined under subdivision (a) of Section 96.1, or any successor to that provision, shall not reflect, for a preceding fiscal year, any portion of any allocation required by this section.

SEC. 8. Section 97.72 of the Revenue and Taxation Code, as added by Section 23 of Chapter 211 of the Statutes of 2004, is amended to read:

97.72. Notwithstanding any other provision of law, for each of the 2004–05 and 2005–06 fiscal years, all of the following apply:

(a) (1) (A) (i) Except as otherwise provided in clauses (ii) and (iii), the total amount of ad valorem property tax revenue, other than these revenues that are pledged to debt service, otherwise allocated for each of those fiscal years to each enterprise special district shall be reduced by the lesser of the following:

(I) Forty percent of the amount of ad valorem property tax revenue of the district for the 2001–02 fiscal year, as reported in the 2001–02 edition of the State Controller's Special Districts Annual Report.

(II) An amount equal to 10 percent of that district's total revenues for the 2001–02 fiscal year, from whatever source, as reported in the 2001–02 edition of the State Controller's Special Districts Annual Report.

(ii) The total amount of ad valorem property tax revenue otherwise allocated for each of those fiscal years to each enterprise special district that is a transit district shall be reduced by 3 percent of the amount of ad valorem property tax revenue of the district for the 2001–02 fiscal year, as reported in the 2001–02 edition of the State Controller's Special Districts Annual Report.

(iii) The total amount of ad valorem property tax revenue otherwise allocated for each of those fiscal years to an enterprise special district that also performs, as reported in the 2001–02 edition of the State Controller's Special Districts Annual Report, nonenterprise functions other than fire protection or police protection shall be decreased by both of the following, not to exceed 10 percent of a district's total revenues from whatever source, as reported in the 2001–02 edition of the State Controller's Special Districts Annual Report:

(I) Forty percent of the amount of ad valorem property tax revenue of the district's enterprise functions for the 2001–02 fiscal year, as reported in the 2001–02 edition of the State Controller's Special Districts Annual Report.

(II) Ten percent of the amount of ad valorem property tax revenue of the district's nonenterprise functions for the 2001–02 fiscal year, as reported in the 2001–02 edition of the State Controller's Special Districts Annual Report.

(B) If an enterprise special district is located in more than one county, the auditor of each county in which that enterprise special district is located shall implement that portion of the total reduction, required by subparagraph (A) with respect to that district, determined by the ratio of the amount of ad valorem property tax revenue allocated to that district from the county to the total amount of ad valorem property tax revenue allocated to that district from all counties.

(2) The Controller shall determine the amount of the ad valorem property tax revenue reduction required by paragraph (1) for each enterprise special district in each county. The Controller shall then determine whether the total amount of ad valorem property tax revenue reductions under paragraph (1) and Section 97.73 is less than three hundred fifty million dollars ($350,000,000). If, for either the 2004–05 or 2005–06 fiscal year, the total of the amount of these reductions is less than three hundred fifty million dollars ($350,000,000), the total amount of ad valorem property tax revenue allocated to each enterprise special district, other than an enterprise special district that is a transit district, shall be reduced by an additional amount equal to that district's proportionate share of the difference, provided that the total reduction under this section for a district shall not exceed 10 percent of that district's revenue from whatever source for the 2001–02 fiscal year, as reported in the 2001–02 edition of the State Controller's Special

Districts Annual Report. If, as a result of this 10-percent limitation, any portion of the difference remains unapplied, that remaining portion shall, as many times as necessary, be applied in proportionate shares among those enterprise special districts, other than transit districts, for which the 10-percent limitation has not been reached, until a three hundred fifty million dollar reduction ($350,000,000) has been applied. The Controller shall, on or before October 25, 2004, notify the Director of Finance of the reduction amounts determined under this subdivision. The Director of Finance shall, on or before November 12, 2004, notify each county auditor of the allocation reductions required by this paragraph and Section 97.73.

(b) That amount of ad valorem property tax revenue that is not allocated to an enterprise special district as a result of subdivision (a) shall instead be deposited in the county Educational Revenue Augmentation Fund and shall be allocated as specified in subdivision (d) of Section 97.3.

(c) For purposes of this section, all of the following apply:

(1) ''Enterprise special district'' means a special district that performs, as reported in the 2001–02 edition of the State Controller's Special Districts Annual Report, an enterprise function. ''Enterprise special district'' does not include a fire protection district that was formed under the Shade Tree Law of 1909 set forth in Article 2 (commencing with Section 25620) of Chapter 7 of Division 2 of Title 3 of the Government Code, a local health care district as described in Division 23 (commencing with Section 32000) of the Health and Safety Code, or a qualified special district as defined in Section 97.34.

(2) With respect to an enterprise special district that also performs, as reported in the 2001–02 edition of the State Controller's Special Districts Annual Report, a police protection nonenterprise function with certified peace officers, as described in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, or a fire protection nonenterprise function, ''the amount of ad valorem property tax revenue of the district for the 2001–02 fiscal year'' does not include ad valorem property tax revenue of that district for fire protection or police protection nonenterprise functions, as reported in the 2001–02 edition of the State Controller's Special Districts Annual Report.

(3) For purposes of this section, ''revenues that are pledged to debt service'' includes only those amounts required as the sole source of repayment to pay debt service costs in the 2002–03 fiscal year on debt instruments issued by an enterprise special district for the acquisition of fixed assets. For purposes of this paragraph, ''fixed assets'' means land, buildings, equipment, and improvements, including improvements to buildings.

(d) For the purposes of this section, if a special district's financial transactions do not appear in the 2001–02 edition of the State Controller's Special Districts Annual Report, the Controller shall use the most recent data available for that district.

(e) For the 2005–06 fiscal year and each fiscal year thereafter, the amounts determined under subdivision (a) of Section 96.1, or any successor to that provision, shall not reflect, for a preceding fiscal year, any portion of any allocation required by this section.

SEC. 9. Section 97.73 of the Revenue and Taxation Code, as added by Section 24 of Chapter 211 of the Statutes of 2004, is amended to read:

97.73. Notwithstanding any other provision of law, for each of the 2004–05 and 2005–06 fiscal years, all of the following apply:

(a) (1) (A) The total amount of ad valorem property tax revenue, other than those revenues that are pledged to debt service, otherwise allocated for each of those fiscal years to each nonenterprise special district shall be reduced by 10 percent of the amount of ad valorem property tax revenue of the district for the 2001–02 fiscal year, as reported in the 2001–02 edition of the State Controller's Special Districts Annual Report.

(B) (i) Notwithstanding subparagraph (A), for the Laguna Niguel Community Service District in the County of Orange, the reduction described in subparagraph (A) shall be 4 percent rather than 10 percent.

(ii) If the district described in clause (i) is not dissolved before July 1, 2006, for each of the 2006–07 and 2007–08 fiscal years, the auditor shall reduce the total amount of ad valorem property tax revenue, other than those revenues that are pledged to debt service, otherwise allocated to that district for each of those fiscal years by 6 percent of the amount of ad valorem property tax revenue of the district for the 2001–02 fiscal year, as reported in the 2001–02 edition of the State Controller's Special Districts Annual Report.

(C) If a nonenterprise special district is located in more than one county, the auditor of each county in which that nonenterprise special district is located shall implement that portion of the total reduction, required by subparagraph (A) with respect to that district, determined by the ratio of the amount of ad valorem property tax revenue allocated to that district from the county to the total amount of ad valorem property tax revenue allocated to that district from all counties.

(2) The Controller shall determine the amount of the ad valorem property tax revenue reduction required by paragraph (1) for each nonenterprise special district in each county and notify the Director of Finance of these amounts on or before October 25, 2004.

(b) That amount of ad valorem property tax revenue that is not allocated to a nonenterprise special district as a result of subdivision (a) shall instead be deposited in the county Educational Revenue

Augmentation Fund and shall be allocated as specified in subdivision (d) of Section 97.3.

(c) For purposes of this section, all of the following apply:

(1) (A) ''Nonenterprise special district'' means a special district that engages solely, as reported in the 2001–02 edition of the State Controller's Special Districts Annual Report, in nonenterprise functions, and a qualified special district as defined in Section 97.34.

(B) Notwithstanding any other provision of law, ''nonenterprise special district'' does not include any of the following:

(i) A fire protection district that was formed under the Shade Tree Law of 1909 set forth in Article 2 (commencing with Section 25620) of Chapter 7 of Division 2 of Title 3 of the Government Code.

(ii) A police protection district formed pursuant to Part 1 (commencing with Section 20000) of Division 14 of the Health and Safety Code.

(iii) A fire protection district formed under the Fire Protection District Law of 1987 (Part 2.7 (commencing with Section 13800) of Division 12 of the Health and Safety Code) or a fire protection district formed under the Fire Protection District Law of 1961, or any of its statutory predecessors, and that existed on January 1, 1988.

(iv) Any library special district, including, but not limited to, the following:

(I) A county free library system established pursuant to Article 1 (commencing with Section 19100) of Chapter 6 of Part 11 of Division 1 of Title 1 of the Education Code.

(II) A unified school district and union school district public library district established pursuant to Chapter 3 (commencing with Section 18300) of Part 11 of Division 1 of Title 1 of the Education Code.

(III) A library district established pursuant to Chapter 8 (commencing with Section 19400) of Part 11 of Division 1 of Title 1 of the Education Code.

(IV) A library district in unincorporated towns and villages established pursuant to Chapter 9 (commencing with Section 19600) of Part 11 of Division 1 of Title 1 of the Education Code.

(v) A memorial district formed pursuant to Article 1 (commencing with Section 1170) of Chapter 1 of Part 2 of Division 6 of the Military and Veterans Code.

(vi) A mosquito abatement district or a vector control district formed pursuant to Chapter 1 (commencing with Section 2000) of Division 3 of the Health and Safety Code, or any predecessor to that law.

(vii) The Glenn County Pest Abatement District and the East Side Mosquito Abatement District formed pursuant to Chapter 8 (commencing with Section 2800) of Division 3 of the Health and Safety Code.

(2) With respect to a nonenterprise special district that performs, as reported in the 2001–02 edition of the State Controller's Special Districts Annual Report, nonenterprise functions and police protection services with certified peace officers, as described in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, or nonenterprise functions and fire protection services, ''the amount of ad valorem property tax revenue of the district for the 2001–02 fiscal year'' does not include ad valorem property tax revenue of that district for fire protection or police protection nonenterprise functions, as reported in the 2001–02 edition of the State Controller's Special Districts Annual Report.

(3) With respect to a nonenterprise special district formed pursuant to Article 3 (commencing with Section 5500) of Chapter 3 of Division 5 of the Public Resources Code that performs, as reported in the 2001–02 edition of the State Controller's Special Districts Annual Report, nonenterprise functions and police protection services with certified peace officers, as described in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, or nonenterprise functions and fire protection services, ''the amount of ad valorem property tax revenue of the district for the 2001–02 fiscal year'' does not include total expenditures net of total revenues by that district for fire protection or police protection nonenterprise functions, as reported in the 2001–02 edition of the State Controller's Special Districts Annual Report.

(4) For purposes of this section, ''revenues that are pledged to debt service'' includes only those amounts required as the sole source of repayment to pay debt service costs in the 2002–03 fiscal year on debt instruments issued by a nonenterprise special district for the acquisition of fixed assets. For purposes of this paragraph, ''fixed assets'' means land, buildings, equipment, and improvements, including improvements to buildings.

(d) For the purposes of this section, if a special district's financial transactions do not appear in the 2001–02 edition of the State Controller's Special Districts Annual Report, the Controller shall use the most recent data available for that district.

(e) For the 2005–06 fiscal year and each fiscal year thereafter, the amounts determined under subdivision (a) of Section 96.1, or any successor to that provision, shall not reflect, for a preceding fiscal year, any portion of any allocation required by this section.

SEC. 9.5. Section 97.74 of the Revenue and Taxation Code is repealed.

SEC. 10. Section 7203.1 of the Revenue and Taxation Code, as amended by Section 29.5 of Chapter 211 of the Statutes of 2004, is amended to read:

7203.1. (a) Notwithstanding any other provision of law, during the revenue exchange period only, the authority of a county or a city under this part to impose a tax rate as specified in an ordinance adopted pursuant to Sections 7202 and 7203 is suspended, and the tax rate to be applied instead during that period under any ordinance as so adopted is the applicable of the following:

(1) In the case of a county, 1 percent.

(2) In the case of a city, three-quarters of 1 percent or less.

(b) For purposes of this section, ''revenue exchange period'' means the period on and after July 1, 2004, and before the first day of the first calendar quarter commencing more than 90 days following a notification to the board by the Director of Finance pursuant to subdivision (b) of Section 99006 of the Government Code.

(c) Subdivision (a) is a self-executing provision that operates without regard to any decision or act on the part of any local government. A change in a local general tax rate resulting from either the rate limitations applied by subdivision (a) or the end of the revenue exchange period is not subject to voter approval under either statute or Article XIII C of the California Constitution.

(d) Existing tax exchange or revenue sharing agreements, entered into prior to the operative date of this section, between local agencies or between local agencies and nonlocal agencies shall be deemed to be temporarily modified to account for the reduction in sales and use tax revenues resulting from this section, with those reduced revenues to be replaced as may otherwise be provided by law.

SEC. 11. Section 10754.11 of the Revenue and Taxation Code, as added by Section 35 of Chapter 211 of the Statutes of 2004, is amended to read:

10754.11. (a) (1) On August 15, 2006, the Controller shall transfer from the General Fund to the Gap Repayment Fund, which is hereby created in the State Treasury, an amount equal to the total amount of offsets that were applied to new vehicle registrations before October 1, 2003, and that were applied to vehicle license fees with a due date before October 1, 2003, that were not transferred into the Motor Vehicle License Fee Account in the Transportation Tax Fund and the Local Revenue Fund due to the operation of Item 9100-102-0001 of Section 2.00 of the Budget Act of 2003. The amount of this transfer shall include transfers not made for offsets applied on or after June 20, 2003, transfers required under clause (iii) of subparagraph (B) of paragraph (2) of subdivision (a) of Section 11000 as that section read on June 30, 2004, and the additional amounts required to be transferred to the Local Revenue Fund pursuant to paragraph (2) of subdivision (a) of Section 11001.5 and paragraph (2) of subdivision (d) of that same section, less any amount that was appropriated under clause (iii) of subparagraph (D)

of paragraph (3) of subdivision (a) of Section 10754, as that section read on June 30, 2004.

(2) The Controller may make the transfer required by paragraph (1) prior to August 15, 2006, if that transfer is authorized by the Legislature.

(b) Moneys in the Gap Repayment Fund are hereby appropriated to the Controller for allocation by the Controller to each city, county, and city and county in an amount equal to the amount that was not allocated to each of these entities due to the operation of Item 9100-102-001 of Section 2.00 of the Budget Act of 2003, less any amount that was allocated to each entity under clause (ii) of subparagraph (D) of paragraph (3) of subdivision (a) of Section 10754, as that section read on June 30, 2004.

(c) This section is operative for the period beginning on and after July 1, 2004.

SEC. 12. Section 11001.5 of the Revenue and Taxation Code, as amended by Section 37 of Chapter 211 of the Statutes of 2004, is amended to read:

11001.5. (a) (1) Notwithstanding Section 11001, and except as provided in paragraph (2) and in subdivisions (b) and (d), 24.33 percent, and on and after July 1, 2004, 74.9 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 first allocated to the County of Orange as provided in subdivision (a) of Section 11005 and as necessary for the service of indebtedness as pledged by Sections 25350.6 and 53585.1 of the Government Code and in accordance with written instructions provided by the Controller under Sections 25350.7, 25350.9, and 53585.1 of the Government Code, and the balance shall be allocated to each city and city and county as otherwise provided by law.

(2) For the period beginning on and after July 1, 2003, and ending on February 29, 2004, the Controller shall deposit an amount equal to 28.07 percent of the moneys collected by the department under this part in the State Treasury to the credit of the Local Revenue Fund. 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 State 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 cities and counties as specified in subdivisions (b) and (c) 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 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) Notwithstanding any other provision of law, both of the following apply:

(1) This section is operative for the period beginning on and after March 1, 2004.

(2) It is the intent of the Legislature that the total amount deposited by the Controller in the State Treasury to the credit of the Local Revenue Fund for the 2003–04 fiscal year be equal to the total amount that would have been deposited to the credit of the Local Revenue Fund if paragraph (1) of subdivision (a) was applied during that entire fiscal year. The department shall calculate and notify the Controller of the adjustment amounts that are required by this paragraph to be deposited in the State Treasury to the credit of the Local Revenue Fund. The amounts deposited in the State Treasury to the credit of the Local Revenue Fund pursuant to this paragraph shall be deemed to have been deposited during the 2003–04 fiscal year.

(e) This section does not amend nor is it intended to amend or impair Section 25350 and following of, Section 53584 and following of, the Government Code, or any other statute dealing with the interception of funds.

SEC. 13. Section 11005 of the Revenue and Taxation Code, as added by Section 40 of Chapter 211 of the Statutes of 2004, is amended to read:

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, commencing with the 2004–05 fiscal

year, the balance of all motor vehicle license fees and any other money appropriated by law for expenditure pursuant to this section and deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and remaining unexpended therein at the close of business on the last day of the calendar month, shall be allocated by the Controller by the 10th day of the following month in accordance with the following:

(a) First, to the County of Orange. For the 2004–05 fiscal year, that county shall be allocated fifty-four million dollars ($54,000,000) in monthly installments. For the 2005–06 fiscal year and each fiscal year thereafter, that county shall receive, in monthly installments, an amount equal to the amount allocated under this section for the prior fiscal year, adjusted for the percentage change in the amount of revenues credited to the Motor Vehicle License Fee Account in the Transportation Tax Fund from the revenues credited to that account in the prior fiscal year. Moneys allocated to the County of Orange under this subdivision shall be used first for the service of indebtedness as provided in paragraph (1) of subdivision (a) of Section 11001.5. Any amounts in excess of the amount required for this service of indebtedness may be used by that county for any lawful purpose.

(b) Second, to each city, the population of which is determined under Section 11005.3 on August 5, 2004, in an amount equal to the additional amount of vehicle license fee revenue, including offset transfers, that would be allocated to that city under Sections 11000 and 11005, as those sections read on January 1, 2004, as a result of that city's population being determined under Section 11005.3.

(c) Third, to the cities and cities and counties of this state in the proportion that the population of each city or city and county bears to the total population of all cities and cities and counties in this state, as determined by the population research unit of the Department of Finance. For the purpose of this subdivision, the population of each city or city and county is that determined by the last federal decennial or special census, or a subsequent census validated by the demographic research unit or subsequent estimate prepared pursuant to Section 2107.2 of the Streets and Highways Code.

SEC. 14. The Legislature finds and declares all of the following:

(a) (1) This act would, by means of provisions relating to the allocation of property tax and vehicle license fee revenues, comprehensively revise and reform local government finance.

(2) The Local Taxpayers and Public Safety Protection Act, which appears as Proposition 65 on the November 2, 2004, general election ballot (hereafter Proposition 65), would suspend the effect and operation of any interim statute, as defined in Proposition 65, pending the approval

of that interim statute in a specified manner by the statewide electorate at the first statewide election occurring after that statute takes effect.

(3) This act comprehensively revises and reforms local government finance by means of various provisions that take effect between November 1, 2003, and November 3, 2004, and that, if proposed on or after November 3, 2004, would be subject to voter approval under Section 1 of Article XIII E of the California Constitution, as added by Proposition 65, should that measure be approved by the voters and take effect.

(4) Therefore, this act is in its entirety an interim statute within the meaning of Proposition 65, the effect and operation of which is suspended pending voter approval as required by that measure, should that measure be approved by the voters and take effect.

(b) (1) Chapter 211 of the Statutes of 2004 added Section 97.70 to, amended Section 10754 of, and repealed Section 11000 of, the Revenue and Taxation Code. The amendments made to Section 10754 of, and the repeal of Section 11000 of, the Revenue and Taxation Code deleted provisions relating to allocations of state General Fund revenues that were previously required to be made to cities, counties, and cities and counties to compensate these entities for revenue losses resulting from offsets to the vehicle license fee. Beginning with the 2004–05 fiscal year, Section 97.70 of the Revenue and Taxation Code provides ad valorem property tax revenues to cities, counties, and cities and counties in lieu of these allocations of state General Fund revenues.

(2) Therefore, it is the intent of the Legislature in enacting this act and Chapter 211 of the Statutes of 2004 to ensure that, for the 2004–05 fiscal year and each fiscal year thereafter, no state General Fund revenues be allocated to cities, counties, and cities and counties to compensate these entities for offsets to the vehicle license fee, except as otherwise provided by Section 10754.11 of the Revenue and Taxation Code.

SEC. 15. 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.

SEC. 16. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to enact the statutory changes needed to implement the Budget Act of 2004 to allow the state and local governments to preserve

the public peace, health, and safety, it is necessary that this act take effect immediately.

CHAPTER 611

An act to amend Section 14528.5 of the Government Code, relating to transportation.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 14528.5 of the Government Code is amended to read:

14528.5. (a) To resolve local transportation problems resulting from the infeasibility of a planned state transportation facility on State Highway Route 238, the city or county in which the planned facility was to be located, acting jointly with the transportation planning agency having jurisdiction over the city or county, may develop and file with the commission a local alternative transportation improvement program that addresses transportation problems and opportunities in the county which was to be served by the planned facility.

(b) The commission shall have the final authority regarding the content and approval of the local alternative transportation improvement program. The commission shall not approve any local alternative transportation improvement program submitted under this section after July 1, 2010.

(c) All proceeds from the sale of the excess properties, less any reimbursements due to the federal government and all costs incurred in the sale of those excess properties, shall be allocated by the commission to fund the approved local alternative transportation improvement program and shall not be subject to Sections 188 and 188.8 of the Streets and Highways Code. The proceeds shall be used only for highway purposes.

(d) This section does not apply to those highways that are in the National System of Interstate and Defense Highways.

(e) This section applies only to State Highway Route 238.

CHAPTER 612

An act to add Section 138.10 to the Water Code, relating to water.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 138.10 is added to the Water Code, to read:

138.10. (a) On or before January 1, 2006, the director, in collaboration with the Secretary of Interior or his or her designee, shall prepare a plan to meet the existing permit and license conditions for which the department has an obligation, as described in the State Water Resources Control Board Decision No. 1641.

(b) The plan shall be designed to achieve compliance with the permit and license conditions described in subdivision (a). The director shall prepare the plan, and submit copies of the plan to the board and the California Bay-Delta Authority, prior to increasing the existing permitted diversion rate at the State Water Project's Harvey O. Banks Pumping Plant.

(c) Nothing in this section limits or restricts the department in its operation of the State Water Project due to failure of other water rights permittees or licensees to meet water quality conditions of their respective permits or licenses.

CHAPTER 613

An act to amend Section 701.8 of the Public Utilities Code, relating to electrical restructuring, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) The San Francisco Bay Area Rapid Transit (BART) District provides essential public transit services that are funded by fares and taxes.

(b) The BART District has qualified under the Reclamation Project Act of 1939 as amended and supplemented as a preference entity for

purposes of purchasing electricity from federal power marketing agencies (preference power).

(c) The BART system has been continuously served by preference power, a publicly owned electricity supply, since before electrical restructuring and before the energy crisis of 2000–01, pursuant to the terms and conditions established by the enactment of Senate Bill 184 (Chapter 681 of the Statutes of 1995).

(d) It is the intent of the Legislature in enacting this act, to authorize the BART District to receive electric service from another publicly owned supplier of electricity on the same terms authorized by Chapter 206 of the Statutes of 1998.

SEC. 2. Section 701.8 of the Public Utilities Code is amended to read:

701.8. (a) To ensure that the commission regulated electric utilities do not operate their transmission and distribution monopolies in a manner that impedes the ability of the San Francisco Bay Area Rapid Transit District (BART District) to reduce its electricity cost through the purchase and delivery of preference power, electrical corporations shall meet the requirements of this section.

(b) Any electric utility regulated by the commission that owns and operates transmission and distribution facilities that deliver electricity at one or more locations to the BART District's system shall, upon request by the BART District, and without discrimination or delay, use the same facilities to deliver preference power purchased from a federal power marketing agency or its successor, or electricity purchased from a local publicly owned electric utility, as defined in Section 9604.

(c) Where the BART District purchases electric power at more than one location, at any voltage, from an electric utility under tariffs regulated by the commission, the utility shall bill the BART District for usage as though all the electricity purchased at transmission level voltages were metered by a single meter at one location and all the electricity purchased at subtransmission voltages were metered by a single meter at one location, provided that any billing for demand charges would be based on the coincident demand of transmission and distribution metering.

(d) If, on or after January 1, 1996, the BART District leases or has agreed to lease, as special facilities, utility plants for the purpose of receiving power at transmission level voltages, an electric utility regulated by the commission may not terminate the lease without concurrence from the BART District.

(e) When the BART District elects to have electricity delivered pursuant to subdivision (b), neither Sections 365 and 366, and any commission regulations, orders, or tariffs, that implement direct transactions, are applicable, nor is the BART District an electricity

supplier. Neither the commission, nor any electric utility that delivers the federal power or electricity purchased from a local publicly owned electric utility to the BART District, shall require that an electricity supplier be designated as a condition of the delivery of that power.

(f) The BART District may elect to obtain electric power from the following multiple sources at the same time:

(1) Electric power delivered pursuant to subdivision (b).

(2) Electric power supplied by one or more direct transactions.

(3) Electric power from any electric utility regulated by the commission that owns and operates transmission and distribution facilities that deliver electricity at one or more locations to the BART District's system.

SEC. 3. The Legislature finds and declares that, because of the unique circumstances applicable only to the San Francisco Bay Area Rapid Transit District, a statute of general applicability cannot be enacted within the meaning of subdivision (b) of Section 16 of Article IV of the California Constitution. Therefore, this special statute is necessary.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

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

In order to ensure the continued delivery of electricity to the San Francisco Bay Area Rapid Transit District at an affordable rate, it is necessary for this act to take effect immediately.

CHAPTER 614

An act to amend Sections 2081.7 and 2931 of, and to add Sections 2081.8 and 2932.5 to, the Fish and Game Code, relating to wildlife, and making an appropriation therefor.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 2081.7 of the Fish and Game Code is amended to read:

2081.7. (a) Notwithstanding Sections 3511, 4700, 5050, and 5515, and contingent upon the fulfillment of the conditions listed in subdivisions (b), (c), and (d), the department may authorize, under Chapter 1.5 (commencing with Section 2050) or Chapter 10 (commencing with Section 2800), the take of species resulting from impacts attributable to the implementation of the Quantification Settlement Agreement, as defined in subdivision (a) of Section 1 of Chapter 617 of the Statutes of 2002, on all of the following:

(1) The salinity, elevation, shoreline habitat, or water quality of the Salton Sea.

(2) The quantity and quality of water flowing in the All American Canal, the Coachella Canal, the Imperial Valley and Coachella Valley drains, the New and Alamo Rivers, the Coachella Valley Stormwater Channel, and the habitat sustained by those flows.

(3) Agricultural lands in the Imperial Valley.

(4) The quantity and quality of water flowing in the Colorado River, the habitat sustained by those flows, and the collection of that water for delivery to authorized users.

(b) The Quantification Settlement Agreement is executed by the appropriate parties on or before October 12, 2003.

(c) The department has determined that the appropriate agreements have been executed to address environmental impacts at the Salton Sea that include enforceable commitments requiring all of the following:

(1) Imperial Irrigation District to transfer 800,000 acre-feet of conserved water, by conservation methods selected by the Imperial Irrigation District, to the Department of Water Resources on a mutually agreed-upon schedule in exchange for payment of one hundred seventy-five dollars ($175) per acre-foot. The price shall be adjusted for inflation on an annual basis.

(2) Imperial Irrigation District to transfer up to 800,000 additional acre-feet of conserved water, by conservation methods selected by the Imperial Irrigation District, to the Department of Water Resources during the first 15 years of the Quantification Settlement Agreement on the schedule established for the mitigation water that was previously to be transferred to the San Diego Water Authority, or on a mutually agreed-upon schedule, at no cost for the water in addition to the payment for the water from the mitigation fund described in paragraph (1) of subdivision (b) of Section 3 of Chapter 613 of the Statutes of 2003.

(3) As a condition to acquisition of the water described in paragraph (1), the Department of Water Resources shall be responsible for any

environmental impacts, including Salton Sea salinity, related to use or transfer of that water. As a condition to acquisition of the water described in paragraph (2), the Department of Water Resources shall be responsible for environmental impacts related to Salton Sea salinity that are related to the use or transfer of that water.

(4) The Metropolitan Water District of Southern California (MWD) to purchase up to 1.6 million acre-feet of the water provided in accordance with paragraphs (1) and (2) from the Department of Water Resources at a price of not less than two hundred fifty dollars ($250) per acre-foot on a mutually agreed-upon schedule. The price shall be adjusted for inflation on an annual basis. The Department of Water Resources shall deposit all proceeds from the sale of water pursuant to this paragraph, after deducting costs and reasonable administrative expenses, into the Salton Sea Restoration Fund established in Section 2932.

(5) The Metropolitan Water District of Southern California to pay not less than twenty dollars ($20) per acre-foot for all special surplus water received by MWD as a result of reinstatement of access to that water under the Interim Surplus Guidelines by the United States Department of Interior subtracting any water delivered to Arizona as a result of a shortage. The money shall be paid into the Salton Sea Restoration Fund. The price shall be adjusted for inflation on an annual basis. Metropolitan Water District of Southern California shall receive a credit against future mitigation obligations under the Lower Colorado River Multi-Species Conservation Plan for any funds provided under this paragraph to the extent that those funds are spent on projects that contribute to the conservation or mitigation for species identified in the Lower Colorado River Multi-Species Conservation Plan and that are consistent with the preferred alternative for Salton Sea restoration.

(6) Coachella Valley Water District, Imperial Irrigation District, and San Diego County Water Authority to pay a total of thirty million dollars ($30,000,000) to the Salton Sea Restoration Fund as provided in paragraph (2) of subdivision (b) of Section 3 of Chapter 613 of the Statutes of 2003.

(d) All of the following conditions are met:

(1) The requirements of subdivision (b) and (c) of Section 2081 are satisfied as to the species for which take is authorized.

(2) The take authorization provides for the development and implementation, in cooperation with federal and state agencies, of an adaptive management process for monitoring the effectiveness of, and adjusting as necessary, the measures to minimize and fully mitigate the impacts of the authorized take. The adjusted measures are subject to Section 2052.1.

(3) The take authorization provides for the development and implementation in cooperation with state and federal agencies of an adaptive management process that substantially contributes to the long-term conservation of the species for which take is authorized. Preparation of the adaptive management program and implementation of the program is the responsibility of the department. The department's obligation to prepare and implement the adaptive management program is conditioned upon the availability of funds pursuant to the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, if it is approved by the voters at the statewide general election to be held November 5, 2002 (Proposition 50), or other funds that may be appropriated by the Legislature or approved by the voters for that purpose. The failure to appropriate funds does not relieve the applicant of the obligations of paragraphs (1) and (2). However, the applicant shall not be required to fund any program pursuant to this paragraph.

(4) The requirements of paragraph (1) may be satisfied if the take is authorized under Chapter 10 (commencing with Section 2800).

(e) (1) The Secretary of the Resources Agency, in consultation with the department, the Department of Water Resources, the Salton Sea Authority, appropriate air quality districts, and the Salton Sea Advisory Committee, shall undertake a restoration study to determine a preferred alternative for the restoration of the Salton Sea ecosystem and the protection of wildlife dependent on that ecosystem. The Secretary of the Resources Agency shall extend an invitation to the United States Geological Survey Salton Sea Science Office to also participate in the restoration study, and the office may participate if it accepts the invitation. The restoration study shall be conducted pursuant to a process with deadlines for release of the report and programmatic environmental documents established by the secretary, in consultation with the department, the Department of Water Resources, the Salton Sea Authority, and the Salton Sea Advisory Committee, and the United States Geological Survey Salton Sea Science Office, if it is a participant. The secretary shall use all available authority to enter into a memorandum of understanding (MOU) with the Secretary of the Interior, as provided in Section 101(b)(1)(B)(i) of the Salton Sea Reclamation Act of 1998 (P.L. 105-372) for the purpose of obtaining federal participation in the restoration of the Salton Sea.

(2) The restoration study shall establish all of the following:

(A) An evaluation of alternatives for the restoration of the Salton Sea that includes consideration of strategies for salinity control, habitation creation and restoration, and different shoreline elevations and surface area configurations. The alternatives shall consider the range of possible inflow conditions. The evaluation established pursuant to this subparagraph shall also include suggested criteria for selecting and

evaluating alternatives consistent with Chapter 13 (commencing with Section 2930), including, but not limited to, at least one most cost-effective, technically feasible, alternative.

(B) An evaluation of the magnitude and practicability of costs of construction, operation, and maintenance of each alternative evaluated.

(C) A recommended plan for the use or transfer of water provided by paragraph (2) of subdivision (c). No water may be transferred pursuant to that subdivision unless the secretary finds that transfer is consistent with the preferred alternative for Salton Sea restoration.

(D) The selection of a preferred alternative consistent with Section 2931, including a proposed funding plan to implement the preferred alternative. The proposed funding plan shall include a determination of the moneys that are, or may be, available to construct and operate the preferred project, including, but not limited to, all of the following moneys:

(i) Moneys in the Salton Sea Restoration Fund established by Section 2932.

(ii) State water and environmental bond moneys.

(iii) Federal authorizations and appropriations.

(iv) Moneys available through a Salton Sea Infrastructure Financing District established pursuant to Section 53395.9 of the Government Code and local assessments by the Salton Sea Authority or its member agencies.

(v) Moneys derived from user or other fees.

(3) The study identifying the preferred alternative shall be submitted to the Legislature on or before December 31, 2006.

(4) The Secretary of the Resources Agency shall establish an advisory committee for purposes of this subdivision as follows:

(A) The advisory committee shall be selected to provide balanced representation of the following interests:

(i) Agriculture.

(ii) Local governments.

(iii) Conservation groups.

(iv) Tribal governments.

(v) Recreational users.

(vi) Water agencies.

(vii) Air pollution control districts.

(viii) Geothermal energy development.

(B) Appropriate federal agency representatives may be asked to serve in an ex officio capacity.

(C) The Resources Agency shall consult with the advisory committee throughout all stages of the alternative selection process.

(D) The advisory committee shall meet no fewer than six times annually.

(E) The secretary shall appoint a vice chair of the advisory committee from the committee membership. The vice chair shall work with the secretary to develop advisory committee agendas and to schedule meetings of the committee. The secretary and vice chair shall appoint an agenda subcommittee to assist in the preparation of advisory committee agendas.

(F) The advisory committee shall submit to the Resources Agency recommendations to assist the agency in preparation of its restoration plan. The Resources Agency shall develop a schedule for the completion of these recommendations to ensure that these recommendations will be considered by the agency in a timely and meaningful manner as the restoration plan is developed. These recommendations may include, but are not limited to:

(i) The specific goals and objectives of the restoration plan.

(ii) The range of alternative restoration actions that must be developed and analyzed.

(iii) The no action alternative.

(iv) The criteria for determining economic and technical feasibility of the alternatives.

(v) The range of options for funding the restoration plan.

(vi) The selection of a preferred alternative for a restoration plan.

(G) The Resources Agency shall periodically provide an update to the advisory committee of the current work plan and schedule for the development of the restoration plan.

(f) This section shall not be construed to exempt from any other provision of law the Quantification Settlement Agreement and the Agreement for Transfer of Conserved Water by and between the Imperial Irrigation District and the San Diego County Water Authority, dated April 29, 1998.

SEC. 2. Section 2081.8 is added to the Fish and Game Code, to read:

2081.8. The Resources Agency shall undertake the necessary activities to assess the protection of recreational opportunities, including, but not limited to, hunting, fishing, boating, and birdwatching, and the creation of opportunities for improved local economic conditions, surrounding the Salton Sea. The Resources Agency shall not undertake any of those activities if the agency determines they would constitute a project purpose for environmental documentation that is prepared pursuant to Section 2081.7.

SEC. 3. Section 2931 of the Fish and Game Code is amended to read:

2931. (a) It is the intent of the Legislature that the State of California undertake the restoration of the Salton Sea ecosystem and the permanent protection of the wildlife dependent on that ecosystem.

(b) This restoration shall be based on the preferred alternative developed as a result of the restoration study and alternative selection process described in Section 2081.7 and using the funds made available in accordance with that section to be deposited in the Salton Sea Restoration Fund and other funds made available by the Legislature and the federal government.

(c) The preferred alternative shall provide the maximum feasible attainment of the following objectives:

(1) Restoration of long-term stable aquatic and shoreline habitat for the historic levels and diversity of fish and wildlife that depend on the Salton Sea.

(2) Elimination of air quality impacts from the restoration projects.

(3) Protection of water quality.

(d) For the purpose of the restoration plan, the Salton Sea ecosystem shall include, but is not limited to, the Salton Sea, the agricultural lands surrounding the Salton Sea, and the tributaries and drains within the Imperial and Coachella Valleys that deliver water to the Salton Sea.

SEC. 4. Section 2932.5 is added to the Fish and Game Code, to read:

2932.5. Moneys deposited in the fund created pursuant to Section 2932 shall not be expended for mitigation except for mitigation undertaken by the State of California.

CHAPTER 615

An act to amend Section 2985.8 of the Civil Code, to amend Sections 21670.3, 21674.5, 21675, 21675.1, 99314, 99314.1, 120050, 120105, 120105.5, 120224.1, and 120550 of, and to add Section 99210.1 to, the Public Utilities Code, to amend Sections 100.21, 1730, and 1953 of the Streets and Highways Code, and to amend Sections 1655, 1685, 4000.6, 5301, 9400.1, 11205.2, 12811, 13370, 21960, 24011, 24602, 27602, and 35401 of, to add Section 314 to, to add and repeal Section 1685.1 of, and to repeal Section 11705.5 of, the Vehicle Code, relating to transportation.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 2985.8 of the Civil Code is amended to read:

2985.8. (a) Every lease contract shall be in writing and the print portion of the contract shall be printed in at least 8-point type and shall

contain in a single document all of the agreements of the lessor and lessee with respect to the obligations of each party.

(b) At the top of the lease contract, a title which contains the words ''LEASE CONTRACT'' or ''LEASE AGREEMENT'' shall appear in at least 12-point boldface type.

(c) Every lease contract shall disclose all of the following:

(1) All of the information prescribed by Regulation M set forth in the manner required or permitted by Regulation M, whether or not Regulation M applies to the transaction.

(2) A separate statement labeled ''Itemization of Gross Capitalized Cost'' that shall appear immediately following or directly adjacent to the disclosures required to be segregated by Regulation M. The Itemization of Gross Capitalized Cost shall include all of the following and shall be circumscribed by a line:

(A) The agreed-upon value of the vehicle as equipped at the time of signing the lease.

(B) The agreed-upon value and a description of each accessory and item of optional equipment the lessor agrees to add to the vehicle after signing the lease.

(C) The premium for each policy of insurance.

(D) The amount charged for each service contract.

(E) Any charge for an optional debt cancellation agreement.

(F) Any outstanding prior credit or lease balance.

(G) An itemization by type and agreed-upon value of each good or service included in the gross capitalized cost other than those items included in the disclosures required in subparagraphs (A) to (F), inclusive.

(3) The vehicle identification number of the leased vehicle.

(4) A brief description of each vehicle or other property being traded in and the agreed-upon value thereof if the amount due at the time of signing the lease or upon delivery is paid in whole or in part with a net trade-in allowance or the ''Itemization of Gross Capitalized Cost'' includes any portion of the outstanding prior credit or lease balance from the trade-in property.

(5) The fee, if any, to be retained by the lessor for document preparation, which fee may not exceed forty-five dollars ($45) and may not be represented as a governmental fee.

(6) The amount of any optional business partnership automation program fee to register or transfer the vehicle, which shall be labeled ''Optional DMV Electronic Filing Fee.''

(d) Every lease contract shall contain, in at least 8-point boldface type, above the space provided for the lessee's signature and circumscribed by a line, the following notice: ''(1) Do not sign this lease 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 lease; (3) Warning—Unless a charge is included in this lease for public liability or property damage insurance, payment for that coverage is not provided by this lease.''

(e) Every lease contract shall contain, in at least 8-point boldface type, on the first page of the contract and circumscribed by a line, the following notice:

''THERE IS NO COOLING OFF PERIOD

California law does not provide for a ''cooling off'' or other cancellation period for vehicle leases. Therefore, you cannot later cancel this lease simply because you change your mind, decided the vehicle costs too much, or wish you had acquired a different vehicle. You may cancel this lease only with the agreement of the lessor or for legal cause, such as fraud.''

(f) Every lease contract shall contain, in at least 8-point boldface type, the following notice: ''You have the right to return the vehicle, and receive a refund of any payments made if the credit application is not approved, unless nonapproval results from an incomplete application or from incorrect information provided by you.''

(g) The lease contract shall be signed by the lessor and lessee, or their authorized representatives, and an exact copy of the fully executed lease contract shall be provided to the lessee at the time of signing.

(h) No motor vehicle shall be delivered under a lease contract subject to this chapter until the lessor provides to the lessee a fully executed copy of the lease contract.

(i) The lessor may not obtain the signature of the lessee to a contract when it contains blank spaces to be filled in after it has been signed.

(j) If the lease contract contains a provision that holds the lessee liable for the difference between (1) the adjusted capitalized cost disclosed in the lease contract reduced by the amounts described in subparagraph (A) of paragraph (5) of subdivision (b) of Section 2987 and (2) the settlement proceeds of the lessee's required insurance and deductible in the event of theft or damage to the vehicle that results in a total loss, the lease contract shall contain the following notice in at least 8-point boldface type on the first page of the contract:

''GAP LIABILITY NOTICE

In the event of theft or damage to the vehicle that results in a total loss, there may be a GAP between the amount due upon early termination and the proceeds of your insurance settlement and deductible. THIS LEASE

PROVIDES THAT YOU ARE LIABLE FOR THE GAP AMOUNT. Optional coverage for the GAP amount may be offered for an additional price.''

SEC. 2. Section 21670.3 of the Public Utilities Code is amended to read:

21670.3. (a) Sections 21670 and 21670.1 do not apply to the County of San Diego. In that county, the San Diego County Regional Airport Authority, as established pursuant to Section 170002, is responsible for coordinating the airport planning of public agencies within the county and shall, on or before June 30, 2005, after reviewing the existing airport land use compatibility plan adopted pursuant to Section 21675, adopt an airport land use compatibility plan.

(b) Any airport land use compatibility plan developed pursuant to Section 21675 and adopted pursuant to Section 21675.1 by the San Diego Association of Governments shall remain in effect until June 30, 2005, unless the San Diego County Regional Airport Authority adopts a plan prior to that date pursuant to subdivision (a).

SEC. 3. Section 21674.5 of the Public Utilities Code is amended to read:

21674.5. (a) The Department of Transportation shall develop and implement a program or programs to assist in the training and development of the staff of airport land use commissions, after consulting with airport land use commissions, cities, counties, and other appropriate public entities.

(b) The training and development program or programs are intended to assist the staff of airport land use commissions in addressing high priority needs, and may include, but need not be limited to, the following:

(1) The establishment of a process for the development and adoption of airport land use compatibility plans.

(2) The development of criteria for determining the airport influence area.

(3) The identification of essential elements that should be included in the airport land use compatibility plans.

(4) Appropriate criteria and procedures for reviewing proposed developments and determining whether proposed developments are compatible with the airport use.

(5) Any other organizational, operational, procedural, or technical responsibilities and functions that the department determines to be appropriate to provide to commission staff and for which it determines there is a need for staff training or development.

(c) The department may provide training and development programs for airport land use commission staff pursuant to this section by any

means it deems appropriate. Those programs may be presented in any of the following ways:

(1) By offering formal courses or training programs.

(2) By sponsoring or assisting in the organization and sponsorship of conferences, seminars, or other similar events.

(3) By producing and making available written information.

(4) Any other feasible method of providing information and assisting in the training and development of airport land use commission staff.

SEC. 4. Section 21675 of the Public Utilities Code is amended to read:

21675. (a) Each commission shall formulate an airport land use compatibility plan that will provide for the orderly growth of each public airport and the area surrounding the airport within the jurisdiction of the commission, and will safeguard the general welfare of the inhabitants within the vicinity of the airport and the public in general. The commission's airport land use compatibility plan shall include and shall be based on a long-range master plan or an airport layout plan, as determined by the Division of Aeronautics of the Department of Transportation, that reflects the anticipated growth of the airport during at least the next 20 years. In formulating an airport land use compatibility plan, the commission may develop height restrictions on buildings, specify use of land, and determine building standards, including soundproofing adjacent to airports, within the airport influence area. The airport land use compatibility plan shall be reviewed as often as necessary in order to accomplish its purposes, but shall not be amended more than once in any calendar year.

(b) The commission shall include, within its airport land use compatibility plan formulated pursuant to subdivision (a), the area within the jurisdiction of the commission surrounding any military airport for all of the purposes specified in subdivision (a). The airport land use compatibility plan shall be consistent with the safety and noise standards in the Air Installation Compatible Use Zone prepared for that military airport. This subdivision does not give the commission any jurisdiction or authority over the territory or operations of any military airport.

(c) The airport influence area shall be established by the commission after hearing and consultation with the involved agencies.

(d) The commission shall submit to the Division of Aeronautics of the department one copy of the airport land use compatibility plan and each amendment to the plan.

(e) If an airport land use compatibility plan does not include the matters required to be included pursuant to this article, the Division of Aeronautics of the department shall notify the commission responsible for the plan.

SEC. 5. Section 21675.1 of the Public Utilities Code is amended to read:

21675.1. (a) By June 30, 1991, each commission shall adopt the airport land use compatibility plan required pursuant to Section 21675, except that any county that has undertaken by contract or otherwise completed airport land use compatibility plans for at least one-half of all public use airports in the county, shall adopt that airport land use compatibility plan on or before June 30, 1992.

(b) Until a commission adopts an airport land use compatibility plan, a city or county shall first submit all actions, regulations, and permits within the vicinity of a public airport to the commission for review and approval. Before the commission approves or disapproves any actions, regulations, or permits, the commission shall give public notice in the same manner as the city or county is required to give for those actions, regulations, or permits. As used in this section, ''vicinity'' means land that will be included or reasonably could be included within the airport land use compatibility plan. If the commission has not designated an airport influence area for the airport land use compatibility plan, then ''vicinity'' means land within two miles of the boundary of a public airport.

(c) The commission may approve an action, regulation, or permit if it finds, based on substantial evidence in the record, all of the following:

(1) The commission is making substantial progress toward the completion of the airport land use compatibility plan.

(2) There is a reasonable probability that the action, regulation, or permit will be consistent with the airport land use compatibility plan being prepared by the commission.

(3) There is little or no probability of substantial detriment to or interference with the future adopted airport land use compatibility plan if the action, regulation, or permit is ultimately inconsistent with the airport land use compatibility plan.

(d) If the commission disapproves an action, regulation, or permit, the commission shall notify the city or county. The city or county may overrule the commission, by a two-thirds vote of its governing body, if it makes specific findings that the proposed action, regulation, or permit is consistent with the purposes of this article, as stated in Section 21670.

(e) If a city or county overrules the commission pursuant to subdivision (d), that action shall not relieve the city or county from further compliance with this article after the commission adopts the airport land use compatibility plan.

(f) If a city or county overrules the commission pursuant to subdivision (d) with respect to a publicly owned airport that the city or county does not operate, the operator of the airport is not liable for

damages to property or personal injury resulting from the city's or county's decision to proceed with the action, regulation, or permit.

(g) A commission may adopt rules and regulations that exempt any ministerial permit for single-family dwellings from the requirements of subdivision (b) if it makes the findings required pursuant to subdivision (c) for the proposed rules and regulations, except that the rules and regulations may not exempt either of the following:

(1) More than two single-family dwellings by the same applicant within a subdivision prior to June 30, 1991.

(2) Single-family dwellings in a subdivision where 25 percent or more of the parcels are undeveloped.

SEC. 6. Section 99210.1 is added to the Public Utilities Code, to read:

99210.1. ''Operator'' also means the San Joaquin Regional Rail Commission for operation of commuter rail services.

SEC. 7. Section 99314 of the Public Utilities Code is amended to read:

99314. (a) From funds made available pursuant to subdivision (b) of Section 99312, an amount shall be allocated by the Controller to each transportation planning agency and county transportation commission, and the San Diego Metropolitan Transit Development Board. The allocation shall include an amount corresponding to each of the member agencies of the Altamont Commuter Express Authority and the Southern California Regional Rail Authority. The amount of funds allocated shall be based on the ratio of the total revenue of all the operators and the member agencies of the Altamont Commuter Express Authority and the Southern California Regional Rail Authority in the area under their respective jurisdictions during the prior fiscal year to the total revenue of all the operators in the state and the member agencies of the Altamont Commuter Express Authority and the member agencies of the Southern California Regional Rail Authority during the prior fiscal year.

(b) For purposes of this section and Section 99314.3, ''revenue'' means fare revenues and any other funds used by the operator for its transit operation, and the revenue that is derived from operating as a member of the authority pursuant to Section 99314.1, except federal and state funds which may only be used for transportation purposes and funds allocated pursuant to Section 99233. The revenue amount for each operator shall be determined from the annual report submitted to the Legislature by the Controller pursuant to Section 99243.5. The revenue amount for each member agency of the Altamont Commuter Express Authority and the Southern California Regional Rail Authority shall be determined by the revenues reported to the Controller by the respective authorities in accordance to subdivision (b) of Section 99314.1 and subdivision (b) of Section 99314.2, respectively.

(c) For the purposes of this section, any reference to the ''Altamont Commuter Express Authority'' shall be construed to include a reference to any entity that is a successor to the authority.

SEC. 8. Section 99314.1 of the Public Utilities Code is amended to read:

99314.1. (a) For purposes of this section, the following terms have the following meanings:

(1) The ''Altamont Commuter Express Authority'' or the ''authority'' is the joint powers agency duly formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, by and between the Alameda Congestion Management Agency, the Santa Clara Valley Transportation Authority, and the San Joaquin Regional Rail Commission. Any reference to the ''Altamont Commuter Express Authority'' or the ''authority'' shall be construed to include a reference to any entity that is a successor to the authority.

(2) ''Revenue'' means revenue, as defined in subdivision (b) of Section 99314, that is derived from operating as a member agency of the authority.

(b) The Altamont Commuter Express Authority shall report to the Controller, for each fiscal year, the ratio that the revenue of each member agency of the authority during the prior fiscal year bears to the total revenue of the authority during that fiscal year.

(c) (1) From funds made available pursuant to subdivision (b) of Section 99312, the Controller shall allocate to each member agency of the authority an amount that is based on the ratio provided under subdivision (b).

(2) The allocation set forth in paragraph (1) shall be in addition to any other allocation provided under this article.

(3) Allocations made under this section shall be used only for purposes authorized under this chapter.

SEC. 9. Section 120050 of the Public Utilities Code is amended to read:

120050. (a) There is hereby established the San Diego Metropolitan Transit Development Board in that portion of the County of San Diego as described in Section 120054.

(b) The board shall also be known as the San Diego Metropolitan Transit System. Any reference in law to the board shall be construed to include a reference to the San Diego Metropolitan Transit System.

SEC. 10. Section 120105 of the Public Utilities Code is amended to read:

120105. The board shall:

(a) Determine exclusive public mass transit guideways to be acquired and constructed, the means to finance such systems, and whether to operate such systems or to let contracts for such operation.

(b) Adopt an annual budget and fix the compensation of its officers and employees.

(c) Adopt an administrative code, by ordinance, which shall prescribe the powers and duties of board officers, the method of appointment of board employees, and methods, procedures, and systems of operation and management of the board. The administrative code shall also provide for, among other things, the appointment of a general manager or chief executive officer, and the organization of the employees of the board into units for administration, design and construction, planning and operation, property acquisition, and community relations and such other units as the board deems necessary.

(d) Cause a postaudit of the financial transactions and records of the board to be made at least annually by a certified public accountant.

(e) Adopt all ordinances and make all rules and regulations proper or necessary to regulate the use, operation, and maintenance of its property and facilities, including its public transit systems and related transportation facilities and services operating within its area of jurisdiction, and to carry into effect the powers granted to the board.

(f) Appoint such advisory commissions as it deems necessary.

(g) Do any and all things necessary to carry out the purposes of this division.

SEC. 11. Section 120105.5 of the Public Utilities Code is amended to read:

120105.5. The board shall appoint a general manager or chief executive officer with experience in the management, planning, and development of urban mass transportation systems.

SEC. 12. Section 120224.1 of the Public Utilities Code is amended to read:

120224.1. (a) Upon determining that immediate remedial measures to avert or alleviate damage to, or to repair or restore damaged or destroyed property of, the board are necessary in order to insure that the facilities of the board are available to serve the transportation needs of the general public, and upon determining that available remedial measures, including procurement in compliance with Sections 120222, 120223, and 120224, are inadequate, the general manager or chief executive officer may authorize the expenditure of money previously appropriated by the board specifically for the direct purchases of goods and services, without observance of the provisions of those sections.

(b) The general manager or chief executive officer, after the expenditure authorized under subdivision (a) has been made, shall submit to the board a full report explaining the necessity for that action.

SEC. 13. Section 120550 of the Public Utilities Code is amended to read:

120550. The board may establish and maintain a police force. Those employees of the board appointed by the general manager or chief executive officer to the police force and who are duly sworn are peace officers and are subject to the powers set forth in Section 830.33 of the Penal Code. The board shall adhere to the standards for recruitment and training of peace officers established by the Commission on Peace Officer Standards and Training pursuant to Title 4 (commencing with Section 13500) of Part 4 of the Penal Code.

SEC. 14. Section 100.21 of the Streets and Highways Code is amended to read:

100.21. (a) Whenever a street or highway closing agreement is required by Section 100.2, the department shall not acquire, except by gift, and except in hardship or protective cases as determined by the department or the commission, any real property for a freeway through a city until an agreement is first executed with the city council, or for a freeway through unincorporated territory in a county until an agreement is first executed with the board of supervisors. The department shall give notice to the city council or the board of supervisors, as the case may be, of any acquisition of real property prior to the execution of an agreement.

(b) Notwithstanding subdivision (a), a city council, or a county board of supervisors may, by resolution, authorize the purchase of rights-of-way prior to approval of an agreement if the purchase is limited to the mainline corridor of the proposed freeway and the alignment of the freeway is not at issue.

SEC. 15. Section 1730 of the Streets and Highways Code is amended to read:

1730. (a) No ordinance of a city relating to the stopping, standing or parking of a vehicle shall become effective as to a county highway established pursuant to this article within the city without prior submission to and approval by the board of supervisors. No city shall erect or maintain any stop sign, semaphore, or other traffic control signaling device in a manner that requires the traffic on any county highway established pursuant to this article within the city to stop before entering or crossing any intersecting street or any railroad grade crossing, without the permission of the board of supervisors.

(b) An ordinance adopted on or after January 1, 2005, by a county under Section 21960 of the Vehicle Code to prohibit or restrict pedestrian use of a portion of a county freeway or expressway contained within the limits of a city shall not become operative until approved by the city.

SEC. 16. Section 1953 of the Streets and Highways Code is amended to read:

1953. (a) A city or county may, by ordinance or resolution, adopt a golf cart transportation plan.

(b) The transportation plan shall have received a prior review and the comments of the appropriate transportation planning agency designated under subdivision (a) or (b) of Section 29532 of the Government Code and any agency having traffic law enforcement responsibilities in that city or county.

(c) The transportation plan shall not include the use of any state highway, or any portion thereof, except that a crossing of, or a golf cart lane along, a state highway may be included in the plan, if authorized by the department and the law enforcement agency having primary traffic enforcement responsibility of that highway or portion thereof.

SEC. 17. Section 314 is added to the Vehicle Code, to read:

314. An "expressway" is a portion of highway that is part of either of the following:

(a) An expressway system established by a county under Section 941.4 of the Streets and Highways Code.

(b) An expressway system established by a county before January 1, 1989, as described in subdivision (g) of Section 941.4 of the Streets and Highways Code.

SEC. 18. Section 1655 of the Vehicle Code is amended to read:

1655. (a) The director and deputy director of the department, the Deputy Director, Investigations Division, the Chief, Field Investigations Branch, and the investigators of the department, including rank-and-file, supervisory, and management personnel, shall have the powers of peace officers for the purpose of enforcing those provisions of law committed to the administration of the department or enforcing the law on premises occupied by the department.

(b) Any person designated in subdivision (a) may inspect any vehicle of a type required to be registered under this code, or any component part thereof, in any garage, repair shop, parking lot, used car lot, automobile dismantler's lot, steel mill, scrap metal processing facility, or other establishment engaged in the business of selling, repairing, or dismantling vehicles, or reducing vehicles or the integral parts thereof to their component materials for the purpose of investigating the title and registration of the vehicle, inspecting wrecked or dismantled vehicles, or locating stolen vehicles.

SEC. 19. Section 1685 of the Vehicle Code is amended to read:

1685. (a) In order to continue improving the quality of products and services it provides to its customers, the department, in conformance with Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code, may establish contracts for electronic programs that allow qualified private industry partners to join the department in providing services that include

processing and payment programs for vehicle registration and titling transactions.

(b) (1) The department may enter into contractual agreements with qualified private industry partners. There are the following three types of private industry partnerships authorized under this section:

(A) First-line business partner is an industry partner that receives data directly from the department and uses it to complete registration and titling activities for that partner's own business purposes.

(B) First-line service provider is an industry partner that receives information from the department and then transmits it to another authorized industry partner.

(C) Second-line business partner is a partner that receives information from a first-line service provider.

(2) The private industry partner contractual agreements shall include the following minimum requirements:

(A) Filing of an application and payment of an application fee, as established by the department.

(B) Submission of information, including, but not limited to, fingerprints and personal history statements, focusing on and concerning the applicant's character, honesty, integrity, and reputation as the department may consider necessary.

(C) Posting a bond in an amount consistent with Section 1815.

(3) The department shall, through regulations, establish any additional requirements for the purpose of safeguarding privacy and protecting the information authorized for release under this section.

(c) The director may establish, through the adoption of regulations, the maximum amount that a qualified private industry partner may charge its customers in providing the services authorized under subdivision (a).

(d) The department shall charge a three-dollar ($3) transaction fee for the information and services provided under subdivision (a). The private industry partner may pass the transaction fee to the customer, but the total charge to a customer may not exceed the amount established by the director under subdivision (c).

(e) All fees collected by the department pursuant to subdivision (d) shall be deposited in the Motor Vehicle Account. On January 1 of each year, the department shall adjust the fee in accordance with the California Consumer Price Index. The amount of the fee shall be rounded to the nearest whole dollar, with amounts equal to, or greater than, fifty cents ($0.50) rounded to the next highest whole dollar.

(f) The department shall adopt regulations and procedures that ensure adequate oversight and monitoring of qualified private industry partners to protect vehicle owners from the improper use of vehicle records. These regulations and procedures shall include provisions for qualified

private industry partners to periodically submit records to the department, and the department shall review those records as necessary. The regulations shall also include provisions for the dedication of department resources to program monitoring and oversight; the protection of confidential records in the department's files and databases; and the duration and nature of the contracts with qualified private industry partners.

(g) The department shall, annually, by October 1, provide a report to the Legislature that shall include all of the following information gathered during the fiscal year immediately preceding the report date:

(1) Listing of all qualified private industry partners, including names and business addresses.

(2) Volume of transactions, by type, completed by business partners.

(3) Total amount of funds, by transaction type, collected by business partners.

(4) Total amount of funds received by the department.

(5) Description of any fraudulent activities identified by the department.

(6) Evaluation of the benefits of the program.

(7) Recommendations for any administrative or statutory changes that may be needed to improve the program.

(h) Nothing in this section impairs or limits the authority provided in Section 4610 or Section 12155 of the Insurance Code.

SEC. 20. Section 1685.1 is added to the Vehicle Code, to read:

1685.1. (a) A motor carrier association that represents both intrastate and interstate motor carriers may submit an application to the department to become a private industry partner, as described in Section 1685, for the purpose of providing registration services to the members of the association.

(b) The department may enter into a private industry partnership under this section with a motor carrier association, if the association meets all of the following requirements:

(1) Agrees to provide electronic vehicle registration services capable of accepting, completing, and transmitting registration transaction data to the department.

(2) Maintains, protects, and issues vehicle registration documents and indicia on behalf of the department to its motor carrier subscribers.

(3) Meets qualification standards, as established by the department, including, but not limited to, all of the following:

(A) Maintaining a minimum number of member carriers.

(B) Establishing financial solvency.

(C) Establishing tax-exempt status under Section 501(c)(6) of the federal Internal Revenue Code.

(c) The department shall submit a report to the Legislature no later than July 1, 2008, that includes all of the following information:

(1) Whether the partnership has had a measurable impact in encouraging the registration of commercial motor vehicles and the payment of all required fees by the owners of both intrastate and interstate trucks.

(2) A description of the impact that the partnership has had in reducing the time required to complete applications and in issuing required indicia.

(3) Any measurable impact that the partnership has had in encouraging California-based trucking firms to remain in California and persuading trucking firms who have left the state to return and base their fleets in this state.

(d) This section shall remain in effect only until January 1, 2010, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2010, deletes or extends that date.

SEC. 21. Section 4000.6 of the Vehicle Code is amended to read:

4000.6. A commercial motor vehicle, singly or in combination, that operates with a declared gross or combined gross vehicle weight that exceeds 10,000 pounds shall be registered pursuant to Section 9400.1.

(a) A person submitting an application for registration of a commercial motor vehicle operated in combination with a semitrailer, trailer, or any combination thereof, shall include the declared combined gross weight of all units when applying for registration with the department, except as exempted under subdivision (a) of Section 9400.1.

(b) This section does not apply to pickups nor to any commercial motor vehicle or combination that does not exceed 10,000 pounds gross vehicle weight.

(c) A peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, having reason to believe that a commercial motor vehicle is being operated, either singly or in combination, in excess of its registered declared gross or combined gross vehicle weight, may require the driver to stop and submit to an inspection or weighing of the vehicle or vehicles and an inspection of registration documents.

(d) A person shall not operate a commercial motor vehicle, either singly or in combination, in excess of its registered declared gross or combined gross vehicle weight.

(e) A violation of this section is an infraction punishable by a fine in an amount equal to the amount specified in Section 42030.1.

SEC. 22. Section 5301 of the Vehicle Code is amended to read:

5301. (a) Notwithstanding any other provision of this code and Part 5 (commencing with Section 10701) of Division 2 of the Revenue and

Taxation Code, the registered owner or lessee of a fleet of vehicles consisting of commercial motor vehicles base plated in the state, or passenger automobiles may, upon payment of appropriate fees, apply to the department for license plates, permanent decals, and registration cards.

(b) (1) Fleets shall consist of at least 50 motor vehicles to qualify for this program. However, the department may provide for permanent fleet registration through an association providing a combination of fleets of motor vehicles of 250 or more vehicles with no individual fleet of fewer than 25 motor vehicles.

(2) An association submitting an application of participation in the program shall provide within the overall application a listing identifying the registered owner of each fleet and the motor vehicles within each fleet. Identification of the motor vehicles as provided in this article applies to the ownership of the motor vehicles and not the association submitting the application.

(c) With the concurrence of both the department and the participant, the changes made in this section by the enactment of the Commercial Vehicle Registration Act of 2001 shall not affect those participants who were lawfully participating in the permanent fleet registration program on December 31, 2001. Any fleet that qualifies for permanent fleet registration as of December 31, 2001, will continue to count trailers to qualify as a fleet until January 1, 2007. However, five years following the implementation of the permanent trailer identification program, all participants in the permanent fleet registration program shall meet the requirements of this section in order to continue enrollment in the program described in this section.

SEC. 23. Section 9400.1 of the Vehicle Code is amended to read:

9400.1. (a) (1) In addition to any other required fee, there shall be paid the fees set forth in this section for the registration of commercial motor vehicles operated either singly or in combination with a declared gross vehicle weight of 10,001 pounds or more. Pickup truck and electric vehicle weight fees are not calculated under this section.

(2) The weight of a vehicle issued an identification plate pursuant to an application under Section 5014, and the weight of an implement of husbandry as defined in Section 36000, shall not be considered when calculating, pursuant to this section, the declared gross vehicle weight of a towing commercial motor vehicle that is owned and operated exclusively by a farmer or an employee of a farmer in the conduct of agricultural operations.

(3) Tow trucks that are utilized to render assistance to the motoring public or to tow or carry impounded vehicles shall pay fees in accordance with this section, except that the fee calculation shall be based only on the gross vehicle weight rating of the towing or carrying vehicle. Upon

each initial or transfer application for registration of a tow truck described in this paragraph, the registered owner or lessee or that owner's or lessee's designee, shall certify to the department the gross vehicle weight rating of the tow truck:

Gross Vehicle Weight Range	Fee
10,001–15,000	$ 257
15,001–20,000	353
20,001–26,000	435
26,001–30,000	552
30,001–35,000	648
35,001–40,000	761
40,001–45,000	837
45,001–50,000	948
50,001–54,999	1,039
55,000–60,000	1,173
60,001–65,000	1,282
65,001–70,000	1,398
70,001–75,000	1,650
75,001–80,000	1,700

(b) The fees specified in subdivision (a) apply to both of the following:

(1) An initial or original registration occurring on or after December 31, 2001, to December 30, 2003, inclusive, of a commercial motor vehicle operated either singly or in combination with a declared gross vehicle weight of 10,001 pounds or more.

(2) The renewal of registration of a commercial motor vehicle operated either singly or in combination, with a declared gross vehicle weight of 10,001 pounds or more for which registration expires on or after December 31, 2001, to December 30, 2003, inclusive.

(c) (1) For both an initial or original registration occurring on or after December 31, 2003, of a commercial motor vehicle operated either singly or in combination with a declared gross vehicle weight of 10,001 pounds or more, and the renewal of registration of a commercial motor vehicle operated either singly or in combination, with a declared gross vehicle weight of 10,001 pounds or more for which registration expires on or after December 31, 2003, there shall be paid fees as follows:

Gross Vehicle Weight Range	Weight Code	Fee
10,001–15,000	A	$ 332

15,001–20,000	B	447
20,001–26,000	C	546
26,001–30,000	D	586
30,001–35,000	E	801
35,001–40,000	F	937
40,001–45,000	G	1,028
45,001–50,000	H	1,161
50,001–54,999	I	1,270
55,000–60,000	J	1,431
60,001–65,000	K	1,562
65,001–70,000	L	1,701
70,001–75,000	M	2,004
75,001–80,000	N	2,064

(2) For the purpose of obtaining ''revenue neutrality'' as described in Sections 1 and 59 of Senate Bill 2084 of the 1999–2000 Regular Session (Chapter 861 of the Statutes of 2000), the Director of Finance shall review the final 2003–04 Statement of Transactions of the State Highway Account. If that review indicates that the actual truck weight fee revenues deposited in the State Highway Account do not total at least seven hundred eighty-nine million dollars ($789,000,000), the Director of Finance shall instruct the department to adjust the schedule set forth in paragraph (1), but not to exceed the following fee amounts:

Gross Vehicle Weight Range	Weight Code	Fee
10,001–15,000	A	$ 354
15,001–20,000	B	482

20,001–26,000	C	591
26,001–30,000	D	746
30,001–35,000	E	874
35,001–40,000	F	1,024
40,001–45,000	G	1,125
45,001–50,000	H	1,272
50,001–54,999	I	1,393
55,000–60,000	J	1,571
60,001–65,000	K	1,716
65,001–70,000	L	1,870
70,001–75,000	M	2,204
75,001–80,000	N	2,271

(d) (1) In addition to the fees set forth in subdivision (a), a Cargo Theft Interdiction Program Fee of three dollars ($3) shall be paid at the time of initial or original registration or renewal of registration of each motor vehicle subject to weight fees under this section.

(2) This subdivision does not apply to vehicles used or maintained for the transportation of persons for hire, compensation or profit, and tow trucks.

(3) For vehicles registered under Article 4 (commencing with Section 8050) of Chapter 4, the fee imposed under this subdivision shall be apportioned as required for registration fees under that article.

(4) Funds collected pursuant to the Cargo Theft Interdiction Program shall not be proportionately reduced for each month and shall be transferred to the Motor Carriers Safety Improvement Fund.

(e) Notwithstanding Section 42270 or any other provision of law, of the moneys collected by the department under this section, one hundred twenty-two dollars ($122) for each initial, original, and renewal registration shall be reported monthly to the Controller, and at the same time, deposited in the State Treasury to the credit of the Motor Vehicle

Account in the State Transportation Fund. All other moneys collected by the department under this section shall be deposited to the credit of the State Highway Account in the State Transportation Fund. One hundred twenty-two dollars ($122) of the fee imposed under this section shall not be proportionately reduced for each month. For vehicles registered under Article 4 (commencing with Section 8050) of Chapter 4, the fee shall be apportioned as required for registration under that article.

(f) (1) The department, in consultation with the Department of the California Highway Patrol, shall design and make available a set of distinctive weight decals that reflect the declared gross combined weight or gross operating weight reported to the department at the time of initial registration, registration renewal, or when a weight change is reported to the department pursuant to Section 9406.1. A new decal shall be issued on each renewal or when the weight is changed pursuant to Section 9406.1. The decal for a tow truck that is subject to this section shall reflect the gross vehicle weight rating or weight code.

(2) The department may charge a fee, not to exceed ten dollars ($10), for the department's actual cost of producing and issuing each set of decals issued under paragraph (1).

(3) The weight decal shall be in sharp contrast to the background and shall be of a size, shape, and color that is readily legible during daylight hours from a distance of 50 feet.

(4) Each vehicle subject to this section shall display the weight decal on both the right and left sides of the vehicle.

(5) A person may not display upon a vehicle a decal issued pursuant to this subdivision that does not reflect the declared weight reported to the department.

(6) Notwithstanding subdivision (e) or any other provision of law, the moneys collected by the department under this subdivision shall be deposited in the State Treasury to the credit of the Motor Vehicle Account in the State Transportation Fund.

(7) This subdivision shall apply to vehicles subject to this section at the time of an initial registration, registration renewal, or reported weight change that occurs on or after July 1, 2004.

(8) The following shall apply to vehicles registered under the permanent fleet registration program pursuant to Article 9.5 (commencing with Section 5301) of Chapter 1:

(A) The department, in consultation with the Department of the California Highway Patrol, shall distinguish the weight decals issued to permanent fleet registration vehicles from those issued to other vehicles.

(B) The department shall issue the distinguishable weight decals only to the following:

(i) A permanent fleet registration vehicle that is registered with the department on January 1, 2005.

(ii) On and after January 1, 2005, a vehicle for which the department has an application for initial registration as a permanent fleet registration vehicle.

(iii) On and after January 1, 2005, a permanent fleet registration vehicle that has a weight change pursuant to Section 9406.1.

(C) The weight decal issued under this paragraph shall comply with the applicable provisions of paragraphs (1) to (6), inclusive.

SEC. 24. Section 11205.2 of the Vehicle Code is amended to read:

11205.2. (a) As used in this chapter, court assistance program (CAP) is a public or private nonprofit agency that provides services, under contract with a court, to process traffic violators.

(b) A court may use a CAP to assist the court in performing services related to the processing of traffic violators. As used in this section, ''services'' includes those services relating to the processing of traffic violators at, and for, the court.

(c) Whenever a CAP monitors a designated traffic violator school, the CAP shall follow the procedures set forth in subdivision (d) of Section 11214. The CAP shall send its monitoring report to the department for review, evaluation, processing and any further action determined necessary by the department. A copy of the report shall also be provided to the court. The role of a CAP is limited to that set forth in this chapter. Nothing in this chapter abrogates or limits the inherent powers of the courts under Article VI of the California Constitution.

(d) When a monitoring report is adverse, the CAP shall send a copy to the licensee within 30 days after the date of the monitoring. Copies of all other monitoring reports shall be available to a licensee upon request and payment of a fee. The fee may not exceed the cost of postage and photocopying.

(e) The department or a court may not remove the name of a traffic violator school that does not have a suspended or revoked license from any part of a student referral list published by the department or CAP pursuant to Section 11205, unless the school owner is first provided notice and the opportunity to request a hearing conducted by the department or a court, to determine whether there are sufficient grounds to warrant removal of the school's name. Any decision to remove a name may be appealed to any court of competent jurisdiction.

(f) In the event that a CAP, acting pursuant to a contract with a court, audits or inspects the records of a traffic violator school, the CAP shall use the same process and procedures used by the department to conduct the audit or inspection.

(g) This section does not preclude a court from entering into a contract with public or private nonprofit agencies to provide services to the court, other than those described in this section.

SEC. 25. Section 11705.5 of the Vehicle Code is repealed.

SEC. 26. Section 12811 of the Vehicle Code is amended to read:

12811. (a) (1) (A) When the department determines that the applicant is lawfully entitled to a license, it shall issue to the person a driver's license as applied for. The license shall state the class of license for which the licensee has qualified and shall contain the distinguishing number assigned to the applicant, the date of expiration, the true full name, age, and mailing address of the licensee, a brief description and engraved picture or photograph of the licensee for the purpose of identification, and space for the signature of the licensee.

(B) Each license shall also contain a space for the endorsement of a record of each suspension or revocation thereof.

(C) The department shall use whatever process or processes, in the issuance of engraved or colored licenses, that prohibit, as near as possible, the ability to alter or reproduce the license, or prohibit the ability to superimpose a picture or photograph on the license without ready detection.

(2) In addition to the requirements of paragraph (1), a license issued to a person under 18 years of age shall display the words ''provisional until age 18.''

(b) (1) Upon issuance of a new driver's license or a renewal of a driver's license or the issuance of an identification card, the department shall provide information on organ and tissue donation, including a standardized form to be filled out by an individual who desires to enroll in the California Organ and Tissue Donor Registry with instructions for mailing the completed form to the California Organ and Tissue Donor Registrar established pursuant to subdivision (a) of Section 7152.7 of the Health and Safety Code, including a donor dot that may be affixed to the new driver's license or identification card.

(2) The enrollment form shall be simple in design and shall be produced by the department in cooperation with the California Organ and Tissue Donor Registrar and shall require all of the following information to be supplied by an enrollee:

(A) Date of birth, sex, full name, and other information deemed necessary to provide a positive identification of an individual.

(B) Consent for organs or tissues to be donated for transplant after death.

(C) Any limitation of the donation to specific organs or tissues.

(3) The form shall also include both of the following:

(A) A description of the process for having a name removed from the registry, and the process for donating money for the benefit of the registry.

(B) A statement that the name of any person who enrolls in the registry pursuant to this section shall be made available to federally recognized donor organizations.

(4) The registry enrollment form shall be posted on the Web sites for the department and the California Health and Human Services Agency.

(5) The form shall constitute a legal document under the Uniform Anatomical Gift Act (Chapter 3.5 (commencing with Section 7150) of Part 1 of Division 7 of the Health and Safety Code) and shall remain binding after the donor's death despite any express desires of next of kin opposed to the donation.

(6) The registrar shall ensure that all additions and deletions to the registry shall occur within 30 days of receipt.

(7) Information obtained by the registrar for the purposes of this subdivision shall be used for these purposes only and shall not be disseminated further by the registrar.

(c) A public entity or employee shall not be liable for any loss, detriment, or injury resulting directly or indirectly from false or inaccurate information contained in the form provided pursuant to subdivision (b).

(d) A contract shall not be awarded to any nongovernmental entity for the processing of driver's licenses, unless the contract conforms to all applicable state contracting laws and all applicable procedures set forth in the State Contracting Manual.

SEC. 27. Section 13370 of the Vehicle Code is amended to read:

13370. (a) The department shall deny or revoke a schoolbus, school pupil activity bus, general public paratransit vehicle, or youth bus driver certificate, or a certificate for a vehicle used for the transportation of developmentally disabled persons, if any of the following causes apply to the applicant or certificate holder:

(1) Has been convicted of a sex offense as defined in Section 44010 of the Education Code.

(2) Has been convicted, within the two years preceding the application date, of an offense specified in Section 11361.5 of the Health and Safety Code.

(3) Has failed to meet prescribed training requirements for certificate issuance.

(4) Has failed to meet prescribed testing requirements for certificate issuance.

(5) Has been convicted of a violent felony listed in subdivision (c) of Section 667.5 of the Penal Code, or a serious felony listed in subdivision (c) of Section 1192.7 of the Penal Code. This paragraph shall not be applied to revoke a license that was valid on January 1, 2005, unless the certificate holder is convicted for an offense that is committed on or after that date.

(b) The department may deny, suspend, or revoke a schoolbus, school pupil activity bus, general public paratransit vehicle, or youth bus driver certificate, or a certificate for a vehicle used for the transportation of

developmentally disabled persons if any of the following causes apply to the applicant or certificate holder:

(1) Has been convicted of a crime specified in Section 44424 of the Education Code within the seven years preceding the application date. This paragraph does not apply if denial is mandatory.

(2) Has committed an act involving moral turpitude.

(3) Has been convicted of an offense, not specified in this section and other than a sex offense, that is punishable as a felony, within the seven years preceding the application date.

(4) Has been dismissed as a driver for a cause relating to pupil transportation safety.

(5) Has been convicted, within the seven years preceding the application date, of an offense relating to the use, sale, possession, or transportation of narcotics, habit-forming drugs, or dangerous drugs, except as provided in paragraph (3) of subdivision (a).

(c) (1) Reapplication following denial or revocation under paragraph (1), (2), or (3) of subdivision (a) or (b) may be made after a period of not less than one year from the effective date of denial or revocation.

(2) Reapplication following denial or revocation under paragraph (4) of subdivision (a) may be made after a period of not less than 45 days from the date of the applicant's third testing failure.

(3) An applicant or holder of a certificate may reapply for a certificate whenever a felony or misdemeanor conviction is reversed or dismissed. A termination of probation and dismissal of charges pursuant to Section 1203.4 of the Penal Code or a dismissal of charges pursuant to Section 1203.4a of the Penal Code is not a dismissal for purposes of this section.

SEC. 28. Section 21960 of the Vehicle Code is amended to read:

21960. (a) The Department of Transportation and local authorities, by order, ordinance, or resolution, with respect to freeways, expressways, or designated portions thereof under their respective jurisdictions, to which vehicle access is completely or partially controlled, may prohibit or restrict the use of the freeways, expressways, or any portion thereof by pedestrians, bicycles or other nonmotorized traffic or by any person operating a motor-driven cycle, motorized bicycle, or motorized scooter. A prohibition or restriction pertaining to bicycles, motor-driven cycles, or motorized scooters shall be deemed to include motorized bicycles; and no person may operate a motorized bicycle wherever that prohibition or restriction is in force. Notwithstanding any provisions of any order, ordinance, or resolution to the contrary, the driver or passengers of a disabled vehicle stopped on a freeway or expressway may walk to the nearest exit, in either direction, on that side of the freeway or expressway upon which the vehicle is disabled, from which telephone or motor vehicle repair services are available.

(b) The prohibitory regulation authorized by subdivision (a) shall be effective when appropriate signs giving notice thereof are erected upon any freeway or expressway and the approaches thereto. If any portion of a county freeway or expressway is contained within the limits of a city within the county, the county may erect signs on that portion as required under this subdivision if the ordinance has been approved by the city pursuant to subdivision (b) of Section 1730 of the Streets and Highways Code.

(c) No ordinance or resolution of local authorities shall apply to any state highway until the proposed ordinance or resolution has been presented to, and approved in writing by, the Department of Transportation.

(d) An ordinance or resolution adopted under this section on or after January 1, 2005, to prohibit pedestrian access to a county freeway or expressway shall not be effective unless it is supported by a finding by the local authority that the freeway or expressway does not have pedestrian facilities and pedestrian use would pose a safety risk to the pedestrian.

SEC. 29. Section 24011 of the Vehicle Code is amended to read:

24011. Whenever a federal motor vehicle safety standard is established under federal law (49 U.S.C. Sec. 30101 et seq.), no dealer shall sell or offer for sale a vehicle to which the standard is applicable, and no person shall sell or offer for sale for use upon a vehicle an item of equipment to which the standard is applicable, unless:

(a) The vehicle or equipment conforms to the applicable federal standard.

(b) The vehicle or equipment bears thereon a certification by the manufacturer or distributor that it complies with the applicable federal standards. The certification may be in the form of a symbol prescribed in the federal standards or, if there is no federal symbol, by a symbol acceptable to the department.

SEC. 30. Section 24602 of the Vehicle Code is amended to read:

24602. (a) A vehicle may be equipped with not more than two red fog taillamps mounted on the rear which may be lighted, in addition to the required taillamps, only when atmospheric conditions, such as fog, rain, snow, smoke, or dust, reduce the daytime or nighttime visibility of other vehicles to less than 500 feet.

(b) The lamps authorized under subdivision (a) shall be installed as follows:

(1) When two lamps are installed, one shall be mounted at the left side and one at the right side at the same level and as close as practical to the sides. When one lamp is installed, it shall be mounted as close as practical to the left side or on the center of the vehicle.

(2) The lamps shall be mounted not lower than 15 inches nor higher than 60 inches.

(3) The edge of the lens of the lamp shall be no closer than four inches from the edge of the lens of any stoplamp.

(4) The lamps shall be wired so they can be turned on only when the headlamps are on and shall have a switch that allows them to be turned off when the headlamps are on.

(5) A nonflashing amber pilot light that is lighted when the lamps are turned on shall be mounted in a location readily visible to the driver.

SEC. 31. Section 27602 of the Vehicle Code is amended to read:

27602. (a) A person may not drive a motor vehicle if a television receiver, a video monitor, or a television or video screen, or any other, similar means of visually displaying a television broadcast or video signal that produces entertainment or business applications, is operating and is located in the motor vehicle at any point forward of the back of the driver's seat, or is operating and visible to the driver while driving the motor vehicle.

(b) Subdivision (a) does not apply to the following equipment when installed in a vehicle:

(1) A vehicle information display.

(2) A global positioning display.

(3) A mapping display.

(4) A visual display used to enhance or supplement the driver's view forward, behind, or to the sides of a motor vehicle for the purpose of maneuvering the vehicle.

(5) A television receiver, video monitor, television or video screen, or any other, similar means of visually displaying a television broadcast or video signal, if that equipment has an interlock device that, when the motor vehicle is driven, disables the equipment for all uses except as a visual display as described in paragraphs (1) to (4), inclusive.

(6) A mobile digital terminal installed in a vehicle owned or operated by an electrical corporation, as defined in Section 218 of the Public Utilities Code, a local publicly owned electric utility, as defined in Section 9604 of that code, a gas corporation, as defined in Section 222 of that code, or a telephone corporation, as defined in Section 234 of that code, if the mobile digital terminal is fitted with an opaque covering that does not allow the driver to view any part of the display while driving, even though the terminal may be operating.

(c) Subdivision (a) does not apply to a mobile digital terminal installed in an authorized emergency vehicle or to a motor vehicle providing emergency road service or roadside assistance.

(d) Subdivision (a) does not apply to a mobile digital terminal installed in a vehicle owned or operated by an electrical corporation, as defined in Section 218 of the Public Utilities Code, a local publicly

owned electric utility, as defined in Section 9604 of that code, a gas corporation, as defined in Section 222 of that code, or a telephone corporation, as defined in Section 234 of that code, when the vehicle is deployed in an emergency to respond to an interruption or impending interruption of electrical, natural gas, or telephone service.

SEC. 32. Section 35401 of the Vehicle Code is amended to read:

35401. (a) Except as provided in subdivisions (b), (c), and (d), no combination of vehicles coupled together, including any attachments, may exceed a total length of 65 feet.

(b) (1) A combination of vehicles coupled together, including any attachments, which consists of a truck tractor, a semitrailer, and a semitrailer or trailer, may not exceed a total length of 75 feet, if the length of neither the semitrailers nor the trailer in the combination of vehicles exceeds 28 feet 6 inches.

(2) A B-train assembly is excluded from the measurement of semitrailer length when used between the first and second semitrailers of a truck tractor-semitrailer-semitrailer combination of vehicles. However, if there is no second semitrailer mounted to the B-train assembly, it shall be included in the length measurement of the semitrailer to which it is attached.

(3) A combination of vehicles coupled together, including any attachments, may have a total length of not more than 75 feet, if all of the following apply:

(A) The combination of vehicles consists of a motortruck and two trailers.

(B) No trailer in the combination exceeds 28 feet 6 inches in length.

(C) The combination is used exclusively to transport agricultural products from the field to the first point of handling and return, and each direction of transport does not exceed 80 miles.

(D) The combination is not operated on a highway designated by the United States Department of Transportation as a national network route.

(E) The Department of the California Highway Patrol, in consultation with the Department of Transportation, shall conduct a study of the effect that the exemption provided in paragraph (3) has on public safety. The Department of the California Highway Patrol shall report the results of the study to the Legislature and the Governor on or before April 1, 2005.

(F) This paragraph shall become inoperative on January 1, 2006, unless a later enacted statute deletes or extends that date.

(c) (1) A tow truck in combination with a single disabled vehicle or a single abandoned vehicle that is authorized to travel on the highways by this chapter is exempt from subdivision (a) when operating under a valid annual transportation permit.

(2) A tow truck, in combination with a disabled or abandoned combination of vehicles that are authorized to travel on the highways by

this chapter, is exempt from subdivision (a) when operating under a valid annual transportation permit and within a 100-mile radius of the location specified in the permit.

(3) A tow truck may exceed the 100-mile radius restriction imposed under paragraph (2) if a single trip permit is obtained from the Department of Transportation.

(d) Any city or county may, by ordinance, prohibit a combination of vehicles of a total length in excess of 60 feet upon highways under its respective jurisdiction. The ordinance may not be effective until appropriate signs are erected indicating either the streets affected by the ordinance or the streets not affected, as the local authority determines will best serve to give notice of the ordinance.

(e) Any city or county, upon a determination that a highway or portion of highway under its jurisdiction cannot, in consideration of public safety, sustain the operation of trailers or semitrailers of the maximum kingpin to rearmost axle distances permitted under Section 35400, may, by ordinance, establish lesser distances consistent with the maximum distances that the highway or highway portion can sustain, except that a city or county may not restrict the kingpin to rearmost axle measurement to less than 38 feet on those highways or highway portions. Any city or county considering the adoption of an ordinance shall consider, but not be limited to, consideration of, all of the following:

(1) A comparison of the operating characteristics of the vehicles to be limited as compared to operating characteristics of other vehicles regulated by this code.

(2) Actual traffic volume.

(3) Frequency of accidents.

(4) Any other relevant data.

In addition, the city or county may appoint an advisory committee consisting of local representatives of those interests which are likely to be affected and shall consider the recommendations of the advisory committee in adopting the ordinance. The ordinance may not be effective until appropriate signs are erected indicating the highways or highway portions affected by the ordinance.

This subdivision shall only become operative upon the adoption of an enabling ordinance by a city or county.

(f) Whenever, in the judgment of the Department of Transportation, any state highway cannot, in consideration of public safety, sustain the operation of trailers or semitrailers of the maximum kingpin to rearmost axle distances permitted under Section 35400, the director, in consultation with the Department of the California Highway Patrol, shall compile data on total traffic volume, frequency of use by vehicles covered by this subdivision, accidents involving these vehicles, and other relevant data to assess whether these vehicles are a threat to public

safety and should be excluded from the highway or highway segment. The study, containing the conclusions and recommendations of the director, shall be submitted to the Secretary of the Business, Transportation and Housing Agency. Unless otherwise notified by the secretary, the director shall hold public hearings in accordance with the procedures set forth in Article 3 (commencing with Section 35650) of Chapter 5 for the purpose of determining the maximum kingpin to rear axle length, which shall be not less than 38 feet, that the highway or highway segment can sustain without unreasonable threat to the safety of the public. Upon the basis of the findings, the Director of Transportation shall declare in writing the maximum kingpin to rear axle lengths which can be maintained with safety upon the highway. Following the declaration of maximum lengths as provided by this subdivision, the Department of Transportation shall erect suitable signs at each end of the affected portion of the highway and at any other points that the Department of Transportation determines to be necessary to give adequate notice of the length limits.

The Department of Transportation, in consultation with the Department of the California Highway Patrol, shall compile traffic volume, geometric, and other relevant data, to assess the maximum kingpin to rearmost axle distance of vehicle combinations appropriate for those state highways or portion of highways, affected by this section, that cannot safely accommodate trailers or semitrailers of the maximum kingpin to rearmost axle distances permitted under Section 35400. On or before January 1, 1989, the department shall erect suitable signs appropriately restricting truck travel on those highways, or portions of highways, and report its findings and recommendations to the Legislature.

SEC. 33. 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.

CHAPTER 616

An act to add Section 12670.11 to the Water Code, relating to water.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. The Legislature finds and declares that the recreation and fish and wildlife enhancement features resulting from habitat restoration make the project for flood damage reduction and environmental restoration in the American River watershed in Sacramento County eligible for funding in accordance with Section 12847 of the Water Code.

SEC. 2. Section 12670.11 is added to the Water Code, to read:

12670.11. (a) The project for flood damage reduction and environmental restoration in the American River watershed in Sacramento County is adopted and authorized substantially in accordance with Congressional approval and the final report of the Chief of Engineers dated November 5, 2002, as authorized by Section 128 of the Energy and Water Development Appropriations Act, 2004 (P.L. 108-137), at an estimated cost to the state of the sum that may be appropriated for state cooperation by statute, upon the recommendation and advice of the department or the Reclamation Board.

(b) The Sacramento Area Flood Control Agency shall enter into an agreement with the department pursuant to which the agency agrees to indemnify and hold and save harmless the state, its officers, agents, and employees for any and all liability for damages that may arise out of the planning, design, construction, operation, maintenance, repair, and rehabilitation of the project.

CHAPTER 617

An act to add and repeal Section 653aa of the Penal Code, relating to Internet piracy.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 653aa is added to the Penal Code, to read:

653aa. (a) Any person, except a minor, who is located in California, who, knowing that a particular recording or audiovisual work is commercial, knowingly electronically disseminates all or substantially all of that commercial recording or audiovisual work to more than 10 other people without disclosing his or her e-mail address, and the title of the recording or audiovisual work is punishable by a fine not exceeding two thousand five hundred dollars ($2,500), imprisonment in

a county jail for a period not exceeding one year, or by both that fine and imprisonment.

(b) Any minor who violates subdivision (a) is punishable by a fine not exceeding two hundred fifty dollars ($250). Any minor who commits a third or subsequent violation of subdivision (a) is punishable by a fine not exceeding one thousand dollars ($1,000), imprisonment in a county jail for a period not to exceed one year, or by both that imprisonment and fine.

(c) Subdivisions (a) and (b) do not apply:

(1) To a person who electronically disseminates a commercial recording or audiovisual work to his or her immediate family, or within his or her personal network, defined as a restricted access network controlled by and accessible to only that person or people in his or her immediate household.

(2) If the copyright owner, or a person acting under the authority of the copyright owner, of a commercial recording or audiovisual work has explicitly given permission for all or substantially all of that recording or audiovisual work to be freely disseminated electronically by or to anyone without limitation.

(3) To a person who has been licensed either by the copyright owner or a person acting under the authority of the copyright owner to disseminate electronically all or substantially all of a commercial audiovisual work or recording.

(4) To the licensed electronic dissemination of a commercial audiovisual work or recording by means of a cable television service offered over a cable system or direct to home satellite service as defined in Title 47 of the United States Code.

(d) Nothing in this section shall restrict the copyright owner from disseminating his or her own copyrighted material.

(e) Upon conviction for a violation of this section, in addition to the penalty prescribed, the court shall order the permanent deletion or destruction of any electronic file containing a commercial recording or audiovisual work, the dissemination of which was the basis of the violation. This subdivision shall not apply to the copyright owner or to a person acting under the authority of the copyright owner.

(f) An Internet service provider does not violate, and does not aid and abet a violation of subdivision (a), and subdivision (a) shall not be enforced against an Internet service provider, to the extent that the Internet service provider enables a user of its service to electronically disseminate an audiovisual work or sound recording, if the Internet service provider maintains its valid e-mail address or other means of electronic notification on its Web site in a location that is accessible to the public.

For the purposes of this section, ''Internet service provider'' means an entity, to the extent that the entity is transmitting, routing, or providing connections for Internet communications initiated by or at the direction of another person, between or among points specified by a user, of material placed online by a user, storing or hosting that material at the direction of a user, or referring or linking users to that material.

(g) For purposes of this section:

(1) ''Recording'' means the electronic or physical embodiment of any recorded images, sounds, or images and sounds, but does not include audiovisual works or sounds accompanying audiovisual works.

(2) ''Audiovisual work'' means the electronic or physical embodiment of motion pictures, television programs, video or computer games, or other audiovisual presentations that consist of related images that are intrinsically intended to be shown by the use of machines or devices such as projectors, viewers, or electronic equipment, or a computer program, software, or system, as defined in Section 502, together with accompanying sounds, if any.

(3) ''Commercial recording or audiovisual work'' means a recording or audiovisual work whose copyright owner, or assignee, authorized agent, or licensee, has made or intends to make available for sale, rental, or for performance or exhibition to the public under license, but does not include an excerpt consisting of less than substantially all of a recording or audiovisual work. A recording or audiovisual work may be commercial regardless of whether the person who electronically disseminates it seeks commercial advantage or private financial gain from that dissemination.

(4) ''Electronic dissemination'' means initiating a transmission of, making available, or otherwise offering, a commercial recording or audiovisual work for distribution on the Internet or other digital network, regardless of whether someone else had previously electronically disseminated the same commercial recording or audiovisual work.

(5) ''E-mail address'' means a valid e-mail address, or the valid e-mail address of the holder of the account from which the dissemination took place.

(6) ''Disclosing'' means providing information in, attached to, or discernable or available in or through the process of disseminating or obtaining a commercial recording or audiovisual work in a manner that is accessible by any person engaged in disseminating or receiving the commercial recording or audiovisual work.

(h) Nothing in this section shall preclude prosecution under any other provision of law.

(i) This section shall become inoperative on January 1, 2010, unless a later enacted statute deletes or extends that date.

SEC. 2. The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

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 that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 618

An act to amend Section 11010 of the Business and Professions Code, to amend Sections 1103.4 and 1353 of the Civil Code, and to amend Sections 66637, 66638, 66640, and 66641.5 of, and to add Section 66648 to, the Government Code, relating to the San Francisco Bay Conservation and Development Commission.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 11010 of the Business and Professions Code is amended to read:

11010. (a) Except as otherwise provided pursuant to subdivision (c) or elsewhere in this chapter, any person who intends to offer subdivided lands within this state for sale or lease shall file with the Department of Real Estate an application for a public report consisting of a notice of intention and a completed questionnaire on a form prepared by the department.

(b) The notice of intention shall contain the following information about the subdivided lands and the proposed offering:

(1) The name and address of the owner.

(2) The name and address of the subdivider.

(3) The legal description and area of lands.

(4) A true statement of the condition of the title to the land, particularly including all encumbrances thereon.

(5) A true statement of the terms and conditions on which it is intended to dispose of the land, together with copies of any contracts intended to be used.

(6) A true statement of the provisions, if any, that have been made for public utilities in the proposed subdivision, including water, electricity, gas, telephone, and sewerage facilities. For subdivided lands that were subject to the imposition of a condition pursuant to subdivision (b) of Section 66473.7 of the Government Code, the true statement of the provisions made for water shall be satisfied by submitting a copy of the written verification of the available water supply obtained pursuant to Section 66473.7 of the Government Code.

(7) A true statement of the use or uses for which the proposed subdivision will be offered.

(8) A true statement of the provisions, if any, limiting the use or occupancy of the parcels in the subdivision.

(9) A true statement of the amount of indebtedness that is a lien upon the subdivision or any part thereof, and that was incurred to pay for the construction of any onsite or offsite improvement, or any community or recreational facility.

(10) A true statement or reasonable estimate, if applicable, of the amount of any indebtedness which has been or is proposed to be incurred by an existing or proposed special district, entity, taxing area, assessment district, or community facilities district within the boundaries of which, the subdivision, or any part thereof, is located, and that is to pay for the construction or installation of any improvement or to furnish community or recreational facilities to that subdivision, and which amounts are to be obtained by ad valorem tax or assessment, or by a special assessment or tax upon the subdivision, or any part thereof.

(11) (A) As to each school district serving the subdivision, a statement from the appropriate district that indicates the location of each high school, junior high school, and elementary school serving the subdivision, or documentation that a statement to that effect has been requested from the appropriate school district.

(B) In the event that, as of the date the notice of intention and application for issuance of a public report are otherwise deemed to be qualitatively and substantially complete pursuant to Section 11010.2, the statement described in subparagraph (A) has not been provided by any school district serving the subdivision, the person who filed the notice of intention and application for issuance of a public report shall immediately provide the department with the name, address, and telephone number of that district.

(12) (A) The location of all existing airports, and of all proposed airports shown on the general plan of any city or county, located within two statute miles of the subdivision. If the property is located within an

airport influence area, the following statement shall be included in the notice of intention:

NOTICE OF AIRPORT IN VICINITY

This property is presently located in the vicinity of an airport, within what is known as an airport influence area. For that reason, the property may be subject to some of the annoyances or inconveniences associated with proximity to airport operations (for example: noise, vibration, or odors). Individual sensitivities to those annoyances can vary from person to person. You may wish to consider what airport annoyances, if any, are associated with the property before you complete your purchase and determine whether they are acceptable to you.

(B) For purposes of this section, an ''airport influence area,'' also known as an ''airport referral area,'' is the area in which current or future airport-related noise, overflight, safety, or airspace protection factors may significantly affect land uses or necessitate restrictions on those uses as determined by an airport land use commission.

(13) A true statement, if applicable, referencing any soils or geologic report or soils and geologic reports that have been prepared specifically for the subdivision.

(14) A true statement of whether or not fill is used, or is proposed to be used in the subdivision and a statement giving the name and the location of the public agency where information concerning soil conditions in the subdivision is available.

(15) On or after July 1, 2005, as to property located within the jurisdiction of the San Francisco Bay Conservation and Development Commission, a statement that the property is so located and the following notice:

NOTICE OF SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION JURISDICTION

This property is located within the jurisdiction of the San Francisco Bay Conservation and Development Commission. Use and development of property within the commission's jurisdiction may be subject to special regulations, restrictions, and permit requirements. You may wish to investigate and determine whether they are acceptable to you and your intended use of the property before you complete your transaction.

(16) Any other information that the owner, his or her agent, or the subdivider may desire to present.

(c) The commissioner may, by regulation, or on the basis of the particular circumstances of a proposed offering, waive the requirement of the submission of a completed questionnaire if the commissioner determines that prospective purchasers or lessees of the subdivision interests to be offered will be adequately protected through the issuance of a public report based solely upon information contained in the notice of intention.

SEC. 2. Section 1103.4 of the Civil Code is amended to read:

1103.4. (a) Neither the transferor nor any listing or selling agent shall be liable for any error, inaccuracy, or omission of any information delivered pursuant to this article if the error, inaccuracy, or omission was not within the personal knowledge of the transferor or the listing or selling agent, and was based on information timely provided by public agencies or by other persons providing information as specified in subdivision (c) that is required to be disclosed pursuant to this article, and ordinary care was exercised in obtaining and transmitting the information.

(b) The delivery of any information required to be disclosed by this article to a prospective transferee by a public agency or other person providing information required to be disclosed pursuant to this article shall be deemed to comply with the requirements of this article and shall relieve the transferor or any listing or selling agent of any further duty under this article with respect to that item of information.

(c) The delivery of a report or opinion prepared by a licensed engineer, land surveyor, geologist, or expert in natural hazard discovery dealing with matters within the scope of the professional's license or expertise, shall be sufficient compliance for application of the exemption provided by subdivision (a) if the information is provided to the prospective transferee pursuant to a request therefor, whether written or oral. In responding to that request, an expert may indicate, in writing, an understanding that the information provided will be used in fulfilling the requirements of Section 1103.2 and, if so, shall indicate the required disclosures, or parts thereof, to which the information being furnished is applicable. Where that statement is furnished, the expert shall not be responsible for any items of information, or parts thereof, other than those expressly set forth in the statement.

(1) In responding to the request, the expert shall determine whether the property is within an airport influence area as defined in subdivision (b) of Section 11010 of the Business and Professions Code. If the property is within an airport influence area, the report shall contain the following statement:

NOTICE OF AIRPORT IN VICINITY

This property is presently located in the vicinity of an airport, within what is known as an airport influence area. For that reason, the property may be subject to some of the annoyances or inconveniences associated with proximity to airport operations (for example: noise, vibration, or odors). Individual sensitivities to those annoyances can vary from person to person. You may wish to consider what airport annoyances, if any, are associated with the property before you complete your purchase and determine whether they are acceptable to you.

(2) In responding to the request, the expert shall determine whether the property is within the jurisdiction of the San Francisco Bay Conservation and Development Commission, as defined in Section 66620 of the Government Code. If the property is within the commission's jurisdiction, the report shall contain the following notice:

NOTICE OF SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION JURISDICTION

This property is located within the jurisdiction of the San Francisco Bay Conservation and Development Commission. Use and development of property within the commission's jurisdiction may be subject to special regulations, restrictions, and permit requirements. You may wish to investigate and determine whether they are acceptable to you and your intended use of the property before you complete your transaction.

SEC. 3. Section 1353 of the Civil Code is amended to read:

1353. (a) (1) A declaration, recorded on or after January 1, 1986, shall contain a legal description of the common interest development, and a statement that the common interest development is a community apartment project, condominium project, planned development, stock cooperative, or combination thereof. The declaration shall additionally set forth the name of the association and the restrictions on the use or enjoyment of any portion of the common interest development that are intended to be enforceable equitable servitudes. If the property is located within an airport influence area, a declaration, recorded after January 1, 2004, shall contain the following statement:

NOTICE OF AIRPORT IN VICINITY

This property is presently located in the vicinity of an airport, within what is known as an airport influence area. For that reason, the property may be subject to some of the annoyances or inconveniences associated with proximity to airport operations (for example: noise, vibration, or odors). Individual sensitivities to those annoyances can vary from person to person. You may wish to consider what airport annoyances, if any, are associated with the property before you complete your purchase and determine whether they are acceptable to you.

(2) For purposes of this section, an ''airport influence area,'' also known as an ''airport referral area,'' is the area in which current or future airport-related noise, overflight, safety, or airspace protection factors may significantly affect land uses or necessitate restrictions on those uses as determined by an airport land use commission.

(3) If the property is within the San Francisco Bay Conservation and Development Commission jurisdiction, as described in Section 66610 of the Government Code, a declaration recorded on or after January 1, 2006, shall contain the following notice:

NOTICE OF SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION JURISDICTION

This property is located within the jurisdiction of the San Francisco Bay Conservation and Development Commission. Use and development of property within the commission's jurisdiction may be subject to special regulations, restrictions, and permit requirements. You may wish to investigate and determine whether they are acceptable to you and your intended use of the property before you complete your transaction.

(4) The statement in a declaration acknowledging that a property is located in an airport influence area or within the jurisdiction of the San Francisco Bay Conservation and Development Commission does not constitute a title defect, lien, or encumbrance.

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

SEC. 4. Section 66637 of the Government Code is amended to read:

66637. (a) When the executive director determines that a person or governmental agency has undertaken, or is threatening to undertake, an activity that (1) may require a permit from the commission without securing a permit; or (2) may be inconsistent with a permit previously

issued by the commission, the executive director may issue an order directing that person or governmental agency to cease and desist.

(b) A cease and desist order issued by the executive director may be subject to the terms and conditions that the executive director may determine are necessary to ensure compliance with this title, including the immediate removal of any fill or other material where that removal is necessary to avoid irreparable injury to an area within the jurisdiction of the commission pending action by the commission under Section 66638.

(c) A cease and desist order issued by the executive director shall become null and void 90 days after issuance.

(d) A cease and desist order issued by the executive director shall be effective upon the issuance thereof, and copies shall be served forthwith by certified mail upon the person or governmental agency being charged with the actual or threatened violation of this title. A copy of the cease and desist order shall also be sent by certified mail to the owner of the property on which the violation occurred.

SEC. 5. Section 66638 of the Government Code is amended to read:

66638. (a) When the commission, after public hearing, determines that a person or governmental agency has undertaken, or is threatening to undertake, an activity that (1) requires a permit from the commission without securing a permit, or (2) is inconsistent with a permit previously issued by the commission, the commission may issue an order requiring the person or governmental agency to cease and desist.

(b) A cease and desist order issued by the commission may be subject to the terms and conditions that the commission may determine are necessary to ensure compliance with this title, including immediate removal of any fill or other material or the setting of a schedule within which steps must be taken to obtain a permit pursuant to this title.

(c) Notice of the public hearing on a proposed cease and desist order shall be given to all affected persons and agencies and the order shall be effective and final as to the commission upon issuance thereof. Copies shall be served forthwith by certified mail upon the person or governmental agency being charged with the actual or threatened violation of this title and upon other affected persons and agencies who appeared at the hearing and requested a copy. A copy of the cease and desist order shall also be sent by certified mail to the owner of the property on which the violation occurred.

SEC. 6. Section 66640 of the Government Code is amended to read:

66640. (a) Upon the failure of a person to comply with a permit or a cease and desist order issued by the executive director or the commission, or with any provision of this title, the Attorney General, upon request of the commission, shall petition the superior court for the issuance of a preliminary or permanent injunction, or both, as may be

appropriate, restraining the person or persons from continuing any activity in violation of the permit, order, or provision of this title.

(b) The evidence before the court shall consist of the record before the executive director or the commission, whoever initially issued the order, and any other relevant evidence that, in the judgment of the court, should be considered to effectuate and implement the policies of this title. In every case brought under this section, the court shall exercise its independent judgment on the evidence.

(c) The court shall issue an order directing defendants to appear before the court at a time and place certain and show cause why the injunction should not be issued. The court may grant any prohibitory or mandatory relief that may be warranted.

(d) The court may stay the operation of the cease and desist order after notice to the executive director or the commission, whichever initially issued the order, and hearing. The stay may be imposed or continued only if it is not against the public interest.

SEC. 7. Section 66641.5 of the Government Code is amended to read:

66641.5. (a) In addition to any other penalties, any person or entity who violates this title is subject to a civil penalty of not to exceed thirty thousand dollars ($30,000). In determining the amount of a civil penalty, the court shall consider the factors listed in subdivision (a) of Section 66641.9.

(b) In addition to any other penalties, any person or entity who intentionally and knowingly undertakes any activity requiring a permit pursuant to subdivision (a) of Section 66632 without that permit, or who intentionally and knowingly violates any term or condition of any permit issued by or on behalf of the commission, is subject to a civil penalty of not less than one hundred dollars ($100), nor more than ten thousand dollars ($10,000), per day for each day in which that violation occurs or persists.

(c) Except as provided in Section 818, whenever a person or entity has intentionally and knowingly violated this title or any term or condition of a permit issued by or on behalf of the commission, the commission may maintain an action, in addition to the actions authorized pursuant to subdivisions (a) and (b), for the recovery of exemplary damages. In determining the amount to be awarded, the court shall consider the amount of damages necessary to deter further violations.

(d) In addition to any other penalties, a person or entity who negligently undertakes an activity requiring a permit pursuant to subdivision (a) of Section 66632 without that permit, or who negligently violates any term or condition of any permit issued by or on behalf of the commission, is subject to a civil penalty of not less than fifty dollars

($50) nor more than five thousand dollars ($5,000) per day for each day in which that violation occurs or persists.

(e) Civil liability may be administratively imposed by the commission in accordance with Section 66641.6 on any person or entity for any violation of this title or any term or condition of a permit issued by or on behalf of the commission in an amount that shall be not less than ten dollars ($10), nor more than two thousand dollars ($2,000), for each day in which that violation occurs or persists, but the commission may not administratively impose a fine of more than thirty thousand dollars ($30,000) for a single violation.

(f) Any moneys recovered by the commission pursuant to this section shall be deposited in the fund established and administered pursuant to Section 66647.

SEC. 8. Section 66648 is added to the Government Code, to read:

66648. Fees collected by the commission pursuant to conditions imposed on permit applicants to mitigate the adverse impacts of permitted development, and any funds paid into the Bay Fill Clean-up and Abatement Fund established by Section 66647, may be transferred to the subaccount of the San Francisco Bay Area Conservancy Program Account established under subparagraph (B) of paragraph (1) of subdivision (b) of Section 31164 of the Public Resources Code or to a substantially similar account in a coastal trust fund, or its equivalent if enacted into law, with the concurrence of the State Coastal Conservancy, to be expended by the conservancy pursuant to its authority under Division 21 (commencing with Section 31000) of the Public Resources Code to carry out the mitigation required under the commission's permit, or for the purposes set forth in subdivision (b) of Section 66647, as determined by the commission.

CHAPTER 619

An act to add Chapter 5.7 (commencing with Section 42355) to Part 3 of Division 30 of the Public Resources Code, relating to solid waste.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Chapter 5.7 (commencing with Section 42355) is added to Part 3 of Division 30 of the Public Resources Code, to read:

CHAPTER 5.7. BIODEGRADABLE AND COMPOSTABLE PLASTIC BAGS

42355. The Legislature finds and declares that it is the public policy of the state that environmental marketing claims, whether explicit or implied, should be substantiated by competent and reliable evidence to prevent deceiving or misleading consumers about the environmental impact of plastic bags. For consumers to have accurate and useful information about the environmental impact of plastic bags and packages, environmental marketing claims should adhere to uniform and recognized standards, including those standard specifications established by the American Society for Testing and Materials.

42356. For purposes of this chapter, the following definitions apply:

(a) ''ASTM'' means the American Society for Testing and Materials.

(b) ''ASTM standard specification'' means a definition found in the Style and Form Guide for ASTM Standards and does not include an ASTM Standard Guide, a Standard Practice, or a Standard Test Method.

(c) ''Manufacturer'' means a person, firm, association, partnership, or corporation that produces a plastic bag.

(d) ''Supplier'' means a person who does one or more of the following:

(1) Sells, offers for sale, or offers for promotional purposes, a plastic bag that is used by a person to contain a product.

(2) Takes title to a plastic bag produced either domestically or in a foreign country, that is purchased for resale or promotional purposes.

42357. (a) A person shall not sell a plastic bag in this state that is labeled with the term "compostable," "biodegradable," "degradable," or any form of those terms, or in anyway imply that the bag will break down in a landfill, composting, marine, or other natural terrestrial environment, unless, at the time of the sale, the plastic bag meets a current ASTM standard specification for the term used on the label.

(b) A manufacturer or supplier, upon the request of a member of the public, shall submit to that member, within 90 days of the request, information and documentation demonstrating compliance with this chapter, in a format that is easy to understand and scientifically accurate.

CHAPTER 620

An act to amend Section 102015 of, to add Sections 102024, 102025, 102026, 102027, 102028, 102100.1, 102100.2, 102100.3, 102100.4, 102100.5, 102100.6, 102100.7, 101200.8, and 101200.9 to, and to repeal Section 102100 of, the Public Utilities Code, relating to transportation.

[Approved by Governor September 21, 2004. Filed with
Secretary of State September 21, 2004.]

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

SECTION 1. Section 102015 of the Public Utilities Code is amended to read:

102015. ''City'' means, individually, the Cities of Citrus Heights, Davis, Elk Grove, Folsom, Rancho Cordova, Roseville, Sacramento, West Sacramento, and Woodland, and any other city that is annexed to the district as provided in this part.

SEC. 2. Section 102024 is added to the Public Utilities Code, to read:

102024. ''Jurisdiction'' means any city or county that is specifically named or described in Section 102015 or 102016, regardless of whether the city or county is annexed to the district as provided in this part.

SEC. 3. Section 102025 is added to the Public Utilities Code, to read:

102025. ''Express service'' means transit service that serves two or more jurisdictions that is designed and operated so that substantially all of the passengers who use that transit service board within the boundary of one jurisdiction and disembark within the boundary of another jurisdiction.

SEC. 4. Section 102026 is added to the Public Utilities Code, to read:

102026. ''Regional activity center'' means a high-volume public facility that serves as a trip attractor to persons residing both within and outside the boundary of the jurisdiction in which the regional activity center is located.

SEC. 5. Section 102027 is added to the Public Utilities Code, to read:

102027. ''Regional matter'' means a matter regarding regional transit service as defined in Section 102028 and other matters of regionwide significance as defined under the district's bylaws.

SEC. 6. Section 102028 is added to the Public Utilities Code, to read:

102028. ''Regional transit service'' means transit service, other than express service, that is operated along a route that traverses a jurisdiction's boundary and meets at least one of the following criteria:

(a) It is operated along a route serving more than two jurisdictions.

(b) It is operated along a route serving two or more regional activity centers located within two or more jurisdictions.

SEC. 7. Section 102100 of the Public Utilities Code is repealed.

SEC. 8. Section 102100.1 is added to the Public Utilities Code, to read:

102100.1. (a) Except as otherwise provided, the government of the district shall be vested in a board of directors consisting of not less than seven members who shall serve four-year terms.

(b) At the first regularly scheduled meeting of the board after January 1, 1981, the directors shall provide for staggered terms by first classifying themselves according to the appointing jurisdiction and secondly classifying themselves by lot so that a director representing the City of Sacramento and a director representing the County of Sacramento shall each hold office for two years, one each shall hold office for three years, and the remainder of the board shall hold office for four years.

(c) Appointments to the board shall follow the term of the position being filled and all terms shall be for four years, except that if the number of directors is increased, the term of the newly appointed director shall be fixed by the board so that not more than four terms shall expire in any one year.

(d) In no event shall any director hold office for more than two successive terms, counting the term in effect on January 1, 1980, as the first term.

SEC. 9. Section 102100.2 is added to the Public Utilities Code, to read:

102100.2. The first board of directors shall consist of seven members appointed within 30 days after the district is formed as provided in Section 102052. Four members of the first board of directors shall be appointed by the City Council of the City of Sacramento. Three members of the first board of directors shall be appointed by the Board of Supervisors of the County of Sacramento, unless, prior to the 30th day after the district is formed, the Board of Supervisors of Yolo County has adopted a resolution declaring there is a need for the district to operate, in which case, two members of the first board of directors shall be appointed by the Board of Supervisors of the County of Sacramento and one member of the first board of directors shall be appointed by the Board of Supervisors of Yolo County.

SEC. 10. Section 102100.3 is added to the Public Utilities Code, to read:

102100.3. The number of the directors of the district shall be increased by the board as may be necessary to provide both of the following:

(a) Each city and county specifically named in Sections 102015 and 102016, which is receiving service from the district and is rendering tax or financial support to the district, shall have at least one appointment to the board.

(b) Each jurisdiction shall have at least one appointment to the board as provided in Section 102100.4.

SEC. 11. Section 102100.4 is added to the Public Utilities Code, to read:

102100.4. A jurisdiction that is not annexed to the district may make at least one appointment to the district board, and the member appointed to the district board by that jurisdiction may vote as provided in Section 102100.5, if that jurisdiction enters into an agreement with the district that provides for all of the following:

(a) The jurisdiction agrees to pay for that entity's proportionate share of the district's cost to provide rail and other districtwide transit services.

(b) The district agrees to maintain a specified level of rail or other districtwide transit services.

(c) The district is not obligated to provide transit services to any particular location or along any particular route.

SEC. 12. Section 102100.5 is added to the Public Utilities Code, to read:

102100.5. The appointee of a jurisdiction entering into an agreement as provided in Section 102100.4 may only vote on a regional matter, provided that the appointing authority of the jurisdiction and its appointee's term will terminate upon termination or cancellation of the agreement, and the agreement will automatically terminate upon the effective date of the jurisdiction's annexation to the district pursuant to Section 102055.

SEC. 13. Section 102100.6 is added to the Public Utilities Code, to read:

102100.6. (a) An action by the district board of directors shall not be void or voidable because a director voted on a matter initially deemed to be a regional matter that is subsequently determined not to be a regional matter. However, the matter shall be set for reconsideration by the district's board of directors if it first determines, in the manner provided in the district's bylaws, both of the following:

(1) The outcome of the vote on that action would have changed if that director's vote had not been counted.

(2) The matter is not a regional matter.

(b) An action by the district board of directors shall not be void or voidable because a director refrained or abstained from voting on a matter initially deemed not to be a regional matter that is subsequently determined to be a regional matter.

(c) An action by the district board of directors shall not be void or voidable because an appointment was made to the district board of directors that does not comply with the provisions of this Section.

SEC. 14. Section 102100.7 is added to the Public Utilities Code, to read:

102100.7. The appointments to the board may be changed in the following manner:

Not more often than every two years, the counties, for the unincorporated areas, and the cities in which the district is providing service and in which the voters have authorized the district to operate and levy a tax within their boundaries or that are providing financial support to the district, may by agreement apportion the appointments to the board among them in the approximate ratio that the district provides transit service, as determined by the gross cost of the service without regard to income or revenues of the district, within their respective boundaries. However, there shall be at least one appointment by each city and county specifically named in Sections 102015 and 102016.

SEC. 15. Section 102100.8 is added to the Public Utilities Code, to read:

102100.8. Execution of the agreement provided in Section 102100.3 by the district and the City of Elk Grove shall be a complete defense in any action or proceeding of any kind to enforce or compel compliance with Resolution Number 99-1044 adopted by the Sacramento County Board of Supervisors or Resolution Numbers LAFC 1205, LAFC 1206, LAFC 1207, or LAFC 1208, adopted by the Sacramento Local Agency Formation Commission, to the extent the enforcement action is related to the enforcement of the Mitigation Monitoring Reporting Program Mitigation Measure Number 2 pertaining to the Sacramento Regional Transit District.

SEC. 16. Section 102100.9 is added to the Public Utilities Code, to read:

102100.9. For purposes of Section 102100.3, the City of Elk Grove's proportionate share shall be determined in the manner provided in Section 4B(2) of the First Amendment to Interim Agreement for Elk Grove Bus Service, dated March 17, 2004, between the district and the City of Elk Grove.

CHAPTER 621

An act to add Article 6 (commencing with Section 27390) to Chapter 6 of Division 2 of Title 3 of the Government Code, relating to county recorders, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. (a) It is the intent of the Legislature to enact legislation to develop a system to permit the electronic delivery, recording, and return of instruments affecting right, title, or interest in real property.

(b) (1) Except as set forth in subdivision (c), it is the intent of the Legislature that electronic recording be limited in its initial development to the digitized electronic delivery, recording, and return of instruments submitted by a title insurer, underwritten title company, institutional lender, as defined in paragraph (1), (2), or (4) of subdivision (j) of Section 50003 of the Financial Code, or an entity of local, state, or federal government. This will enable county recorders, county district attorneys, and the Attorney General to develop an electronic recording delivery system that will protect property owners and lenders from fraud and identity theft. It is the intent of the Legislature to consider expanding this system to cover additional submitting entities and digital electronic records based on experience with the system.

(2) It is not the intent of the Legislature in limiting electronic recordation of certain documents to digitized electronic delivery, to suggest, and no inference should be drawn, that digital documents pose a greater risk of fraud or identity theft than digitized documents.

(c) It is further the intent of the Legislature to enact legislation to permit, upon certification, a title insurer, underwritten title company, entity of local, state, or federal government, or institutional lender, as defined in subdivision (j) of Section 50003 of the Financial Code, to submit a digitized or digital electronic record that is an instrument of reconveyance, substitution of trustee, or assignment of deed of trust, without meeting specified requirements of this act because these instruments are less likely to result in consumer fraud.

SEC. 2. Article 6 (commencing with Section 27390) is added to Chapter 6 of Division 2 of Title 3 of the Government Code, to read:

Article 6. Electronic Recording Delivery Act of 2004

27390. (a) This article shall be known and may be cited as the Electronic Recording Delivery Act of 2004.

(b) For the purposes of this article, the following definitions shall apply:

(1) ''Authorized submitter'' means a party that has entered into a contract with a county recorder pursuant to subdivision (b) of Section 27391 and is not disqualified pursuant to Section 27395.

(2) ''Computer security auditor'' means computer security personnel hired to perform an independent audit of the electronic recording

delivery system. The computer security auditor shall be independent of the county recorder and the authorized submitter and shall not be the same contractor hired to establish or participate in a county's electronic recording delivery system or in the authorized submitter's portion of that system.

(3) ''Digital electronic record'' means a record containing information that is created, generated, sent, communicated, received, or stored by electronic means, but not created in original paper form.

(4) ''Digitized electronic record'' means a scanned image of the original paper document.

(5) ''Electronic recording delivery system'' means a system to deliver for recording, and to return to the party requesting recording, digitized or digital electronic records.

(6) ''Security testing'' means an independent security audit by a computer security auditor, including, but not limited to, attempts to penetrate an electronic recording delivery system for the purpose of testing the security of that system.

(7) ''Source code'' means a program or set of programs, readable and maintainable by humans, translated or interpreted into a form that the electronic recording delivery system can execute.

(8) ''System certification'' means the issuance of a confirmation letter regarding a county's electronic recording delivery system by the Attorney General.

27391. (a) Upon approval by resolution of the board of supervisors and system certification by the Attorney General, a county recorder may establish an electronic recording delivery system.

(b) Upon system certification, a county recorder may enter into a contract with a title insurer, as defined in Section 12340.4 of the Insurance Code, underwritten title company, as defined in Section 12340.5 of the Insurance Code, institutional lender, as defined in paragraph (1), (2), or (4) of subdivision (j) of Section 50003 of the Financial Code, or an entity of local, state, or federal government for the delivery for recording, and return to the party requesting recording, of a digitized electronic record that is an instrument affecting a right, title, or interest in real property. The contract may provide for the delivery of documents by an agent. However, the agent shall not be a vendor of electronic recording delivery systems.

(c) A county recorder may refuse to enter into a contract with any party or may terminate or suspend access to a system for any good faith reason, including, but not limited to, a determination by the county recorder that termination or suspension is necessary to protect the public interest, to protect the integrity of public records, or to protect homeowners from financial harm, or if the volume or quality of instruments submitted by the requester is not sufficient to warrant

electronic recordation. A county recorder may also terminate or suspend access to a system if a party commits a substantive breach of the contract, the requirements of this article, or the regulations adopted pursuant to this article.

(d) Notwithstanding Section 27321, a county recorder may require a party electronically submitting records to mail a copy of the recorded electronic document to the address specified in the instructions for mailing upon completion of recording.

(e) When a signature is required to be accompanied by a notary's seal or stamp, that requirement is satisfied if the electronic signature of the notary contains all of the following:

(1) The name of the notary.

(2) The words ''Notary Public.''

(3) The name of the county where the bond and oath of office of the notary are filed.

(4) The sequential identification number assigned to the notary, if any.

(5) The sequential identification number assigned to the manufacturer or vendor of the notary's physical or electronic seal, if any.

27392. (a) No electronic recording delivery system may become operational without system certification by the Attorney General. The certification shall affirm that the proposed county system conforms to this article and any regulations adopted pursuant to this article, that security testing has confirmed that the system is secure and that the proposed operating procedures are sufficient to assure the continuing security and lawful operation of that system. The certification may include any agreements between the county recorder and the Attorney General as to the operation of the system, including, but not limited to, the nature and frequency of computer security audits. Certification may be withdrawn for good cause.

(b) The Attorney General shall approve software and other services for electronic recording delivery systems pursuant to regulations adopted as described in paragraph (7) of subdivision (b) of Section 27393.

27393. (a) The Attorney General shall, in consultation with interested parties, adopt regulations for the review, approval, and oversight of electronic recording delivery systems. Regulations shall be adopted pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3). The regulations shall comply with Section 12168.7.

(b) The regulations adopted pursuant to subdivision (a) may include, but need not be limited to, all of the following:

(1) Establishment of baseline technological and procedural specifications for electronic recording delivery systems.

(2) Requirements for security, capacity, reliability, and uniformity.

(3) Requirements as to the nature and frequency of computer security audits.

(4) A statement of a detailed and uniform definition of the term ''source code'' consistent with paragraph (7) of subdivision (b) of Section 27390, and as used in this article, and applicable to each county's electronic recording delivery system.

(5) Requirements for placement of a copy of the operating system, source code, compilers, and all related software associated with each county's electronic recording delivery system in an approved escrow facility prior to that system's first use.

(6) Requirements to ensure that substantive modifications to an operating system, compilers, related software, or source code are approved by the Attorney General.

(7) Procedures for initial certification of vendors offering software and other services to counties for electronic recording delivery systems.

(8) Requirements for system certification and for oversight of approved systems.

(9) Requirements for fingerprinting and criminal records checks required by Section 27395, including a list of employment positions or classifications subject to criminal records checks under subdivision (f) of that section.

(10) Requirements for uniform index information that shall be included in every digitized or digital electronic record.

(11) Requirements for protecting proprietary information accessed pursuant to subdivision (e) of Section 27394 from public disclosure.

(12) Requirements for certification under Section 27397.5.

(c) The Attorney General may promulgate any other regulations necessary to fulfill his or her obligations under this article.

(c) An electronic recording delivery system shall be subject to local inspection and review by the Attorney General. The Attorney General shall furnish a statement of any relevant findings associated with a local inspection of an electronic recording delivery system, to the county recorder and the district attorney of the affected county, and to all technology vendors associated with that system.

27394. (a) To be eligible to establish an electronic recording delivery system, a county recorder shall contract with, and obtain a report from, a computer security auditor selected from a list of computer security auditors approved by the Attorney General.

(b) The Attorney General shall approve computer security auditors on the basis of significant experience in the evaluation and analysis of Internet security design, the conduct of security testing procedures, and specific experience performing Internet penetration studies. The Attorney General shall complete the approval of security auditors within

90 days of a request from a county recorder. The list shall be a public record.

(c) An electronic recording delivery system shall be audited, at least once during the first year of operation and periodically thereafter, as set forth in regulation and in the system certification, by a computer security auditor. The computer security auditor shall conduct security testing of the electronic recording delivery system. The reports of the computer security auditor shall include, but not be limited to, all of the following considerations:

(1) Safety and security of the system, including the vulnerability of the electronic recording delivery system to fraud or penetration.

(2) Results of testing of the system's protections against fraud or intrusion, including security testing and penetration studies.

(3) Recommendations for any additional precautions needed to ensure that the system is secure.

(d) Upon completion, the reports and any response to any recommendations shall be transmitted to the board of supervisors, the county recorder, the county district attorney, and the Attorney General. These reports shall be exempt from disclosure under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1).

(e) A computer security auditor shall have access to any aspect of an electronic recording delivery system, in any form requested. Computer security auditor access shall include, but not be limited to, permission for a thorough examination of source code and the associated approved escrow facility, and necessary authorization and assistance for a penetration study of that system.

(f) If the county recorder, a computer security auditor, a district attorney for a county participating in the electronic recording delivery system, or the Attorney General reasonably believes that an electronic recording delivery system is vulnerable to fraud or intrusion, the county recorder, the board of supervisors, the district attorney, and the Attorney General shall be immediately notified. The county recorder shall immediately take the necessary steps to guard against any compromise of the electronic recording delivery system, including, if necessary, the suspension of an authorized submitter or of the electronic recording delivery system.

27395. (a) No person shall be a computer security auditor or be granted secure access to an electronic recording delivery system if he or she has been convicted of a felony, has been convicted of a misdemeanor related to theft, fraud, or a crime of moral turpitude, or if he or she has pending criminal charges for any of these crimes. A plea of guilty or no contest, a verdict resulting in conviction, or the forfeiture of bail, shall

be a conviction within the meaning of this section, irrespective of a subsequent order under Section 1203.4 of the Penal Code.

(b) All persons entrusted with secure access to an electronic recording delivery system shall submit fingerprints to the Attorney General for a criminal records check according to regulations adopted pursuant to Section 27393.

(c) (1) The Attorney General shall submit to the Department of Justice the fingerprint images and related information of persons with secure access to the electronic recording delivery system and computer security auditors for the purpose of obtaining information as to the existence and nature of a record of state level convictions and arrests for which the Department of Justice establishes that the applicant was released on bail or on his or her own recognizance pending trial.

(2) The Department of Justice shall respond to the Attorney General for criminal offender record information requests submitted pursuant to this section, with information as delineated in subdivision (*l*) of Section 11105 of the Penal Code.

(3) The Attorney General shall request subsequent arrest notification service, pursuant to Section 11105.2 of the Penal Code, for all persons with secure access to the electronic recording delivery system and all computer security auditors.

(d) The Attorney General shall deliver written notification of an individual's ineligibility for access to an electronic recording delivery system to the individual, his or her known employer, the computer security auditor, and the county recorder.

(e) The Department of Justice shall charge a fee sufficient to cover the cost of processing the criminal offender record information request and any other costs incurred pursuant to this section.

(f) The Attorney General shall define ''secure access'' by regulation and by agreement with the county recorder in the system certification.

27396. (a) The Attorney General shall monitor the security of electronic recording delivery systems statewide, in close cooperation with county recorders and public prosecutors. In the event of an emergency involving multiple fraudulent transactions linked to one county's use of an electronic recording delivery system, the Attorney General may order the suspension of electronic recording delivery systems in any county or in multiple counties, if necessary to protect the security of the system, for a period of up to seven court days. The Attorney General may seek an order from the superior court if it is necessary to extend this order.

(b) (1) The Attorney General, a district attorney, or a city prosecutor may bring an action in the name of the people of the state seeking declaratory or injunctive relief, restitution for damages or economic loss, rescission, or other equitable relief pertaining to any alleged

violation of this article or regulations adopted pursuant to this article. Injunctive relief may include, but is not limited to, an order suspending a party from participation in the electronic recording delivery system, on a temporary or permanent basis.

(2) Nothing in this subdivision shall be construed to prevent the Attorney General, a district attorney, or a city prosecutor from seeking legal or equitable relief under any other provision of law.

27397. (a) A county establishing an electronic recording delivery system under this article shall pay for the direct cost of regulation and oversight by the Attorney General.

(b) The Attorney General may charge a fee directly to a vendor seeking approval of software and other services as part of an electronic recording delivery system. The fee shall not exceed the reasonable costs of approving software or other services for vendors.

(c) In order to pay costs under this section, a county may do any of the following:

(1) Impose a fee in an amount up to and including one dollar ($1) for each instrument that is recorded by the county. This fee may, at the county's discretion, be limited to instruments that are recorded pursuant to the electronic recording delivery system.

(2) Impose a fee upon any vendor seeking approval of software and other services as part of an electronic recording delivery system.

(3) Impose a fee upon any person seeking to contract as an authorized submitter.

(d) The total fees assessed by a county recorder pursuant to this section may not exceed the reasonable total costs of the electronic recording delivery system, the review and approval of vendors and potential authorized submitters, security testing as required by this article and the regulations of the Attorney General, and reimbursement to the Attorney General for regulation and oversight of the electronic recording delivery system.

(e) Fees paid to the Attorney General pursuant to subdivisions (a) and (b) shall be deposited in the Electronic Recording Authorization Account, which is hereby created in the Special Deposit Fund, and, notwithstanding Section 13340, is continuously appropriated, without regard to fiscal years, to the Attorney General for the costs described in those subdivisions.

27397.5. (a) A county recorder may include in the county's electronic recording delivery system a secure method for accepting for recording a digital or digitized electronic record that is an instrument of reconveyance, substitution of trustee, or assignment of deed of trust.

(b) A county recorder may contract with a title insurer, as defined in Section 12340.4 of the Insurance Code, underwritten title company, as defined in Section 12340.5 of the Insurance Code, an entity of state,

local, or federal government, or an institutional lender, as defined in Section 50003 of the Financial Code, or their authorized agents, to be an authorized submitter of the documents specified in subdivision (a).

(c) With respect to the electronic submission of the records described in subdivision (a), the requirements that an authorized submitter be subject to a security audit under Section 27394 and a criminal records check under Section 27395 shall not apply where the certification requirements of subdivision (d) have been met.

(d) (1) In order for subdivision (c) to apply, the county recorder and the Attorney General shall certify that the method of submission allowed under the system will not permit an authorized submitter or its employees and agents, or any third party, to modify, manipulate, insert, or delete information in the public record, maintained by the county recorder, or information in electronic records submitted pursuant to subdivision (b) of Section 27391.

(2) Certification under this section may be withdrawn by either the county recorder or the Attorney General at any time either determines that the requirements of this subdivision are not met.

(e) For purposes of this section, an agent of an authorized submitter shall not include a vendor of electronic recording delivery systems.

27398. (a) The Attorney General shall conduct an evaluation of electronic recording delivery systems authorized by this article, and report to both houses of the Legislature on or before June 30, 2009.

(b) It is the intent of the Legislature that the evaluation include an analysis of costs, cost savings, security and real estate fraud prevention, and recommendations as to improvements and possible expansion of the provisions of this article.

(c) The evaluation shall also include a study of the feasibility of expanding the provisions of this article to cover the delivery, recording, and return of other electronic records.

27399. (a) Nothing in this article shall be construed to authorize any state agency to administer any of the processes or procedures relating to the business of the county recorders of the state in any manner not otherwise specifically set forth in this article.

(b) The authority granted in this article is in addition to any other authority or obligation under state or federal law.

(c) Nothing in this article shall be construed to repeal or affect Section 27279, 27279.1, 27279.2, 27297.6, 27387.1, or 27399.7, or the authority of the Counties of Orange and San Bernardino to act under those provisions.

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 county recorders may alleviate fiscal constraints by implementing electronic recording delivery systems at the earliest possible time, it is necessary for this act to take effect immediately.

CHAPTER 622

An act to amend Section 798.25 of the Civil Code, and to amend Section 18420 of, and to amend, repeal, and add Section 18552 of, the Health and Safety Code, relating to mobilehome parks.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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) Except as provided in subdivision (d), 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) Except as provided in subdivision (d) 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) or (d) shall constitute compliance with this section where the written notice is given before the inception of the tenancy.

(d) When the management proposes an amendment to the park's rules and regulations mandated by a change in the law, including, but not limited to, a change in a statute, ordinance, or governmental regulation, the management may implement the amendment to the park rules and regulations, as to any homeowner, with the consent of that homeowner or without the homeowner's consent upon written notice of not less than 60 days. For purposes of this subdivision, the management shall specify in the notice a citation to the statute, ordinance, or regulation, including

the section number, that necessitates the proposed amendment to the park's rules and regulations.

(e) Any amendment to the park's rules and regulations that creates a new fee payable by the homeowner and that has not been expressly agreed upon by the homeowner and management in the written rental agreement or lease, shall be void and unenforceable.

SEC. 2. Section 18420 of the Health and Safety Code is amended to read:

18420. (a) (1) If, upon inspection, the enforcement agency determines that a mobilehome park is in violation of any provision of this part, or any rule or regulation adopted pursuant thereto, the enforcement agency shall promptly, but not later than 10 days, excluding Saturday, Sunday, and holidays, after the enforcement agency completes the inspection and determines that the alleged violation exists, issue a notice to correct the violation to the owner or operator of the mobilehome park and to the responsible person, as defined in Section 18603.

(2) In the event of a violation that constitutes an imminent threat to health and safety, the notice of violation shall be issued immediately and served on the owner or operator of the mobilehome park and to the responsible person, as defined in Section 18603.

(3) The owner or operator of the mobilehome park shall be responsible for the correction of any violations for which a notice of violation has been given pursuant to this subdivision.

(b) (1) If, upon inspection, the enforcement agency determines that a manufactured home, mobilehome, an accessory building or structure, or lot is in violation of any provision of Chapter 4 (commencing with Section 18500), Chapter 5 (commencing with Section 18601), Chapter 6 (commencing with Section 18690), or any rule or regulation adopted pursuant thereto, the enforcement agency shall promptly, but not later than 10 days, excluding Saturday, Sunday, and holidays, after the enforcement agency completes the inspection and determines that the alleged violation exists, issue a notice to correct the violation to the registered owner of the manufactured home or mobilehome, with a copy to the occupant thereof, if different from the registered owner.

(2) In the event a violation is discovered that constitutes an imminent hazard representing an immediate risk to life, health, and safety and requiring immediate correction, the notice of violation shall be issued immediately and served upon the occupant, with a copy mailed to the registered owner of the manufactured home or mobilehome, if different from the occupant, to the owner or operator of the mobilehome park, and to the responsible person, as defined in Section 18603.

(3) The registered owner of the manufactured home or mobilehome shall be responsible for the correction of any violations for which a notice of violation has been given pursuant to this subdivision.

(4) The enforcement agency may issue a notice of violation in accordance with this chapter to the owner of a recreational vehicle, or of factory-built housing, which occupies a lot within a mobilehome park.

(c) (1) Service of the notice of violation shall be effected either personally or by first-class mail. Each notice of violation shall be in writing and shall describe with particularity the nature of the violation in as clear language as the technicality of the violation will allow the average layperson to understand what is being cited, including a reference to the statutory provisions or regulation alleged to have been violated, as well as any penalty provided by law for failure to make timely correction.

(2) The department shall develop a list of local agencies that have home rehabilitation or repair programs for which registered owners or occupants of manufactured homes and mobilehomes residing in mobilehome parks may be eligible. The list shall be provided to registered owners or occupants who receive notices of violation and who reside in those jurisdictions that have rehabilitation or repair programs for which they may be eligible.

(3) For violations other than imminent threats to health and safety as provided in paragraph (2) of subdivision (a) and paragraph (2) of subdivision (b), the notice of violation shall allow 60 days from the postmarked date of the notice or date of personal delivery for the elimination of the condition constituting the alleged violation.

(4) If after the reinspection of a violation described in paragraph (3) of this subdivision, the enforcement agency determines that there is a valid reason why a violation has not been corrected, including, but not limited to, weather conditions, illness, availability of repair persons, or availability of financial resources, the enforcement agency may extend the time for correction, at its discretion, for 30 days or an additional reasonable period of time after the 60-day period.

(5) Upon a reinspection after the 60-day period of a violation described in paragraph (3) of this subdivision, if a second notice to correct a violation that is the responsibility of the registered owner of the manufactured home or mobilehome pursuant to paragraph (1) of subdivision (b) is issued to the registered owner of a manufactured home or mobilehome, with a copy to the occupant thereof, if different from the registered owner, a copy of the notice shall also be provided to the owner or operator of the mobilehome park, and to the responsible person, as defined in Section 18603. Upon a reinspection after the 60-day period of a violation described in paragraph (3) of this subdivision, if a second notice to correct a mobilehome park violation pursuant to paragraph (1) of subdivision (a) is issued to the owner or operator of the mobilehome park and to the responsible person, as defined in Section 18603, the enforcement agency shall post a copy of the violation in a conspicuous

place in the mobilehome park common area, and the posted notice shall only be removed by the enforcement agency when the violation is corrected.

(6) All violations described in paragraph (2) of subdivision (a) and paragraph (2) of subdivision (b) shall be corrected within a reasonable time as determined by the enforcement agency. Notices of those violations shall state the time determined by the enforcement agency within which corrections must be made.

(d) Notwithstanding any other provision of law, the enforcement agency may, at its sole discretion, determine not to issue a notice of violation pursuant to this chapter if the condition which violates this part or the regulations adopted pursuant thereto does not constitute an imminent hazard representing an immediate risk to life, health, and safety and requiring immediate correction. If the enforcement agency determines, pursuant to this subdivision, not to issue a notice of violation, the enforcement agency shall include in its inspection report a description of the condition which violates this part and its determination not to issue a notice of violation.

SEC. 3. Section 18552 of the Health and Safety Code is amended to read:

18552. (a) The department shall adopt and submit building standards for approval pursuant to Chapter 4 (commencing with Section 18935) of Part 2.5, and the department shall adopt other regulations for manufactured home or mobilehome accessory buildings or structures. The regulations adopted by the department shall provide for the construction, location, and use of manufactured home or mobilehome accessory buildings or structures to protect the health and safety of the occupants and the public, and shall be enforced by the appropriate enforcement agency.

(b) Notwithstanding Sections 1338 and 1433 of Title 25 of the California Code of Regulations, if a mobilehome or cabana that is installed above 5,000 feet in elevation does not have the capacity to resist the minimum snow loads as established for residential buildings by local ordinance, then the home may only be installed in a mobilehome park that has an approved snow load maintenance program, on the condition that the installation complies with all other applicable requirements of these regulations and is approved by the enforcement agency. A conditional permit to operate subject to the snow roof load maintenance program shall be obtained from the enforcement agency.

(c) This section shall remain in effect only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends that date.

SEC. 4. Section 18552 is added to the Health and Safety Code, to read:

18552. (a) The department shall adopt and submit building standards for approval pursuant to Chapter 4 (commencing with Section 18935) of Part 2.5, and the department shall adopt other regulations for manufactured home or mobilehome accessory buildings or structures. The regulations adopted by the department shall provide for the construction, location, and use of manufactured home or mobilehome accessory buildings or structures to protect the health and safety of the occupants and the public, and shall be enforced by the appropriate enforcement agency.

(b) This section shall become operative on January 1, 2007.

SEC. 5. It is the intent of the Legislature in enacting Section 3 of this act to invalidate, until January 1, 2007, changes that relate to minimum roof live load requirements for manufactured housing units and cabanas installed at elevations above 5,000 feet in Sections 1338 and 1433 of Title 25 of the California Code of Regulations, and for which a certificate of compliance was filed on July 7, 2004.

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.

CHAPTER 623

An act to amend Sections 82027.5, 82036, and 84200.5 of the Government Code, relating to the Political Reform Act of 1974, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 82027.5 of the Government Code is amended to read:

82027.5. (a) ''General purpose committee'' means all committees pursuant to subdivision (b) or (c) of Section 82013, and any committee pursuant to subdivision (a) of Section 82013 which is formed or exists primarily to support or oppose more than one candidate or ballot measure, except as provided in Section 82047.5.

(b) A ''state general purpose committee'' is a political party committee, as defined in Section 85205, or a committee to support or oppose candidates or measures voted on in a state election, or in more than one county.

(c) A ''county general purpose committee'' is a committee to support or oppose candidates or measures voted on in only one county, or in more than one jurisdiction within one county.

(d) A ''city general purpose committee'' is a committee to support or oppose candidates or measures voted on in only one city.

SEC. 2. Section 82036 of the Government Code is amended to read:

82036. ''Late contribution'' means any of the following:

(a) Any contribution including a loan that totals in the aggregate one thousand dollars ($1,000) or more that is made to or received by a candidate, a controlled committee, or a committee formed or existing primarily to support or oppose a candidate or measure before the date of the election at which the candidate or measure is to be voted on but after the closing date of the last campaign statement required to be filed before the election.

(b) Any contribution including a loan that totals in the aggregate one thousand dollars ($1,000) or more that is made to or received by a political party committee, as defined in Section 85205, before the date of any state election, but after the closing date of the last campaign statement required to be filed before the election.

SEC. 3. Section 84200.5 of the Government Code is amended to read:

84200.5. In addition to the campaign statements required by Section 84200, elected officers, candidates, and committees shall file preelection statements as follows:

(a) During an even-numbered year, all candidates for elective state office being voted upon in the statewide direct primary election or the statewide general election, their controlled committees, and committees primarily formed to support or oppose an elected state officer or a state candidate being voted upon, shall file the applicable preelection statements specified in Section 84200.7 or 84200.8. All elected state officers who, during the applicable reporting periods covered by Section 84200.7 or 84200.8, contribute to any committee required to report receipts, expenditures, or contributions pursuant to this title, or make an independent expenditure, shall file the applicable preelection statements specified in Section 84200.7 or 84200.8. However, a candidate who is not being voted upon in the November election, his or her controlled committee, and any committee primarily formed to support or oppose that candidate is not required to file statements in connection with the November election pursuant to subdivision (b) of Section 84200.7 unless, during the reporting periods covered by Section 84200.7, the

candidate, his or her controlled committee, or any committee primarily formed to support or oppose that candidate contributes to any committee required to report receipts, expenditures, or contributions pursuant to this title or makes independent expenditures.

(b) During an even-numbered year, all candidates not specified in subdivision (a) who are being voted upon on the first Tuesday after the first Monday in June or November, their controlled committees, and committees primarily formed to support or oppose those candidates or a measure being voted upon on the first Tuesday after the first Monday in June or November of an even-numbered year shall file the preelection statements specified in subdivision (a) of Section 84200.7 in the case of a June election, or subdivision (b) of Section 84200.7 in the case of a November election.

(c) All candidates being voted upon on a date other than the first Tuesday after the first Monday in June or November of an even-numbered year, their controlled committees, and committees primarily formed to support or oppose a candidate or a measure being voted upon on a date other than the first Tuesday after the first Monday in June or November of an even-numbered year shall file the preelection statements specified in Section 84200.8.

(d) In an even-numbered year in which the statewide direct primary election is held on the first Tuesday after the first Monday in June, a state or county general purpose committee formed pursuant to subdivision (a) of Section 82013, other than a political party committee as defined in Section 85205, shall file the preelection statements specified in Section 84200.7 if it makes contributions or independent expenditures totaling five hundred dollars ($500) or more during the period covered by the preelection statement. A state or county general purpose committee formed pursuant to subdivision (b) or (c) of Section 82013 is not required to file the statements specified in Section 84200.7.

(e) During an even-numbered year in which the statewide direct primary election is held on a date other than the first Tuesday after the first Monday in June, a state or county general purpose committee formed pursuant to subdivision (a) of Section 82013, other than a political party committee as defined in Section 85205, shall file the preelection statements specified in Section 84200.8 if it makes contributions or independent expenditures totaling five hundred dollars ($500) or more during the period covered by the preelection statement. A state or county general purpose committee formed pursuant to subdivision (b) or (c) of Section 82013 is not required to file the statements specified in Section 84200.8.

(f) A political party committee as defined in Section 85205 shall file the applicable preelection statements specified in Section 84200.7 or 84200.8 in connection with a state election if the committee receives

contributions totaling one thousand dollars ($1,000) or more, or if it makes contributions or independent expenditures totaling five hundred dollars ($500) or more during the period covered by the preelection statement.

(g) City general purpose committees shall file statements as follows:

(1) City general purpose committees in a city which has an election on the first Tuesday after the first Monday in June or November of an even-numbered year shall file the statements specified in subdivision (a) or (b) of Section 84200.7 for the six-month period in which the city election is held, if they make contributions or independent expenditures totaling five hundred dollars ($500) or more during the period covered by the preelection statement.

(2) City general purpose committees in a city which has an election on a date other than the first Tuesday after the first Monday in June or November of an even-numbered year shall file the preelection statements specified in Section 84200.8 if they make contributions or independent expenditures totaling five hundred dollars ($500) or more during the period covered by the preelection statement.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 5. The Legislature finds and declares that the provisions of this act further the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

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 preserve the integrity of the state's political process and ensure prompt disclosure of campaign contributions to voters prior to election day, it is necessary that this act take effect immediately.

CHAPTER 624

An act to add and repeal Chapter 6.76 (commencing with Section 25299.100) of Division 20 of the Health and Safety Code, relating to

underground storage tanks, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Chapter 6.76 (commencing with Section 25299.100) is added to Division 20 of the Health and Safety Code, to read:

CHAPTER 6.76. LOANS FOR REPLACING, REMOVING, OR UPGRADING UNDERGROUND STORAGE TANKS

25299.100. For purposes of this chapter, the following definitions apply:

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

(b) ''Loan applicant'' means a small business that applies to the board for a loan pursuant to this chapter.

(c) ''Grant applicant'' means a small business that applies to the board for a grant pursuant to this chapter.

(d) ''Tank'' means an underground storage tank, as defined in Section 25281, used for the purpose of storing petroleum, as defined in Section 25299.22. ''Tank'' also includes under-dispenser containment systems, spill containment systems, enhanced monitoring and control systems, and vapor recovery systems and dispensers connected to the underground piping and the underground storage tank.

(e) ''Project tank'' means one or more tanks that would be upgraded, replaced, or removed with loan or grant funds.

25299.101. (a) The board shall conduct a loan program pursuant to this chapter, to assist small businesses in upgrading, replacing, or removing tanks to meet applicable local, state, or federal standards. Loan funds may also be used for corrective actions, as defined in Section 25299.14.

(b) The board shall also conduct a grant program, pursuant to this chapter, to assist small businesses to comply with Sections 25284.1 and 25292.4.

25299.102. The board shall only make loan funds available to loan applicants that meet all of the following eligibility requirements:

(a) The loan applicant is a small business, either as defined in Section 632 of Title 15 of the United States Code, and in the federal regulations adopted to implement that section, as specified in Part 121 (commencing with Section 121.1011) of Chapter 1 of Title 13 of the Code of Federal Regulations, or employs fewer than 500 full-time and part-time employees, is independently owned and operated, and is not dominant

in its field of operation. In either case, the principal office of the small business shall be domiciled in the state, and the officers of the small business shall be domiciled in this state. The board shall give priority to awarding loans to small businesses that meet the definition of small business specified in subdivision (d) of Section 14837 of the Government Code.

(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 board.

(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 and operated by the loan applicant are subject to compliance with Chapter 6.7 (commencing with Section 25280), 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 and the regulations adopted pursuant to this section.

25299.103. (a) A complete loan application shall include all of the following:

(1) Evidence of eligibility.

(2) An environmental audit, as specified in Section 5268 of Title 10 of the California Code of Regulations.

(3) Financial and legal documents necessary to demonstrate the applicant's ability to repay and provide collateral for the loan. The department shall develop a standard list of documents required of all applicants, and may also request from individual applicants additional financial and legal documents not provided on this list.

(4) An explanation of the reasons why the project tank is not in compliance with applicable local, state, or federal standards, and evidence that tanks not included in the list of project tanks are currently in compliance with applicable local, state, or federal standards.

(5) A detailed cost estimate of the tasks which are required to be completed in order for the project tanks to comply with applicable local, state, or federal standards.

(6) Any other information that the department determines to be necessary to include in an application form.

(b) Notwithstanding paragraph (4) of subdivision (a), the department may not refuse to grant a loan to an applicant solely because the applicant has failed to obtain a permit pursuant to the requirements of Chapter 6.7 (commencing with Section 25280).

25299.104. (a) The minimum amount that the board may loan an applicant is ten thousand dollars ($10,000), and the maximum amount

that the board may loan an applicant is seven hundred fifty thousand dollars ($750,000).

(b) The term of the loan shall be for a maximum of 20 years if secured by real property, and for 10 years if not secured by real property. The interest rate for loans shall be set at the rate earned by the Surplus Money Investment Fund at the time of the loan commitment.

(c) Loan funds may be used to finance up to 100 percent of the costs necessary to upgrade, remove, or replace project tanks, including corrective actions, to meet applicable local, state, or federal standards, including, but not limited to, any design, construction, monitoring, operation, or maintenance requirements adopted pursuant to Sections 25284.1 and 25292.4.

(d) The repeal of this chapter pursuant to Section 25299.117 shall not extinguish a loan obligation and shall not impair the deed of trust or other collateral made pursuant to this chapter or the authority of the state to pursue appropriate action for collection.

(e) The board may charge a loan fee to loan applicants of up to 2 percent of the requested loan amount. The loan fee shall be deposited in the Petroleum Financing Collection Account.

25299.105. (a) The board shall make grant funds available from the Petroleum Underground Storage Tank Financing Account to eligible grant applicants who meet all of the following eligibility requirements:

(1) The grant applicant is a small business, pursuant to the following requirements:

(A) The grant applicant meets the conditions for a small business concern as defined in Section 632 of Title 15 of the United States Code, and in the federal regulations adopted to implement that section, as specified in Part 121 (commencing with Section 121.101) of Chapter I of Title 13 of the Code of Federal Regulations.

(B) The grant applicant employs fewer than 20 full-time and part-time employees, is independently owned and operated, and is not dominant in its field of operation.

(2) The principal office of the grant applicant is domiciled in the state, and the officers of the grant applicant are domiciled in this state.

(3) The grant applicant, the applicant's family, or an affiliated entity, has owned or operated the project tank since January 1, 1997.

(4) All tanks owned and operated by the grant applicant are subject to compliance with Chapter 6.7 (commencing with Section 25280), and the regulations adopted pursuant to that chapter.

(5) The facility where the project tank is located has sold at retail less than 900,000 gallons of gasoline annually for each of the two years preceding the submission of the grant application. The number of gallons sold shall be based upon taxable sales figures provided to the State Board of Equalization for that facility.

(6) The grant applicant owns or operates a tank that is in compliance with Section 25290.1, 25290.2, or 25291, or subdivisions (d) and (e) of Section 25292, and the regulations adopted to implement those sections.

(7) The facility where the project tank is located was legally in business retailing gasoline after January 1, 1999.

(b) Grant funds may only be used to pay the costs necessary to comply with the requirements of Section 25284.1, 25292.4, or 25292.5.

(c) If the total amount of grant requests by eligible grant applicants to the board pursuant to this section exceeds, or is anticipated to exceed, the amount in the Petroleum Underground Storage Tank Financing Account, the board may adopt a priority ranking list to award grants based upon the level of demonstrated financial hardship of the eligible grant applicant, or the relative impact upon the local community where the project tank is located if the claim is denied.

25299.106. A complete grant application shall include all of the following information:

(a) Evidence of eligibility.

(b) Financial and legal documents necessary to demonstrate the applicant's financial hardship, if any. The board shall develop a standard list of documents required of all applicants, and may also request from individual applicants additional financial and legal documents not provided on this list.

(c) An explanation of the actions the applicant is required to take to comply with the requirements of Sections 25284.1 and 25292.4.

(d) A detailed cost estimate of the actions that are required to be completed for the project tanks to comply with applicable local, state, or federal standards.

(e) Any other information that the department determines to be necessary to include in an application form.

25299.107. (a) The minimum amount that the board may grant an applicant is three thousand dollars ($3,000), and the maximum amount that the board may grant an applicant is fifty thousand dollars ($50,000).

(b) Grant funds may be used to finance up to 100 percent of the costs necessary to comply with Sections 25284.1, 25292.4, and 25292.5. No person or entity is eligible to receive more than fifty thousand dollars ($50,000) in grant funds pursuant to this chapter.

25299.108. The board shall adopt regulations necessary to implement and make specific this chapter as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of the Government Code, and for purposes of that chapter, including Section 11349.6, the adoption of the regulations shall be considered by the Office of Administrative Law to be necessary for the immediate preservation of the public peace, health and safety, and general welfare. Notwithstanding subdivision (e) of Section 11346.1 of

the Government Code, the regulations shall be repealed 180 days after their effective date unless the board complies with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 pursuant to subdivision (e) of Section 11346.1 of the Government Code.

25299.109. (a) The Petroleum Underground Storage Tank Financing Account is hereby created in the State Treasury. The Petroleum Underground Storage Tank Financing Account is created for both of the following purposes:

(1) Receiving federal, state, and local money.

(2) Receiving repayments of loans and interest and late fees on those accounts.

(b) Upon appropriation by the Legislature, funds in the account shall be used by the board only to make loans and grants pursuant to this chapter.

(c) The board shall annually make available not more than 33 percent of the available funds from the account for the purposes of providing grants pursuant to this chapter.

(d) Notwithstanding Section 16305.7 of the Government Code, all interest or other increments resulting from the investment of the funds in the Petroleum Underground Storage Tank Financing Account pursuant to Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code shall be deposited in a subaccount of the Petroleum Underground Storage Tank Financing Account, and expended only pursuant to Section 25299.113.

25299.110. (a) There is hereby created, in the California Economic Development Grant and Loan Fund, the Petroleum Financing Collection Account. The Petroleum Financing Collection Account is created solely for the purpose of receiving charges, fees, and income, including, but not limited to, the charges and costs collected pursuant to subdivision (c).

(b) To defray the costs of the board in administrating the loan program created pursuant to this chapter, the board may do all of the following:

(1) Impose reasonable charges on all applications and impose the loan fee specified in subdivision (e) of Section 25299.104.

(2) Recover collection costs from the borrower or other party.

(3) Earn income on any asset recovered pursuant to a loan default.

(c) The board shall deposit the charges and costs collected pursuant to subdivision (b), including the loan fees charged pursuant to subdivision (e) of Section 25299.104, in the Petroleum Financing Collection Account. Notwithstanding Section 13340 of the Government Code, all money deposited in the Petroleum Financing Collection Account shall be continuously appropriated to the board for those costs necessary to protect the state's position as a lender-creditor. These costs shall be broadly construed to include, but not be limited to, foreclosure expenses, auction fees, title searches, appraisals, real estate brokerage

fees, attorney fees, mortgage payments, insurance payments, utility costs, repair costs, removal and storage costs for repossessed equipment and inventory, and additional expenditures to purchase a senior lien in foreclosure or bankruptcy proceedings.

25299.111. If this chapter is repealed pursuant to Section 25299.117, then following the day on which the authority ceases to exist, all moneys in the Petroleum Underground Storage Tank Financing Account and all moneys due that account shall revert to, and accrue to the benefit of, the Underground Storage Tank Cleanup Fund in the State Treasury.

25299.112. On or before January 1 of each year, the board shall submit a report to the Legislature concerning the performance of the grant and loan program established by this chapter, including the number and size of grants and loans made, characteristics of grant and loan recipients, the number of underground storage tanks removed and upgraded as a result of the grant and loan program, and the amount of money spent on administering the program. Copies of the report shall be submitted to the appropriate fiscal and policy committees of the Legislature and, upon request, to individual Members of the Legislature.

25299.113. (a) The board may, upon appropriation by the Legislature in the annual Budget Act, expend the funds in the subaccount established in the Petroleum Underground Storage Tank Financing Account in subdivision (d) of Section 25299.109 for the administrative expenses in carrying out this chapter.

(b) Commencing on the effective date of this chapter, the Controller shall do all of the following:

(1) Transfer the interest payments from loan applicants and interest earned on the funds in the Petroleum Underground Storage Tank Financing Account received from July 1, 2002, to the effective date of this chapter, inclusive, into the subaccount established in subdivision (d) of Section 25299.109.

(2) Direct to the Petroleum Underground Storage Tank Financing Account repayments of principal of loans issued pursuant to former Chapter 8.5 (commencing with Section 15399.10) of Part 6.7 of Division 3 of Title 2 of the Government Code, as that chapter existed on December 31, 2003.

(3) Direct to the subaccount established in subdivision (d) of Section 25299.109, the payment of interest on loans issued pursuant to former Chapter 8.5 (commencing with Section 15399.10) of Part 6.7 of Division 3 of Title 2 of the Government Code, as that chapter existed on December 31, 2003.

(c) For the 2004–05 fiscal year, using funds available in the subaccount established in subdivision (d) of Section 25299.109, the Department of Finance may augment the board's budget for the

reasonable amount necessary to implement this chapter and may administratively establish necessary positions. Pursuant to subdivision (a), the board shall request the continuation of the necessary positions and funding for the 2005–06 fiscal year, and succeeding years, through the annual Budget Act.

25299.114. All persons serving in an exempt position engaged in the performance of a function described in former Chapter 8.5 (commencing with Section 15399.10) of Part 6.7 of Division 3 of Title 2 of the Government Code as repealed by Chapter 229 of the Statutes of 2003 or the administration of the program described in that chapter shall be transferred to the board subject to approval by the Department of Finance. This transfer shall not affect the status, positions, and rights of these persons. Section 19050.9 of the Government Code shall apply to the transfer of persons serving in state civil service who are engaged in the performance of a function or the administration of that chapter.

25299.115. The repeal of former Chapter 8.5 (commencing with Section 15399.10) of Part 6.7 of Division 3 of Title 2 of the Government Code by Chapter 229 of the Statutes of 2003 shall not be construed to terminate any obligation to pay claims filed, repay loans outstanding, or resolve any cost recovery action filed on or before January 1, 2004.

25299.116. A recipient of a grant that was awarded pursuant to former Chapter 8.5 (commencing with Section 15399.10) of Part 6.7 of Division 3 of Title 2 of the Government Code, as that chapter existed on December 31, 2003, and that expired after December 31, 2003, may receive grant funds from the Petroleum Underground Storage Tank Financing Account consistent with the terms of the grant, for one year following enactment of this chapter, notwithstanding expiration of the grant.

25299.117. This chapter is repealed as of January 1, 2011, unless a later enacted statute that is enacted on or before January 1, 2011, deletes or extends that date.

SEC. 2. Eight million dollars ($8,000,000) is hereby transferred from the Underground Storage Tank Cleanup Fund in the State Treasury to the Petroleum Underground Storage Tank Financing Account and that sum is appropriated from that account to the State Water Resources Control Board, to be used for the purposes specified in subdivision (b) of Section 25299.109 of the Health and Safety Code. In the 2004–05 fiscal year, the State Water Resources Control Board shall not spend more than five million dollars ($5,000,000) of that amount for making grants pursuant to Chapter 6.76 (commencing with Section 25299.100) of Division 20 of the Health and Safety Code.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of

Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to reestablish within the State Water Resources Control Board the program to make loans and grants to small businesses to undertake certain corrective actions with respect to underground petroleum storage tanks as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 625

An act to amend Sections 2342.5 and 2850 of, and to add Section 2344 to, the Probate Code, relating to conservators and guardians.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. (a) On or before January 1, 2006, the Judicial Council shall adopt a rule of court that shall do all of the following:

(1) Specifies the qualifications of a private professional conservator or private professional guardian.

(2) Specifies the number of hours of education in classes related to the duties of the conservator or guardian that a private professional conservator or private professional guardian must complete each year.

(3) Specifies the particular subject matter that may be included in the education required each year.

(4) Requires a private professional conservator or private professional guardian to certify to the court the completion of the yearly specified hours of education.

(b) In formulating the rule required by this section:

(1) The Judicial Council shall consult with interested parties, including, but not limited to, the Professional Fiduciary Association of California, the California Bar Association, the National Guardianship Association, and the Association of Professional Geriatric Care Managers.

(2) The Judicial Council may include provisions that allow courts to waive the educational requirements in individual cases when compliance would constitute an undue hardship.

(c) In formulating the rule described by this section, the Judicial Council is not required to include provisions regarding the qualifications or educational requirements of an individual who is appointed by the court pursuant to Section 1514 as a guardian of the person only.

SEC. 2. Section 2342.5 of the Probate Code is amended to read:

2342.5. (a) Notwithstanding Section 2342, all natural persons who are authorized by a private entity, which is exempt from federal income taxation pursuant to Section 501(C)(3) of the Internal Revenue Code or is exempt from state taxes pursuant to Sections 23701 and 23701d of the Revenue and Taxation Code, to perform the functions of a conservator may elect to annually file a statement required by subdivision (a) of Section 2342 only with the clerk of the court of the county in which the private entity has its principal place of business if all of the following requirements are met:

(1) The private entity provides conservatorship services to 10 or more conservatees with assets of less than twenty thousand dollars ($20,000) each.

(2) At least 40 percent of the total number of conservatees served by the private entity in the state have assets of less than twenty thousand dollars ($20,000) each.

(3) The total annual fees received by the private entity for providing conservatorship services do not exceed 5 percent of the total assets of all the conservatees served by the private entity.

Only the clerk of the court and superior court of the county in which this statement is filed shall be required to comply with the background check requirements of Section 2342 for this statement.

(b) Upon filing of a petition for appointment, a private professional conservator described in subdivision (a) shall state that he or she is a private professional conservator and the name of the county in which the information required by Section 2342 is on file.

(c) A private professional conservator described in subdivision (a) shall meet the educational requirements generally established by the Judicial Council for private professional conservators.

SEC. 3. Section 2344 is added to the Probate Code, to read:

2344. (a) A private professional conservator or a private professional guardian shall meet the requirements for education and experience established by the Judicial Council prior to appointment as conservator or guardian.

(b) A private professional conservator or private professional guardian that fails to fulfill the educational requirements established by the Judicial Council for appointment as a private professional conservator or a private professional guardian may not register with the Statewide Registry.

(c) This section does not apply to an individual who is appointed by the court pursuant to Section 1514 as a guardian of the person only.

SEC. 4. Section 2850 of the Probate Code is amended to read:

2850. (a) The Department of Justice shall maintain a Statewide Registry and shall make all information in the registry available to the

court for any purpose, but shall otherwise be kept confidential. On request, the registry may disclose to the public whether an individual is or is not registered with the Statewide Registry. Except as otherwise provided in Section 2854, all persons who wish to serve as a conservator, guardian, or trustee or who are currently serving as a conservator, guardian, or trustee shall register with the Statewide Registry and shall reregister every three years thereafter. ''Registration'' means the filing of a declaration pursuant to subdivision (b).

(b) All conservators, guardians, and trustees required to file information with the clerk of the court pursuant to Section 2340 or required to register pursuant to this chapter shall file a signed declaration with the Statewide Registry. A person who signs a declaration pursuant to this subdivision asserting the truth of any material matter which he or she knows to be false is guilty of a misdemeanor punishable by imprisonment for up to one year in a county jail, or a fine of not more than two thousand dollars ($2,000), or both that fine and imprisonment. The declaration shall contain the following information:

(1) Full name.

(2) Professional name, if different from (1).

(3) Business address.

(4) Business telephone number or numbers.

(5) His or her educational background and professional experience, including verification of any college or graduate degree claimed.

(6) The names of the conservator's current conservatees, the guardian's current wards, or the current trusts administered by the trustee.

(7) The aggregate dollar value of all assets currently under the conservator's, guardian's, or trustee's supervision.

(8) Whether he or she has ever been removed for cause or resigned as conservator, guardian, or trustee in a specific case, the circumstances of that removal or resignation, and the case names, court locations, and case numbers.

(9) In the case of a private professional conservator or a private professional guardian, compliance with the educational requirements established by the Judicial Council for private professional conservators and private professional guardians.

(c) On request, the registry may disclose to a member of the public the educational background and professional experience of a conservator, guardian, or trustee registered with the Statewide Registry.

(d) The Department of Justice may charge a reasonable fee to persons registering and reregistering with the Statewide Registry for the cost of that registration. The Department of Justice shall issue a certificate of registration to each registrant.

(e) Each court clerk shall forward a copy of any complaint filed with that court, and found to be meritorious by that court, against a conservator, guardian, or trustee in his or her capacity as a conservator, guardian, or trustee for inclusion in the Statewide Registry. The Statewide Registry shall place any copies of those complaints in the file of that conservator, guardian, or trustee. No anonymous complaint may be considered pursuant to this section.

SEC. 4.5. Section 2850 of the Probate Code is amended to read:

2850. (a) (1) The Department of Justice shall maintain a Statewide Registry and shall make all information in the registry available to the court for any purpose, but shall otherwise keep this information confidential, except as provided in this section.

(2) (A) On request, the registry shall disclose to the public the following:

(i) Whether an individual is or is not registered with the Statewide Registry.

(ii) Whether the Statewide Registry contains any information filed pursuant to subdivision (d) for a specific individual regarding his or her duties as a conservator, guardian, or trustee.

(iii) The educational background and professional experience of an individual registered with the Statewide Registry.

(B) Upon written request by a member of the public, the registry shall provide access to any information filed with the registry pursuant to subdivision (d) regarding a conservator, guardian, or trustee.

(3) Except as otherwise provided in Section 2854, all persons who wish to serve as a conservator, guardian, or trustee or who are currently serving as a conservator, guardian, or trustee shall register with the Statewide Registry and shall reregister every three years thereafter. ''Registration'' means the filing of a declaration pursuant to subdivision (b).

(b) All conservators, guardians, and trustees required to file information with the clerk of the court pursuant to Section 2340 or required to register pursuant to this chapter shall file a signed declaration with the Statewide Registry. A person who signs a declaration pursuant to this subdivision asserting the truth of any material matter which he or she knows to be false is guilty of a misdemeanor punishable by imprisonment for up to one year in a county jail, or a fine of not more than two thousand dollars ($2,000), or both that fine and imprisonment. The declaration shall contain the following information:

(1) Full name.

(2) Professional name, if different from paragraph (1).

(3) Business address.

(4) Business telephone number or numbers.

(5) His or her educational background and professional experience, including verification of any college or graduate degree claimed.

(6) The names of the conservator's current conservatees, the guardian's current wards, or the current trusts administered by the trustee.

(7) The aggregate dollar value of all assets currently under the conservator's, guardian's, or trustee's supervision.

(8) Whether he or she has ever been removed for cause or resigned as conservator, guardian, or trustee in a specific case, the circumstances of that removal or resignation, and the case names, court locations, and case numbers.

(9) In the case of a private professional conservator or a private professional guardian, compliance with the educational requirements established by the Judicial Council for private professional conservators and private professional guardians.

(c) The Department of Justice may charge a reasonable fee to persons registering and reregistering with the Statewide Registry for the cost of that registration. The Department of Justice shall issue a certificate of registration to each registrant.

(d) If a court makes a finding that a conservator, guardian, or trustee has not properly performed the duties of a conservator, guardian, or trustee, and that finding results in an order for a surcharge for other than nominal damages or for removal of the conservator, guardian, or trustee, the court clerk shall forward a copy of the court's findings and order to the Statewide Registry, which shall include this information in the file of that conservator, guardian, or trustee.

SEC. 5. Section 4.5 of this bill incorporates amendments to Section 2850 of the Probate Code proposed by both this bill and SB 1248. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 2850 of the Probate Code, and (3) this bill is enacted after SB 1248, in which case Section 4 of this bill shall not become operative.

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 that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 626

An act to add Article 10.2.1(commencing with Section 25214.8.1) to Chapter 6.5 of Division 20 of the Health and Safety Code, relating to hazardous waste.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Article 10.2.1 (commencing with Section 25214.8.1) is added to Chapter 6.5 of Division 20 of the Health and Safety Code, to read:

Article 10.2.1. Mercury-Added Thermostats

25214.8.1. (a) The Legislature finds and declares all of the following:

(1) Once mercury is released into the environment it can change to methyl mercury, a highly toxic compound. Methyl mercury is easily taken up in living tissue and bioaccumulates over time, causing serious health effects, including neurological and reproductive disorders in humans and wildlife. Since mercury does not break down in the environment, it has become a significant health threat to humans and wildlife.

(2) Due to the bioaccumulation of mercury and other contaminants in fish, the California Environmental Protection Agency has issued a warning advising that adults and women who are pregnant or who may become pregnant should limit their fish intake from several state waterways.

(3) Increasingly stringent mercury discharge limits for wastewater treatment plants make the identification and elimination of unnecessary sources of mercury a critical task, because the cost of mercury removal at a wastewater treatment plant is far greater than the societal benefits of continuing use of mercury containing products, as currently formulated.

(4) Thermostats are among the largest remaining sources of mercury in consumer products that can be legally sold in California.

(5) Most thermostats contain 3,000 milligrams of mercury and have a 35-year lifespan.

(6) Mercury thermostats are hazardous waste when discarded, and on and after January 1, 2006, all mercury thermostat wastes will be prohibited from disposal in a solid waste landfill under the regulations adopted pursuant to this chapter.

(7) Economical alternatives to mercury thermostats are available for commercial and residential applications.

(b) For purposes of this article ''mercury-added thermostat'' means a product or device that uses a mercury switch to sense and control room temperature through communication with heating, ventilating, or air-conditioning equipment. A mercury-added thermostat includes thermostats used to sense and control room temperature in residential, commercial, industrial, and other buildings but does not include a thermostat used to sense and control temperature as part of a manufacturing process.

25214.8.2. On and after January 1, 2006, a person shall not sell, offer to sell, or distribute for promotional purposes in this state, a mercury-added thermostat, unless the mercury-added thermostat meets either of the following criteria:

(a) The thermostat will be used for manufacturing or industrial purposes.

(b) The thermostat will be used by a blind or visually impaired person.

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 that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 627

An act to add Article 13 (commencing with Section 44297) to Chapter 9 of Part 5 of Division 26 of, the Health and Safety Code, relating to air pollution.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) Emissions of particulate matter, including, but not limited to, coarse particulate matter (PM10) and fine particulate matter (PM2.5), lodge deep into the lungs and contribute to a wide range of adverse health impacts, including, but not limited to, increased infant morbidity and

mortality, reduced lung function, increased respiratory symptoms in asthmatics and nonasthmatics, and increased emergency room visits.

(b) Ninety-nine percent of the state's population live in areas that fail to meet the state's ambient air quality standard for PM10.

(c) Particulate matter emissions can have community-level impacts, with the potential for adverse health effects greatest in those communities with the heaviest concentration of PM emission sources.

(d) Diesel particulate matter has been identified by the State Air Resources Board as both a carcinogen and a toxic air contaminant. According to the state board, particulate matter from diesel-fueled engines contributes more than 70 percent of the known risk from toxic air contaminants in the state today.

(e) Diesel engines are durable, and it is not uncommon for a heavy-duty diesel vehicle to stay on the road for 30 years. These oldest diesel engines contribute disproportionately to the state's oxides of nitrogen (NO_x) and PM emission inventories. A diesel truck produced between the years of 1975 and 1983 emits 10 times as much NO_x, and six times as much PM, as a diesel truck that meets current standards.

(f) Owners of the oldest heavy-duty diesel vehicles tend to be relatively low-income independent owner-operators who provide short-haul services, usually within a single air district and concentrated in specified industrial sectors, including, but not limited to, port operations.

(g) The Carl Moyer Memorial Air Quality Standards Attainment Program (Ch. 9 (commencing with Sec. 44275) Pt. 5, Div. 26, H. & S.C.) has successfully encouraged the adoption of cleaner diesel and alternative fueled heavy-duty engines. However, the program is not currently designed to remove oldest, heaviest polluting vehicles or to replace them with newer, lower emission vehicles, in large part because the owners of the oldest trucks cannot afford to buy a vehicle that qualifies for incentives under the program.

(h) It is in the public interest to pursue all cost-effective efforts consistent with the Carl Moyer program, to retire from service the oldest, heaviest polluting heavy-duty diesel trucks and replace them with newer, lower emission vehicles.

SEC. 2. Article 13 (commencing with Section 44297) is added to Chapter 9 of Part 5 of Division 26 of the Health and Safety Code, to read:

Article 13. Heavy-Duty Fleet Modernization Projects

44297. (a) The state board, acting within its existing authority, shall, at its first opportunity following January 1, 2005, revise the grant criteria and guidelines adopted pursuant to Section 44287 to incorporate projects described in subdivision (c).

(b) The guidelines may define eligible costs to include monitoring and verifying compliance with this article.

(c) Notwithstanding any other provision of this chapter, a project that meets either of the following criteria constitutes a heavy-duty fleet modernization project and thus is eligible for funding under the program, if it complies with the guidelines established by the state board pursuant to subdivision (a):

(1) Replaces an old engine or vehicle with a newer engine or vehicle certified to more stringent emissions standards than the engine or vehicle being replaced, pursuant to paragraph (2) of subdivision (a) of Section 44281.

(2) Provides the equivalent emission reductions as would be gained by a project that combines both of the following:

(A) The purchase of a new very low or zero-emission covered vehicle pursuant to paragraph (1) of subdivision (a) of Section 44281.

(B) The replacement of an old engine or vehicle with a newer engine or vehicle certified to more stringent standards than the engine or vehicle being replaced, pursuant to paragraph (2) of subdivision (a) of Section 44281.

(c) In establishing guidelines pursuant to subdivision (a), the state board shall consider any existing heavy-duty fleet modernization program carried out by a district. The state board shall design a program that, to the extent feasible, includes fleet owners, independent truck owners, heavy-duty vehicle dealers, districts, and other participants it determines appropriate from existing local programs.

(d) The grants provided pursuant to this article shall provide moneys to offset the incremental cost of projects that reduce emissions of oxides of nitrogen (NO_X) and particulate matter (PM).

(e) The state board shall determine an appropriate weighted cost-effectiveness standard for projects intended to reduce particulate matter.

CHAPTER 628

An act to amend Section 1603 of the Penal Code, relating to release of committed persons.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 1603 of the Penal Code is amended to read:

1603. (a) Any person subject to subdivision (a) of Section 1601 may be placed on outpatient status if all of the following conditions are satisfied:

(1) The director of the state hospital or other treatment facility to which the person has been committed advises the committing court and the prosecutor that the defendant would no longer be a danger to the health and safety of others, including himself or herself, while under supervision and treatment in the community, and will benefit from that status.

(2) The community program director advises the court that the defendant will benefit from that status, and identifies an appropriate program of supervision and treatment.

(3) The prosecutor shall provide notice of the hearing date and pending release to the victim or next of kin of the victim of the offense for which the person was committed where a request for the notice has been filed with the court, and after a hearing in court, the court specifically approves the recommendation and plan for outpatient status pursuant to Section 1604. The burden shall be on the victim or next of kin to the victim to keep the court apprised of the party's current mailing address.

In any case in which the victim or next of kin to the victim has filed a request for notice with the director of the state hospital or other treatment facility, he or she shall be notified by the director at the inception of any program in which the committed person would be allowed any type of day release unattended by the staff of the facility.

(b) The community program director shall prepare and submit the evaluation and the treatment plan specified in paragraph (2) of subdivision (a) to the court within 30 calendar days after notification by the court to do so.

(c) Any evaluations and recommendations pursuant to paragraphs (1) and (2) of subdivision (a) shall include review and consideration of complete, available information regarding the circumstances of the criminal offense and the person's prior criminal history.

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.

CHAPTER 629

An act to amend Section 2105 of the Corporations Code, and to amend Section 7480 of the Government Code, relating to production of records.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 2105 of the Corporations Code is amended to read:

2105. (a) A foreign corporation shall not transact intrastate business without having first obtained from the Secretary of State a certificate of qualification. To obtain that certificate it shall file, on a form prescribed by the Secretary of State, a statement and designation signed by a corporate officer stating:

(1) Its name and the state or place of its incorporation or organization.

(2) The address of its principal executive office.

(3) The address of its principal office within this state, if any.

(4) The name of an agent upon whom process directed to the corporation may be served within this state. The designation shall comply with the provisions of subdivision (b) of Section 1502.

(5) (A) Its irrevocable consent to service of process directed to it upon the agent designated and to service of process on the Secretary of State if the agent so designated or the agent's successor is no longer authorized to act or cannot be found at the address given.

(B) Consent under this paragraph extends to service of process directed to the foreign corporation's agent in California for a search warrant issued pursuant to Section 1524.2 of the Penal Code, or for any other validly issued and properly served search warrant, for records or documents that are in the possession of the foreign corporation and are located inside or outside of this state. This subparagraph shall apply to a foreign corporation that is a party or a nonparty to the matter for which the search warrant is sought. For purposes of this subparagraph, ''properly served'' means delivered by hand, or in a manner reasonably allowing for proof of delivery if delivered by United States mail, overnight delivery service, or facsimile to a person or entity listed in Section 2110 of the Corporations Code.

(6) If it is a corporation which will be subject to the Insurance Code as an insurer, it shall so state that fact.

(b) Annexed to that statement and designation shall be a certificate by an authorized public official of the state or place of incorporation of the corporation to the effect that the corporation is an existing corporation in good standing in that state or place or, in the case of an association,

an officers' certificate stating that it is a validly organized and existing business association under the laws of a specified foreign jurisdiction.

(c) Before it may be designated by any foreign corporation as its agent for service of process, any corporate agent must comply with Section 1505.

SEC. 2. Section 7480 of the Government Code is amended to read:

7480. Nothing in this chapter prohibits any of the following:

(a) The dissemination of any financial information that is not identified with, or identifiable as being derived from, the financial records of a particular customer.

(b) When any police or sheriff's department or district attorney in this state certifies to a bank, credit union, or savings association in writing that a crime report has been filed that involves the alleged fraudulent use of drafts, checks, or other orders drawn upon any bank, credit union, or savings association in this state, the police or sheriff's department or district attorney may request a bank, credit union, or savings association to furnish, and a bank, credit union, or savings association shall furnish, a statement setting forth the following information with respect to a customer account specified by the police or sheriff's department or district attorney for a period 30 days prior to, and up to 30 days following, the date of occurrence of the alleged illegal act involving the account:

(1) The number of items dishonored.

(2) The number of items paid that created overdrafts.

(3) The dollar volume of the dishonored items and items paid which created overdrafts and a statement explaining any credit arrangement between the bank, credit union, or savings association and customer to pay overdrafts.

(4) The dates and amounts of deposits and debits and the account balance on these dates.

(5) A copy of the signature card, including the signature and any addresses appearing on a customer's signature card.

(6) The date the account opened and, if applicable, the date the account closed.

(7) A bank, credit union, or savings association that provides the requesting party with copies of one or more complete account statements prepared in the regular course of business shall be deemed to be in compliance with paragraphs (1), (2), (3), and (4).

(c) When any police or sheriff's department or district attorney in this state certifies to a bank, credit union, or savings association in writing that a crime report has been filed that involves the alleged fraudulent use of drafts, checks, or other orders drawn upon any bank, credit union, or savings association doing business in this state, the police or sheriff's department or district attorney may request, with the consent of the

accountholder, the bank, credit union, or savings association to furnish, and the bank, credit union, or savings association shall furnish, a statement setting forth the following information with respect to a customer account specified by the police or sheriff's department or district attorney for a period 30 days prior to, and up to 30 days following, the date of occurrence of the alleged illegal act involving the account:

(1) The number of items dishonored.

(2) The number of items paid that created overdrafts.

(3) The dollar volume of the dishonored items and items paid which created overdrafts and a statement explaining any credit arrangement between the bank, credit union, or savings association and customer to pay overdrafts.

(4) The dates and amounts of deposits and debits and the account balance on these dates.

(5) A copy of the signature card, including the signature and any addresses appearing on a customer's signature card.

(6) The date the account opened and, if applicable, the date the account closed.

(7) A bank, credit union, or savings association doing business in this state that provides the requesting party with copies of one or more complete account statements prepared in the regular course of business shall be deemed to be in compliance with paragraphs (1), (2), (3), and (4).

(d) For purposes of subdivision (c), consent of the accountholder shall be satisfied if an accountholder provides to the financial institution and the person or entity seeking disclosure, a signed and dated statement containing all of the following:

(1) Authorization of the disclosure for the period specified in subdivision (c).

(2) The name of the agency or department to which disclosure is authorized and, if applicable, the statutory purpose for which the information is to be obtained.

(3) A description of the financial records that are authorized to be disclosed.

(e) (1) The Attorney General, a supervisory agency, the Franchise Tax Board, the State Board of Equalization, the Employment Development Department, the Controller or an inheritance tax referee when administering the Prohibition of Gift and Death Taxes (Part 8 (commencing with Section 13301) of Division 2 of the Revenue and Taxation Code), a police or sheriff's department or district attorney, a county welfare department when investigating welfare fraud, a county auditor-controller or director of finance when investigating fraud against the county, or the Department of Corporations when conducting

investigations in connection with the enforcement of laws administered by the Commissioner of Corporations, from requesting of an office or branch of a financial institution, and the office or branch from responding to a request, as to whether a person has an account or accounts at that office or branch and, if so, any identifying numbers of the account or accounts.

(2) No additional information beyond that specified in this section shall be released to a county welfare department without either the accountholder's written consent or a judicial writ, search warrant, subpoena, or other judicial order.

(3) A county auditor-controller or director of finance who unlawfully discloses information he or she is authorized to request under this subdivision is guilty of the unlawful disclosure of confidential data, a misdemeanor, which shall be punishable as set forth in Section 7485.

(f) The examination by, or disclosure to, any supervisory agency of financial records that relate solely to the exercise of its supervisory function. The scope of an agency's supervisory function shall be determined by reference to statutes that grant authority to examine, audit, or require reports of financial records or financial institutions as follows:

(1) With respect to the Commissioner of Financial Institutions by reference to Division 1 (commencing with Section 99), Division 1.5 (commencing with Section 4800), Division 2 (commencing with Section 5000), Division 5 (commencing with Section 14000), Division 7 (commencing with Section 18000), Division 15 (commencing with Section 31000), and Division 16 (commencing with Section 33000) of the Financial Code.

(2) With respect to the Controller by reference to Title 10 (commencing with Section 1300) of Part 3 of the Code of Civil Procedure.

(3) With respect to the Administrator of Local Agency Security by reference to Article 2 (commencing with Section 53630) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

(g) The disclosure to the Franchise Tax Board of (1) the amount of any security interest that a financial institution has in a specified asset of a customer or (2) financial records in connection with the filing or audit of a tax return or tax information return that are required to be filed by the financial institution pursuant to Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or Part 18 (commencing with Section 38001) of the Revenue and Taxation Code.

(h) The disclosure to the State Board of Equalization of any of the following:

(1) The information required by Sections 6702, 6703, 8954, 8957, 30313, 30315, 32383, 32387, 38502, 38503, 40153, 40155, 41122,

41123.5, 43443, 43444.2, 44144, 45603, 45605, 46404, 46406, 50134, 50136, 55203, 55205, 60404, and 60407 of the Revenue and Taxation Code.

(2) The financial records in connection with the filing or audit of a tax return required to be filed by the financial institution pursuant to Part 1 (commencing with Section 6001), Part 2 (commencing with Section 7301), Part 3 (commencing with Section 8601), Part 13 (commencing with Section 30001), Part 14 (commencing with Section 32001), and Part 17 (commencing with Section 37001) of Division 2 of the Revenue and Taxation Code.

(3) The amount of any security interest a financial institution has in a specified asset of a customer, if the inquiry is directed to the branch or office where the interest is held.

(i) The disclosure to the Controller of the information required by Section 7853 of the Revenue and Taxation Code.

(j) The disclosure to the Employment Development Department of the amount of any security interest a financial institution has in a specified asset of a customer, if the inquiry is directed to the branch or office where the interest is held.

(k) The disclosure by a construction lender, as defined in Section 3087 of the Civil Code, to the Registrar of Contractors, of information concerning the making of progress payments to a prime contractor requested by the registrar in connection with an investigation under Section 7108.5 of the Business and Professions Code.

(*l*) Upon receipt of a written request from a local child support agency referring to a support order pursuant to Section 17400 of the Family Code, a financial institution shall disclose the following information concerning the account or the person named in the request, whom the local child support agency shall identify, whenever possible, by social security number:

(1) If the request states the identifying number of an account at a financial institution, the name of each owner of the account.

(2) Each account maintained by the person at the branch to which the request is delivered, and, if the branch is able to make a computerized search, each account maintained by the person at any other branch of the financial institution located in this state.

(3) For each account disclosed pursuant to paragraphs (1) and (2), the account number, current balance, street address of the branch where the account is maintained, and, to the extent available through the branch's computerized search, the name and address of any other person listed as an owner.

(4) Whenever the request prohibits the disclosure, a financial institution shall not disclose either the request or its response, to an owner of the account or to any other person, except the officers and

employees of the financial institution who are involved in responding to the request and to attorneys, employees of the local child support agencies, auditors, and regulatory authorities who have a need to know in order to perform their duties, and except as disclosure may be required by legal process.

(5) No financial institution, or any officer, employee, or agent thereof, shall be liable to any person for (A) disclosing information in response to a request pursuant to this subdivision, (B) failing to notify the owner of an account, or complying with a request under this paragraph not to disclose to the owner, the request or disclosure under this subdivision, or (C) failing to discover any account owned by the person named in the request pursuant to a computerized search of the records of the financial institution.

(6) The local child support agency may request information pursuant to this subdivision only when the local child support agency has received at least one of the following types of physical evidence:

(A) Any of the following, dated within the last three years:

(i) Form 599.

(ii) Form 1099.

(iii) A bank statement.

(iv) A check.

(v) A bank passbook.

(vi) A deposit slip.

(vii) A copy of a federal or state income tax return.

(viii) A debit or credit advice.

(ix) Correspondence that identifies the child support obligor by name, the bank, and the account number.

(x) Correspondence that identifies the child support obligor by name, the bank, and the banking services related to the account of the obligor.

(xi) An asset identification report from a federal agency.

(B) A sworn declaration of the custodial parent during the 12 months immediately preceding the request that the person named in the request has had or may have had an account at an office or branch of the financial institution to which the request is made.

(7) Information obtained by a local child support agency pursuant to this subdivision shall be used only for purposes that are directly connected within the administration of the duties of the local child support agency pursuant to Section 17400 of the Family Code.

(m) (1) As provided in paragraph (1) of subdivision (c) of Section 666 of Title 42 of the United States Code, upon receipt of an administrative subpoena on the current federally approved interstate child support enforcement form, as approved by the federal Office of Management and Budget, a financial institution shall provide the information or documents requested by the administrative subpoena.

(2) The administrative subpoena shall refer to the current federal Office of Management and Budget control number and be signed by a person who states that he or she is an authorized agent of a state or county agency responsible for implementing the child support enforcement program set forth in Part D (commencing with Section 651) of Subchapter IV of Chapter 7 of Title 42 of the United States Code. A financial institution may rely on the statements made in the subpoena and has no duty to inquire into the truth of any statement in the subpoena.

(3) If the person who signs the administrative subpoena directs a financial institution in writing not to disclose either the subpoena or its response to any owner of an account covered by the subpoena, the financial institution shall not disclose the subpoena or its response to the owner.

(4) No financial institution, or any officer, employee, or agent thereof, shall be liable to any person for (A) disclosing information or providing documents in response to a subpoena pursuant to this subdivision, (B) failing to notify any owner of an account covered by the subpoena or complying with a request not to disclose to the owner, the subpoena or disclosure under this subdivision, or (C) failing to discover any account owned by the person named in the subpoena pursuant to a computerized search of the records of the financial institution.

(n) The dissemination of financial information and records pursuant to any of the following:

(1) Compliance by a financial institution with the requirements of Section 2892 of the Probate Code.

(2) Compliance by a financial institution with the requirements of Section 2893 of the Probate Code.

(3) An order by a judge upon a written ex parte application by a peace officer showing specific and articulable facts that there are reasonable grounds to believe that the records or information sought are relevant and material to an ongoing investigation of a felony violation of Section 186.10 or of any felony subject to the enhancement set forth in Section 186.11.

(A) The ex parte application shall specify with particularity the records to be produced, which shall be only those of the individual or individuals who are the subject of the criminal investigation.

(B) The ex parte application and any subsequent judicial order shall be open to the public as a judicial record unless ordered sealed by the court, for a period of 60 days. The sealing of these records may be extended for 60-day periods upon a showing to the court that it is necessary for the continuance of the investigation. Sixty-day extensions may continue for up to one year or until termination of the investigation of the individual or individuals, whichever is sooner.

(C) The records ordered to be produced shall be returned to the peace officer applicant or his or her designee within a reasonable time period after service of the order upon the financial institution.

(D) Nothing in this subdivision shall preclude the financial institution from notifying a customer of the receipt of the order for production of records unless a court orders the financial institution to withhold notification to the customer upon a finding that the notice would impede the investigation.

(E) Where a court has made an order pursuant to this paragraph to withhold notification to the customer under this paragraph, the peace officer or law enforcement agency who obtained the financial information shall notify the customer by delivering a copy of the ex parte order to the customer within 10 days of the termination of the investigation.

(4) No financial institution, or any officer, employee, or agent thereof, shall be liable to any person for any of the following:

(A) Disclosing information to a probate court pursuant to Sections 2892 and 2893.

(B) Disclosing information in response to a court order pursuant to paragraph (3).

(C) Complying with a court order under this subdivision not to disclose to the customer, the order, or the dissemination of information pursuant to the court order.

(o) Disclosure by a financial institution to a peace officer, as defined in Section 830.1 of the Penal Code, pursuant to the following:

(1) Paragraph (1) of subdivision (a) of Section 1748.95 of the Civil Code, provided that the financial institution has first complied with the requirements of paragraph (2) of subdivision (a) and subdivision (b) of Section 1748.95 of the Civil Code.

(2) Paragraph (1) of subdivision (a) of Section 4002 of the Financial Code, provided that the financial institution has first complied with the requirements of paragraph (2) of subdivision (a) and subdivision (b) of Section 4002 of the Financial Code.

(3) Paragraph (1) of subdivision (a) of Section 22470 of the Financial Code, provided that any financial institution that is a finance lender has first complied with the requirements of paragraph (2) of subdivision (a) and subdivision (b) of Section 22470 of the Financial Code.

SEC. 3. Section 7480 of the Government Code is amended to read:

7480. Nothing in this chapter prohibits any of the following:

(a) The dissemination of any financial information that is not identified with, or identifiable as being derived from, the financial records of a particular customer.

(b) When any police or sheriff's department or district attorney in this state certifies to a bank, credit union, or savings association in writing

that a crime report has been filed that involves the alleged fraudulent use of drafts, checks, or other orders drawn upon any bank, credit union, or savings association in this state, the police or sheriff's department or district attorney may request a bank, credit union, or savings association to furnish, and a bank, credit union, or savings association shall furnish, a statement setting forth the following information with respect to a customer account specified by the police or sheriff's department or district attorney for a period 30 days prior to, and up to 30 days following, the date of occurrence of the alleged illegal act involving the account:

(1) The number of items dishonored.

(2) The number of items paid that created overdrafts.

(3) The dollar volume of the dishonored items and items paid which created overdrafts and a statement explaining any credit arrangement between the bank, credit union, or savings association and customer to pay overdrafts.

(4) The dates and amounts of deposits and debits and the account balance on these dates.

(5) A copy of the signature card, including the signature and any addresses appearing on a customer's signature card.

(6) The date the account opened and, if applicable, the date the account closed.

(7) A bank, credit union, or savings association that provides the requesting party with copies of one or more complete account statements prepared in the regular course of business shall be deemed to be in compliance with paragraphs (1), (2), (3), and (4).

(c) When any police or sheriff's department or district attorney in this state certifies to a bank, credit union, or savings association in writing that a crime report has been filed that involves the alleged fraudulent use of drafts, checks, or other orders drawn upon any bank, credit union, or savings association doing business in this state, the police or sheriff's department or district attorney may request, with the consent of the accountholder, the bank, credit union, or savings association to furnish, and the bank, credit union, or savings association shall furnish, a statement setting forth the following information with respect to a customer account specified by the police or sheriff's department or district attorney for a period 30 days prior to, and up to 30 days following, the date of occurrence of the alleged illegal act involving the account:

(1) The number of items dishonored.

(2) The number of items paid that created overdrafts.

(3) The dollar volume of the dishonored items and items paid which created overdrafts and a statement explaining any credit arrangement

between the bank, credit union, or savings association and customer to pay overdrafts.

(4) The dates and amounts of deposits and debits and the account balance on these dates.

(5) A copy of the signature card, including the signature and any addresses appearing on a customer's signature card.

(6) The date the account opened and, if applicable, the date the account closed.

(7) A bank, credit union, or savings association doing business in this state that provides the requesting party with copies of one or more complete account statements prepared in the regular course of business shall be deemed to be in compliance with paragraphs (1), (2), (3), and (4).

(d) For purposes of subdivision (c), consent of the accountholder shall be satisfied if an accountholder provides to the financial institution and the person or entity seeking disclosure, a signed and dated statement containing all of the following:

(1) Authorization of the disclosure for the period specified in subdivision (c).

(2) The name of the agency or department to which disclosure is authorized and, if applicable, the statutory purpose for which the information is to be obtained.

(3) A description of the financial records that are authorized to be disclosed.

(e) (1) The Attorney General, a supervisory agency, the Franchise Tax Board, the State Board of Equalization, the Employment Development Department, the Controller or an inheritance tax referee when administering the Prohibition of Gift and Death Taxes (Part 8 (commencing with Section 13301) of Division 2 of the Revenue and Taxation Code), a police or sheriff's department or district attorney, a county welfare department when investigating welfare fraud, a county auditor-controller or director of finance when investigating fraud against the county, or the Department of Corporations when conducting investigations in connection with the enforcement of laws administered by the Commissioner of Corporations, from requesting of an office or branch of a financial institution, and the office or branch from responding to a request, as to whether a person has an account or accounts at that office or branch and, if so, any identifying numbers of the account or accounts.

(2) No additional information beyond that specified in this section shall be released to a county welfare department without either the accountholder's written consent or a judicial writ, search warrant, subpoena, or other judicial order.

(3) A county auditor-controller or director of finance who unlawfully discloses information he or she is authorized to request under this subdivision is guilty of the unlawful disclosure of confidential data, a misdemeanor, which shall be punishable as set forth in Section 7485.

(f) The examination by, or disclosure to, any supervisory agency of financial records that relate solely to the exercise of its supervisory function. The scope of an agency's supervisory function shall be determined by reference to statutes that grant authority to examine, audit, or require reports of financial records or financial institutions as follows:

(1) With respect to the Commissioner of Financial Institutions by reference to Division 1 (commencing with Section 99), Division 1.5 (commencing with Section 4800), Division 2 (commencing with Section 5000), Division 5 (commencing with Section 14000), Division 7 (commencing with Section 18000), Division 15 (commencing with Section 31000), and Division 16 (commencing with Section 33000) of the Financial Code.

(2) With respect to the Controller by reference to Title 10 (commencing with Section 1300) of Part 3 of the Code of Civil Procedure.

(3) With respect to the Administrator of Local Agency Security by reference to Article 2 (commencing with Section 53630) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

(g) The disclosure to the Franchise Tax Board of (1) the amount of any security interest that a financial institution has in a specified asset of a customer or (2) financial records in connection with the filing or audit of a tax return or tax information return that are required to be filed by the financial institution pursuant to Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or Part 18 (commencing with Section 38001) of the Revenue and Taxation Code.

(h) The disclosure to the State Board of Equalization of any of the following:

(1) The information required by Sections 6702, 6703, 8954, 8957, 30313, 30315, 32383, 32387, 38502, 38503, 40153, 40155, 41122, 41123.5, 43443, 43444.2, 44144, 45603, 45605, 46404, 46406, 50134, 50136, 55203, 55205, 60404, and 60407 of the Revenue and Taxation Code.

(2) The financial records in connection with the filing or audit of a tax return required to be filed by the financial institution pursuant to Part 1 (commencing with Section 6001), Part 2 (commencing with Section 7301), Part 3 (commencing with Section 8601), Part 13 (commencing with Section 30001), Part 14 (commencing with Section 32001), and Part 17 (commencing with Section 37001) of Division 2 of the Revenue and Taxation Code.

(3) The amount of any security interest a financial institution has in a specified asset of a customer, if the inquiry is directed to the branch or office where the interest is held.

(i) The disclosure to the Controller of the information required by Section 7853 of the Revenue and Taxation Code.

(j) The disclosure to the Employment Development Department of the amount of any security interest a financial institution has in a specified asset of a customer, if the inquiry is directed to the branch or office where the interest is held.

(k) The disclosure by a construction lender, as defined in Section 3087 of the Civil Code, to the Registrar of Contractors, of information concerning the making of progress payments to a prime contractor requested by the registrar in connection with an investigation under Section 7108.5 of the Business and Professions Code.

(*l*) Upon receipt of a written request from a local child support agency referring to a support order pursuant to Section 17400 of the Family Code, a financial institution shall disclose the following information concerning the account or the person named in the request, whom the local child support agency shall identify, whenever possible, by social security number:

(1) If the request states the identifying number of an account at a financial institution, the name of each owner of the account.

(2) Each account maintained by the person at the branch to which the request is delivered, and, if the branch is able to make a computerized search, each account maintained by the person at any other branch of the financial institution located in this state.

(3) For each account disclosed pursuant to paragraphs (1) and (2), the account number, current balance, street address of the branch where the account is maintained, and, to the extent available through the branch's computerized search, the name and address of any other person listed as an owner.

(4) Whenever the request prohibits the disclosure, a financial institution shall not disclose either the request or its response, to an owner of the account or to any other person, except the officers and employees of the financial institution who are involved in responding to the request and to attorneys, employees of the local child support agencies, auditors, and regulatory authorities who have a need to know in order to perform their duties, and except as disclosure may be required by legal process.

(5) No financial institution, or any officer, employee, or agent thereof, shall be liable to any person for (A) disclosing information in response to a request pursuant to this subdivision, (B) failing to notify the owner of an account, or complying with a request under this paragraph not to disclose to the owner, the request or disclosure under

this subdivision, or (C) failing to discover any account owned by the person named in the request pursuant to a computerized search of the records of the financial institution.

(6) The local child support agency may request information pursuant to this subdivision only when the local child support agency has received at least one of the following types of physical evidence:

(A) Any of the following, dated within the last three years:

(i) Form 599.

(ii) Form 1099.

(iii) A bank statement.

(iv) A check.

(v) A bank passbook.

(vi) A deposit slip.

(vii) A copy of a federal or state income tax return.

(viii) A debit or credit advice.

(ix) Correspondence that identifies the child support obligor by name, the bank, and the account number.

(x) Correspondence that identifies the child support obligor by name, the bank, and the banking services related to the account of the obligor.

(xi) An asset identification report from a federal agency.

(B) A sworn declaration of the custodial parent during the 12 months immediately preceding the request that the person named in the request has had or may have had an account at an office or branch of the financial institution to which the request is made.

(7) Information obtained by a local child support agency pursuant to this subdivision shall be used only for purposes that are directly connected with the administration of the duties of the local child support agency pursuant to Section 17400 of the Family Code.

(m) (1) As provided in paragraph (1) of subdivision (c) of Section 666 of Title 42 of the United States Code, upon receipt of an administrative subpoena on the current federally approved interstate child support enforcement form, as approved by the federal Office of Management and Budget, a financial institution shall provide the information or documents requested by the administrative subpoena.

(2) The administrative subpoena shall refer to the current federal Office of Management and Budget control number and be signed by a person who states that he or she is an authorized agent of a state or county agency responsible for implementing the child support enforcement program set forth in Part D (commencing with Section 651) of Subchapter IV of Chapter 7 of Title 42 of the United States Code. A financial institution may rely on the statements made in the subpoena and has no duty to inquire into the truth of any statement in the subpoena.

(3) If the person who signs the administrative subpoena directs a financial institution in writing not to disclose either the subpoena or its

response to any owner of an account covered by the subpoena, the financial institution shall not disclose the subpoena or its response to the owner.

(4) No financial institution, or any officer, employee, or agent thereof, shall be liable to any person for (A) disclosing information or providing documents in response to a subpoena pursuant to this subdivision, (B) failing to notify any owner of an account covered by the subpoena or complying with a request not to disclose to the owner, the subpoena or disclosure under this subdivision, or (C) failing to discover any account owned by the person named in the subpoena pursuant to a computerized search of the records of the financial institution.

(n) The dissemination of financial information and records pursuant to any of the following:

(1) Compliance by a financial institution with the requirements of Section 2892 of the Probate Code.

(2) Compliance by a financial institution with the requirements of Section 2893 of the Probate Code.

(3) An order by a judge upon a written ex parte application by a peace officer showing specific and articulable facts that there are reasonable grounds to believe that the records or information sought are relevant and material to an ongoing investigation of a felony violation of Section 186.10 or of any felony subject to the enhancement set forth in Section 186.11.

(A) The ex parte application shall specify with particularity the records to be produced, which shall be only those of the individual or individuals who are the subject of the criminal investigation.

(B) The ex parte application and any subsequent judicial order shall be open to the public as a judicial record unless ordered sealed by the court, for a period of 60 days. The sealing of these records may be extended for 60-day periods upon a showing to the court that it is necessary for the continuance of the investigation. Sixty-day extensions may continue for up to one year or until termination of the investigation of the individual or individuals, whichever is sooner.

(C) The records ordered to be produced shall be returned to the peace officer applicant or his or her designee within a reasonable time period after service of the order upon the financial institution.

(D) Nothing in this subdivision shall preclude the financial institution from notifying a customer of the receipt of the order for production of records unless a court orders the financial institution to withhold notification to the customer upon a finding that the notice would impede the investigation.

(E) Where a court has made an order pursuant to this paragraph to withhold notification to the customer under this paragraph, the peace officer or law enforcement agency who obtained the financial

information shall notify the customer by delivering a copy of the ex parte order to the customer within 10 days of the termination of the investigation.

(4) No financial institution, or any officer, employee, or agent thereof, shall be liable to any person for any of the following:

(A) Disclosing information to a probate court pursuant to Sections 2892 and 2893.

(B) Disclosing information in response to a court order pursuant to paragraph (3).

(C) Complying with a court order under this subdivision not to disclose to the customer, the order, or the dissemination of information pursuant to the court order.

(o) Disclosure by a financial institution to a peace officer, as defined in Section 830.1 of the Penal Code, pursuant to the following:

(1) Paragraph (1) of subdivision (a) of Section 1748.95 of the Civil Code, provided that the financial institution has first complied with the requirements of paragraph (2) of subdivision (a) and subdivision (b) of Section 1748.95 of the Civil Code.

(2) Paragraph (1) of subdivision (a) of Section 4002 of the Financial Code, provided that the financial institution has first complied with the requirements of paragraph (2) of subdivision (a) and subdivision (b) of Section 4002 of the Financial Code.

(3) Paragraph (1) of subdivision (a) of Section 22470 of the Financial Code, provided that any financial institution that is a finance lender has first complied with the requirements of paragraph (2) of subdivision (a) and subdivision (b) of Section 22470 of the Financial Code.

(p) When the governing board of the Public Employees' Retirement System or the State Teachers' Retirement System certifies in writing to a financial institution that a benefit recipient has died and that transfers to the benefit recipient's account at the financial institution from the retirement system occurred after the benefit recipient's date of death, the financial institution shall furnish the retirement system the name and address of any coowner, cosigner, or any other person who had access to the funds in the account following the date of the benefit recipient's death, or if the account has been closed, the name and address of the person who closed the account.

(q) When the retirement board of a retirement system established under the County Employees Retirement Law of 1937 certifies in writing to a financial institution that a retired member or the beneficiary of a retired member has died and that transfers to the account of the retired member or beneficiary of a retired member at the financial institution from the retirement system occurred after the date of death of the retired member or beneficiary of a retired member, the financial institution shall furnish the retirement system the name and address of

any coowner, cosigner, or any other person who had access to the funds in the account following the date of death of the retired member or beneficiary of a retired member, or if the account has been closed, the name and address of the person who closed the account.

SEC. 4. Section 3 of this bill incorporates amendments to Section 7480 of the Government Code proposed by both this bill and AB 3094. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 7480 of the Government Code, and (3) this bill is enacted after AB 3094, in which case Section 2 of this bill shall not become operative.

CHAPTER 630

An act to add Chapter 6.7 (commencing with Section 20650) to Division 8 of the Business and Professions Code, relating to video games.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Chapter 6.7 (commencing with Section 20650) is added to Division 8 of the Business and Professions Code, to read:

CHAPTER 6.7. VIDEO GAMES

20650. (a) For the purposes of this subdivision, the following terms have the following meanings:

(1) ''Video game retailer'' means a person who sells or rents video games to the public.

(2) ''Video game'' means an object or device that stores recorded data or instructions, receives data or instructions generated by a person who uses it, and, by processing the data or instructions, creates an interactive game capable of being played, viewed, or experienced on or through a computer, gaming system, console, or other technology.

(b) Every video game retailer shall post a sign providing information to consumers about a video game rating system or notifying consumers that a rating system is available to aid in the selection of a game. The sign shall be posted within the retail establishment in a prominent area.

(c) A video game retailer shall make available to consumers, upon request, information that explains the video game rating system.

CHAPTER 631

An act to amend Section 486 of the Food and Agricultural Code, relating to agricultural inspectors, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 486 of the Food and Agricultural Code is amended to read:

486. The secretary may not enter into a cooperative agreement with a county of the first class for agricultural inspector services if the cooperative agreement requires that year-round services be provided, unless the following percentages of agricultural inspector aides not afforded protections as permanent employees employed under the cooperative agreement are afforded protections as permanent employees under the county's civil service or other personnel system:

(a) For the 2004–05 fiscal year, 33 percent of the agricultural inspector aides not afforded protections as permanent employees employed by the county during the 2003–04 fiscal year providing year-round services.

(b) For the 2005–06 fiscal year, not less than 66 percent of the agricultural inspectors not afforded protections as permanent employees employed by the county during the 2003–04 fiscal year providing year-round services.

(c) For the 2006–07 fiscal year, not less than 66 percent of the agricultural inspectors not afforded protections as permanent employees employed by the county during the 2003–04 fiscal year providing year-round services.

SEC. 2. The sum of three hundred eighty thousand dollars ($380,000) is hereby appropriated from the General Fund to the Department of Food and Agriculture for the 2004–05 fiscal year for the agricultural plant and animal pest and disease prevention activities of Los Angeles County required by Section 486 of the Food and Agricultural 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 protect California's agricultural community and economy by ensuring uninterrupted agricultural inspection services by the most qualified and trained agricultural inspector aides, it is necessary that this act take effect immediately.

CHAPTER 632

An act to amend Sections 1570.7, 1572, 1579, 1588.5, 1588.7, 1589, and 1591 of the Health and Safety Code, and to amend Sections 14526 and 14573 of the Welfare and Institutions Code, relating to adult day health care.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 1570.7 of the Health and Safety Code is amended to read:

1570.7. As used in this chapter:

(a) ''Adult day health care'' means an organized day program of therapeutic, social, and health activities and services provided pursuant to this chapter to elderly persons with functional impairments, either physical or mental, for the purpose of restoring or maintaining optimal capacity for self-care. Provided on a short-term basis, adult day health care serves as a transition from a health facility or home health program to personal independence. Provided on a long-term basis, it serves as an alternative to institutionalization in a long-term health care facility when 24-hour skilled nursing care is not medically necessary or viewed as desirable by the recipient or his or her family.

(b) ''Adult day health center'' or ''adult day health care center'' means a licensed and certified facility that provides adult day health care.

(c) ''Department'' or ''state department'' means the State Department of Health Services.

(d) ''Director'' means the Director of Health Services.

(e) ''Elderly'' or ''older person'' means a person 55 years of age or older, but also includes other adults who are chronically ill or impaired and who would benefit from adult day health care.

(f) ''Individual plan of care'' means a plan designed to provide recipients of adult day health care with appropriate treatment in accordance with the assessed needs of each individual.

(g) ''License'' means a basic permit to operate an adult day health care center. With respect to a health facility licensed pursuant to Chapter 2 (commencing with Section 1250), ''license'' means a special permit, as defined by Section 1251.5, empowering the health facility to provide adult day health care services.

(h) ''Maintenance program'' means procedures and exercises that are provided to a participant, pursuant to Section 1580, in order to generally maintain existing function. These procedures and exercises are planned by a licensed or certified therapist and are provided by a person who has been trained by a licensed or certified therapist and who is directly supervised by a nurse or by a licensed or certified therapist.

(i) ''Restorative therapy'' means physical, occupational, and speech therapy, and psychiatric and psychological services that are planned and provided by a licensed or certified therapist. The therapy and services may also be provided by an assistant or aide under the appropriate supervision of a licensed therapist, as determined by the licensed therapist. The therapy and services are provided to restore function, when there is an expectation that the condition will improve significantly in a reasonable period of time, as determined by the multidisciplinary assessment team.

SEC. 2. Section 1572 of the Health and Safety Code is amended to read:

1572. (a) The functions and duties of the State Department of Health Services provided for under this chapter shall be performed by the California Department of Aging commencing on the date those functions are transferred from the State Department of Health Services to the California Department of Aging. The authority, functions, and responsibility for the administration of the adult day health care program by the California Department of Aging and the State Department of Health Services shall be defined in an interagency agreement between the two departments that specifies how the departments will work together.

(b) The interagency agreement shall specify that the California Department of Aging is designated by the department as the agency responsible for community long-term care programs. At a minimum, the interagency agreement shall clarify each department's responsibilities on issues involving licensure and certification of adult day health care providers, payment of adult day health care claims, prior authorization of services, promulgation of regulations, and development of adult day health care Medi-Cal rates. In addition, this agreement shall specify that the California Department of Aging is responsible for making recommendations to the department regarding licensure as specified in subdivision (c). The interagency agreement shall specify that the department shall delegate to the California Department of Aging the

responsibility of performing the financial reviews and the resolution of audit appeals that are necessary to ensure program integrity. The agreement shall specify that the financial reviews shall be performed only to the extent that resources are budgeted for this purpose. This agreement shall also include provisions whereby the department and the California Department of Aging shall collaborate in the development and implementation of health programs and services for older persons and functionally impaired adults.

(c) The Director of the California Department of Aging shall make recommendations regarding licensure to the Licensing and Certification Division in the State Department of Health Services. The recommendation shall be based on all of the following criteria:

(1) An evaluation of the ability of the applicant to provide adult day health care in accordance with the requirements of this chapter and regulations adopted hereunder.

(2) Other criteria that the director deems necessary to protect public health and safety.

SEC. 3. Section 1579 of the Health and Safety Code is amended to read:

1579. (a) A rural alternative adult day health care center shall operate its programs a minimum of three days weekly, unless the program can justify, to the satisfaction of the department, fewer days of operation due to space, staff, financial, or participant reasons.

(b) Any program desiring to become a parent center and develop a satellite program may be located in an area that does not meet the population requirements of the rural service areas and need not be in the same county as a satellite. The satellite shall be located in an area that meets the population requirements of a rural service area, and shall be located within a reasonable distance of the parent center to allow sharing of administration, services, and supervision. Parent and satellite centers shall be located in the same licensing district office.

(c) Notwithstanding any other provision of law, the administrator or program director of a parent center may, with the approval of the department, serve as the administrator or program director for up to three additional satellite sites.

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

(1) ''Parent'' means a licensed and certified adult day health care center that establishes one or more satellites. A satellite may be in the county of the parent or a rural service area. The parent center shall provide administration, supervision, and, with the approval of the department, may share services and staff with one or more satellite centers. The parent center's license and certification shall cover adult day health care services at one or more satellites.

(2) ''Rural alternative adult day health care center'' means an adult day health care center located in a rural service area.

(3) ''Rural service area'' means an identified service area within one hour driving time from the center and with two or more of the following characteristics:

(A) Is more than one-half hour direct driving time from an urban area of 50,000 population or more.

(B) Has no other adult day health care center within one-half hour direct driving time.

(C) Has geographic or climatic barriers, including, but not limited to, snow, fog, ice, mountains, inadequate highways, or weather, that make transportation to another adult day health care center impractical.

(D) Is located in a county with an overall population density of less than 100 persons per square mile.

(E) Can demonstrate in the application for licensure that a shortage of qualified professionals exists in the county or identified service area.

(4) ''Satellite'' means an adult day health care center established in a rural service area by an existing licensed and certified adult day health care center for the purposes of extending rural adult day health care services to another location. A satellite shall be located close enough to the adult day health center so that administration, supervision, and services may be shared in a manner that does not compromise care and makes it unnecessary for the satellite to be separately licensed. Each satellite shall meet fire and life safety regulations and laws. Prior approval from the department is required before operating or opening a satellite.

SEC. 4. Section 1588.5 of the Health and Safety Code is amended to read:

1588.5. In developing policies and priorities pertaining to the allocation of grant funds, the department shall give primary consideration to the following factors:

(a) The applicant's immediate need for funds.

(b) The demonstrated community support for the project.

(c) The applicant's long-term prospects for financial stability.

(d) The applicant's demonstrated marketing strategies.

(e) The applicant's ability to provide innovative services and to coordinate with other services in the continuum of care.

(f) Special consideration shall be given to an applicant who is in one or more of the following categories:

(1) Applicants in rural areas.

(2) Applicants in counties where there are no other centers or in areas where there are no other centers within one hour driving time from the proposed site.

(3) Applicants who will deliver services in an area with a high elderly ethnic minority population when compared to the total elderly population of the area.

(4) Applicants who will deliver services in an area with a high percentage of elderly Medi-Cal beneficiaries when compared to the total elderly population of the area.

SEC. 5. Section 1588.7 of the Health and Safety Code is amended to read:

1588.7. (a) The department, unless otherwise specified in the interagency agreement entered into pursuant to Section 1572 or pursuant to annual Budget Act requirements, shall adopt specific guidelines for the establishment of grant-supported activities, including criteria for evaluation of each activity and monitoring to assure compliance with grant conditions and applicable regulations of the department. Funds shall be awarded only after the applicant's proposal is approved by the department or the California Department of Aging pursuant to the guidelines established for these grants.

(b) The department, unless otherwise specified by annual Budget Act requirements, shall develop a contract with each selected project.

SEC. 6. Section 1589 of the Health and Safety Code is amended to read:

1589. Subject to the appropriation of funds pursuant to the annual Budget Act, the department may establish planning and development grants for public or private nonprofit applicants that request assistance in conducting feasibility and needs analysis for new adult day health care centers.

SEC. 7. Section 1591 of the Health and Safety Code is amended to read:

1591. (a) When the director intends to seek the suspension or revocation of a license, the director shall notify the licensee of the proposed suspension or revocation and, at the same time, shall serve the person with an accusation. Upon receipt of a notice of defense from the licensee, the director shall set the matter for hearing within five days. The director shall make a final determination as to whether to suspend or revoke the license within 30 days after the original hearing has been completed.

(b) The director may temporarily suspend a license prior to a hearing when he or she determines that the suspension is necessary to protect the health and safety of the participants. In the event of a prehearing suspension, the director shall notify the licensee of the suspension and its effective date and, at the same time, shall serve the licensee with an accusation. Within 15 days of receiving a notice of defense from the licensee, the director shall set the matter for a hearing that shall be held as soon as possible, but not later than 30 days after receipt of the notice.

The temporary suspension shall remain in effect until the hearing is completed and the director has made a final determination on the merits, which shall be made within 30 days after the hearing has been completed.

SEC. 8. Section 14526 of the Welfare and Institutions Code is amended to read:

14526. Participation in an adult day health care program shall require prior authorization by the department. The authorization request shall be initiated by the provider and shall include the results of the assessment screening conducted by the provider's multidisciplinary team and the resulting individualized plan of care. Participation shall begin upon application by the prospective participant or upon referral from community or health agencies, or the physician, hospital, family, or friends of a potential participant.

SEC. 9. Section 14573 of the Welfare and Institutions Code is amended to read:

14573. (a) Initial Medi-Cal certification for adult day health care providers shall expire 12 months from the date of issuance. The director shall specify any date he or she determines is reasonably necessary because of the record of the applicant and to carry out the purposes of this chapter, but not more than 24 months from the date of issuance, when renewal of the certification shall expire. The certification may be extended for periods of not more than 60 days if the department determines it to be necessary.

(b) Before certification renewal the provider shall submit with the application for renewal a report according to department specifications that includes an analysis of income and expenditures, continued demonstrated community need, services, participant statistics and outcome, and adherence to policies and procedures.

(c) Prior to approving renewal of Medi-Cal certification, the California Department of Aging shall conduct a financial review and onsite medical and management reviews. The reviews shall be conducted by a team of persons with appropriate technical skills. The management review shall be performed by the entity responsible for directing and coordinating the program, as specified in the interagency agreement entered into pursuant to Section 1572 of the Health and Safety Code.

(d) Where the director determines that the public interests would be served thereby, a public hearing may be held on any renewal application subject to this section. The findings of the departmental program and licensing reviews and the provider's annual evaluation report shall be presented at the hearing.

———

CHAPTER 633

An act to amend Section 18723 of the Revenue and Taxation Code, and to amend Sections 9203.5, 9301, 9302, and 9305 of, to add Section 9304.5 to, and to repeal Section 9206 of, the Welfare and Institutions Code, relating to the California Senior Legislature.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. It is the intent of the Legislature to make statutory changes needed to accomplish the separation of the California Senior Legislature and the Commission on Aging in a way that is amicable to both entities.

SEC. 2. Section 18723 of the Revenue and Taxation Code is amended to read:

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) The balance to the California Senior Legislature, for its ongoing activities on behalf of older persons.

(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 funds allocated to the California Senior Legislature for the purpose of funding the activities of the California Senior Legislature shall be spent pursuant to the purview of the Joint Rules Committee of the California Senior Legislature in a manner consistent with the bylaws of the California Senior Legislature, established through a majority vote of the California Senior Legislature.

SEC. 3. Section 9203.5 of the Welfare and Institutions Code is amended to read:

9203.5. The commission may also accept gifts on behalf of the Area Agency on Aging Advisory Council of California, subject to the provisions of Section 9203, as those provisions apply to the commission.

SEC. 4. Section 9206 of the Welfare and Institutions Code is repealed.

SEC. 5. Section 9301 of the Welfare and Institutions Code is amended to read:

9301. (a) The California Senior Legislature shall be composed of two houses, the California Senior Senate, composed of 40 members, and the California Senior Assembly, composed of 80 members.

(b) Members of the California Senior Legislature shall serve two-year terms.

(c) Notwithstanding subdivision (b), members elected or appointed to the California Senior Legislature on or after January 1, 2006, shall serve four-year terms.

SEC. 6. Section 9302 of the Welfare and Institutions Code is amended to read:

9302. The members of the California Senior Legislature shall be elected or appointed, in all 33 planning and service areas in California, according to rules developed by the California Senior Legislature in cooperation with the California Association of Area Agencies on Aging.

SEC. 7. Section 9304.5 is added to the Welfare and Institutions Code, to read:

9304.5. (a) The California Senior Legislature shall enter into a mutually agreed-upon interagency agreement with a state entity to carry out administrative duties related to its program.

(b) The California Senior Legislature shall identify the state entity for purposes of subdivision (a) by May 1, 2005, in order to meet the budget proposal cycle to achieve a transition of responsibilities in the 2006–07 fiscal year.

(c) This section does not preclude the California Senior Legislature from entering into mutually agreed-upon interagency agreements for any subsequent fiscal year.

SEC. 8. Section 9305 of the Welfare and Institutions Code is amended to read:

9305. (a) The funds for the California Senior Legislature shall be allocated from the California Fund for Senior Citizens or private funds directed to the Legislature for the purpose of funding activities of the California Senior Legislature.

(b) The California Senior Legislature may accept gifts and grants from any source, public or private, to help perform its functions, pursuant to Section 9304.

SEC. 9. This act shall become operative on July 1, 2006, or when both the Joint Rules Committee of the California Senior Legislature and the Executive Director of the California Commission on Aging report to the Chief Clerk of the Assembly that the separation of the California Senior Legislature and the Commission on Aging has been accomplished, whichever is earlier.

CHAPTER 634

An act to amend Section 30458.3 of, and to add Section 30459.8 to, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 30458.3 of the Revenue and Taxation Code is amended to read:

30458.3. The board shall conduct at least two hearings per year before the full board where industry representatives and individual taxpayers are allowed to present their proposals on changes to the Cigarette and Tobacco Products Tax Law that may further advance voluntary compliance and improve the relationship between taxpayers and government.

SEC. 2. Section 30459.8 is added to the Revenue and Taxation Code, to read:

30459.8. The board shall, in each calendar quarter, post on its Web site the amounts of cigarette and tobacco products revenues collected and disbursed for the previous calendar quarter to the General Fund, Breast Cancer Fund, the Cigarette and Tobacco Products Surtax Fund, and the California Children and Families Trust Fund Account.

CHAPTER 635

An act to add Section 20035.21 to the Government Code, relating to state employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. The Legislature finds and declares that the purpose of this act is to approve addendum to agreements pursuant to Section 3517 of the Government Code entered into by the state employer and State Bargaining Unit 5.

SEC. 2. The provisions of the addendum to the memorandum of understanding prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and State Bargaining Unit

5, the California Association of Highway Patrol, and that require the expenditure of funds, are hereby approved for the purposes of Section 3517.6 of the Government Code.

SEC. 3. The provisions of the addendum to the memorandum of understanding approved by Section 2 of this act that are scheduled to take effect on or after July 1, 2004, and that require the expenditure of funds, shall not take effect unless funds for these provisions are specifically appropriated by the Legislature. In the event that funds for these provisions are not specifically appropriated by the Legislature, the state employer, and the affected employee organization shall meet and confer to renegotiate the affected provisions.

SEC. 4. Notwithstanding Section 3517.6 of the Government Code, the provisions of any addendum to a memorandum of understanding that require the expenditure of funds shall become effective even if the provisions of the addendum are approved by the Legislature in legislation other than the annual Budget Act.

SEC. 5. Section 20035.21 is added to the Government Code, to read:

20035.21. Notwithstanding Sections 20035 and 20037, ''final compensation'' for the purpose of determining any pension or benefit with respect to a patrol member who retires or dies on or after July 1, 2004, who was a member of State Bargaining Unit 5, and whose monthly salary range that was to be effective July 1, 2004, was reduced by 5 percent pursuant to an addendum to a memorandum of understanding entered during the 2004–05 fiscal year, ''final compensation'' means the highest annual compensation the patrol member would have earned as of July 1, 2004, if that 5 percent reduction had not occurred. This section shall only apply if the period during which the patrol member's salary was reduced would have otherwise been included in determining his or her final compensation.

The increased costs, if any, that may result from the application of the definition of ''final compensation'' provided in this section shall be paid by the employer in the same manner as other retirement benefits are funded.

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

In order for the provisions of this act to be applicable as soon as possible in the 2004–05 fiscal year, and thereby facilitate the orderly administration of state government at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 636

An act to amend Section 9542 of the Welfare and Institutions Code, relating to community-based services.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 9542 of the Welfare and Institutions Code is amended to read:

9542. (a) The Legislature finds and declares that the purpose of the Alzheimer's Day Care-Resource Center Program is to provide access to specialized day care resource centers for individuals with Alzheimer's disease and other dementia-related disorders and support to their families and caregivers.

(b) The following definitions shall govern the construction of this section:

(1) ''Participant'' means an individual with Alzheimer's disease or a disease of a related type, particularly the participant in the moderate to severe stages, whose care needs and behavioral problems may make it difficult for the individual to participate in existing care programs.

(2) ''Other dementia-related disorders'' means those irreversible brain disorders that result in the symptoms described in paragraph (3). This shall include, but is not limited to, multi-infarct dementia and Parkinson's disease.

(3) ''Care needs'' or ''behavioral problems'' means the manifestations of symptoms that may include, but need not be limited to, memory loss, aphasia (communication disorder), becoming lost or disoriented, confusion and agitation, with the potential for combativeness, and incontinence.

(4) ''Alzheimer's day care resource center'' means a center developed pursuant to this section to provide a program of specialized day care for participants with dementia.

(c) The department shall adopt policies and guidelines to carry out the purposes of this section, and the adoption thereof 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.

(d) In order to be eligible to receive funds under this section, a direct services contract applicant shall do all of the following:

(1) Provide a program and services to meet the special care needs of, and address the behavioral problems of, participants.

(2) Provide adequate and appropriate staffing to meet the nursing, psychosocial, and recreational needs of participants.

(3) Provide physical facilities that include the safeguards necessary to protect the participants' safety.

(4) Provide a program for assisting individuals who cannot afford the entire cost of the program. This may include, but need not be limited to, utilizing additional funding sources to provide supplemental aid and allowing family members to participate as volunteers at the applicant's facility.

(5) Utilize volunteers and volunteer aides and provide adequate training for those volunteers.

(6) Provide a match of not less than 25 percent of the direct services contract amount consisting of cash or in-kind contributions, identify other potential sources of funding for the applicant's facility, and outline plans to seek additional funding to remain solvent.

(7) Maintain family and caregiver support groups.

(8) Encourage family members and caregivers to provide transportation to and from the applicant's facility for participants.

(9) Concentrate on participants in the moderate to severe ranges of disability.

(10) Provide or arrange for a noon meal to participants.

(11) Establish contact with local educational programs, such as nursing and gerontology programs, to provide onsite training to students.

(12) Provide services to assist family members, including counseling and referral to other resources.

(13) Serve as model centers available to other service providers for onsite training in the care of these patients.

(14) Involve the center in community outreach activities and provide educational and informational materials to the community.

(15) Maintain a systematic means of capturing and reporting all required community-based services program data.

(e) A direct services contractor shall be licensed as an adult day program, as defined in paragraph (2) of subdivision (a) of Section 1502 of the Health and Safety Code, or as an adult day health care center, as defined in subdivision (b) of Section 1570.7 of the Health and Safety Code, and shall be subject to the requirements of this division, including this chapter, for purposes of operating an Alzheimer's day care resource center. If the direct services contractor surrenders its adult day program or adult day health care center license, or if the license has been terminated as a result of noncompliance with applicable licensure or certification standards, these actions shall also serve to terminate the direct services contractor's Alzheimer's day care resource center contract.

(f) An Alzheimer's day care resource center that was not licensed as an adult day program or adult day health care center prior to January 1,

2005, shall be required to be so licensed by January 1, 2008. A direct services program that qualifies to operate as an Alzheimer's day care resource center after January 1, 2005, shall be required to be licensed as an adult day program or adult day health care center.

(g) Nothing in this chapter shall be construed to prevent existing adult day care services, including adult day health care centers, from developing a specialized program under this chapter. The applicants shall meet all of the requirements for direct services contractors in this chapter and satisfactorily demonstrate that the direct services contract funding award shall be used to develop a distinct specialized program for this target population.

CHAPTER 637

An act to add Sections 26908.5 and 36525 to the Government Code, relating to local agency auditors.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 26908.5 is added to the Government Code, to read:

26908.5. (a) As used in this section ''auditor'' includes an elected or appointed officer or full-time employee of a county or a special district who is compensated, but does not include an independent contractor.

(b) All books, papers, records, and correspondence of an auditor pertaining to his or her 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 auditor. However, none of the following items or papers of which these items are a part may be released to the public by the auditor or his or her employees:

(1) Personal papers and correspondence of any person providing assistance to the auditor when that person has requested in writing that his or her papers and correspondence be kept private and confidential. Those papers and that correspondence shall become public records if the written request is withdrawn or upon the order of the auditor.

(2) Papers, correspondence, memoranda, or any substantive information pertaining to any audit not completed.

(3) Papers, correspondence, or memoranda pertaining to any audit that has been completed, which papers, correspondence, or memoranda are not used in support of any report resulting from the audit.

SEC. 2. Section 36525 is added to the Government Code, to read:

36525. (a) As used in this section ''city auditor'' includes an elected or appointed officer or full-time employee of the city who is compensated, but does not include an independent contractor.

(b) All books, papers, records, and correspondence of the city auditor pertaining to his or her 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 city auditor. However, none of the following items or papers of which these items are a part may be released to the public by the city auditor, or his or her employees:

(1) Personal papers and correspondence of any person providing assistance to the city auditor when that person has requested in writing that his or her papers and correspondence be kept private and confidential. Those papers and that correspondence shall become public records if the written request is withdrawn or upon the order of the city auditor.

(2) Papers, correspondence, memoranda, or any substantive information pertaining to any audit not completed.

(3) Papers, correspondence, or memoranda pertaining to any audit that has been completed, which papers, correspondence, or memoranda are not used in support of any report resulting from the audit.

CHAPTER 638

An act to amend Sections 2560.5, 2561.5, 2562.1, 2562.3, and 2565 of the Streets and Highways Code, relating to transportation.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 2560.5 of the Streets and Highways Code is amended to read:

2560.5. (a) The purpose of this chapter is to provide for the implementation of a freeway service patrol system using a formula-based allocation, referred to as baseline funding allocation, to all eligible regional and local agencies for traffic-congested urban freeways throughout the state, involving a cooperative effort between state and local agencies. All regional or local agency programs that meet the minimum eligibility requirements set forth in this section and

Section 2562.1 shall receive initial funding from the baseline funding allocation.

(b) In addition to the formula-based allocation program established, subject to funds being appropriated in the annual Budget Act, in subdivision (a), there is hereby established a Competitive Freeway Service Patrol Grant Program to provide funding of a freeway service patrol system to reduce traffic congestion.

SEC. 2. Section 2561.5 of the Streets and Highways Code is amended to read:

2561.5. (a) Funding for the freeway service patrols established pursuant to this chapter shall be provided, upon appropriation in the annual Budget Act, from the State Highway Account in the State Transportation Fund. In addition, the appropriate regional or local entity shall ensure that local resources are expended on freeway service patrols in an amount not less than 25 percent of the amount provided from the State Highway Account.

(b) In locations where a freeway service patrol exists, the department shall coordinate and integrate the funds appropriated pursuant to this section into the existing program. In the allocation of these funds, no local entity may be penalized for having an existing freeway service patrol program.

(c) No state funding may be released prior to the execution of the agreement developed under Section 2561.3.

(d) No program funded under this chapter may supplant emergency response towing services provided by the department as of January 1, 1992.

(e) It is the intent of the Legislature that funding provided under subdivision (a) of Section 2560.5 be consistent from year to year in order to facilitate the awarding of multiyear contracts between participating regional and local entities and providers of freeway patrol services. The department shall only recognize multiyear contract commitments equal to or less than three years. If new freeway service patrol regional or local entity programs are added to the baseline funding allocation, as described in Section 2560.5, those programs shall be phased in so as not to impact the multiyear contract commitments. However, once a new application from an eligible regional or local entity is submitted and approved, the share of the baseline funding allocation to the regional or local agency shall be phased in within three years of the date the application is approved.

SEC. 3. Section 2562.1 of the Streets and Highways Code is amended to read:

2562.1. (a) Funding for the program established in subdivision (a) of Section 2560.5 in a participating area shall be based 25 percent on the number of urban freeway lane miles in the participating area to the total

number of freeway lane miles in all the participating areas, 50 percent on the basis of the ratio of the population of the participating area to the total population of all the participating areas, and 25 percent on the basis of traffic congestion as ascertained by the department pursuant to the most recent Statewide Highway Traffic Congestion Monitoring Program. A regional or local agency submitting an application after July 1, 2003, for funding shall demonstrate in the application an overall benefit-cost ratio of 3 to 1. The department shall determine the benefit-cost ratio methodology.

(b) If a regional or local agency submits an application for funding that is approved by the department before December 31 of any year and additional funding is not provided to the baseline funding allocation, the department shall allocate the funding allocation at a maximum over three years as follows:

(1) Thirty-three and three-tenths percent of the total amount of the allocation during the immediately following fiscal year.

(2) Sixty-six and six-tenths percent of the total amount of the allocation during the fiscal year that immediately follows the fiscal year described in paragraph (1).

(3) One hundred percent of the total amount of the allocation during the fiscal year that immediately follows the fiscal year described in paragraph (2).

SEC. 4. Section 2562.3 of the Streets and Highways Code is amended to read:

2562.3. In determining the baseline annual funding allocation, regional or local entities shall apply to the department in accordance with operational standards as outlined in the program guidelines and in accordance with the eligibility requirements described in Sections 2561.5 and 2562.1. A regional or local entity that meets the eligibility requirements may not be denied its fair share of the baseline annual allocation made by the department.

SEC. 5. Section 2565 of the Streets and Highways Code is amended to read:

2565. The department, the Department of the California Highway Patrol, and participating and eligible regional and local entities shall develop and periodically update guidelines for program operations, as those guidelines and updates may be required. The guidelines shall address operational requirements only and may not prevent a regional or local entity from entering the program.

———

CHAPTER 639

An act to add Chapter 5.5 (commencing with Section 2780) to Part 2 of Division 1 of the Public Utilities Code, relating to public utilities.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Chapter 5.5 (commencing with Section 2780) is added to Part 2 of Division 1 of the Public Utilities Code, to read:

CHAPTER 5.5. ELECTRIC MICROUTILITIES

2780. As used in this chapter, the term ''electric microutility'' means any electrical corporation that is regulated by the commission and organized for the purpose of providing sole-source generation, distribution, and sale of electricity exclusively to a customer base of fewer than 2,000 customers.

2780.1. (a) It is the intent of the Legislature that the commission consider the legal, administrative, and operational costs that an electric microutility faces if it is named as a respondent in a hearing generally applicable to electrical corporations. The limited resources of a microutility are disproportionately strained by the cost of response.

(b) Further, it is the intent of the Legislature that the commission consider the costs described in subdivision (a) before naming an electric microutility as a respondent in a hearing generally applicable to electrical corporations.

CHAPTER 640

An act to amend Section 100 of the Revenue and Taxation Code, relating to local government finance.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 100 of the Revenue and Taxation Code is amended to read:

100. Notwithstanding any other provision of law, commencing with the 1988–89 fiscal year, property tax assessed value attributable to

unitary and operating nonunitary property, as defined in Sections 723 and 723.1, that is assessed by the State Board of Equalization shall be allocated by county as provided in Section 756, and the assessed value and revenues attributable to that allocation shall be allocated within each county as follows:

(a) Each county shall establish one countywide tax rate area. The assessed value of all unitary and operating nonunitary property shall be assigned to this tax rate area. No other property shall be assigned to this tax rate area.

(b) Property assigned to the tax rate area created by subdivision (a) shall be taxed at a rate equal to the sum of the following two rates:

(1) A rate determined by dividing the county's total ad valorem tax levies for the secured roll, including levies made pursuant to Section 96.8, for the prior year, exclusive of levies for debt service, by the county's total ad valorem secured roll assessed value for the prior year.

(2) A rate determined as follows:

(A) By dividing the county's total ad valorem tax levies for unitary and operating nonunitary property for the prior year debt service only by the county's total unitary and operating nonunitary assessed value for the prior year.

(B) Beginning with the 1989–90 fiscal year, adjusting the rate determined pursuant to subparagraph (A) by the percentage change between the two preceding fiscal years in the county's ad valorem debt service levy for the secured roll, not including unitary and operating nonunitary debt service.

(c) The property tax revenue derived from the assessed value assigned to the countywide tax rate area pursuant to subdivision (a) by the use of the tax rate determined in paragraph (1) of subdivision (b) shall be allocated as follows:

(1) For the 1988–89 fiscal year and each fiscal year thereafter, each taxing jurisdiction shall be allocated an amount of property tax revenue equal to 102 percent of the amount of the aggregate property tax revenue it received from all unitary and operating nonunitary property in the prior fiscal year, exclusive of revenue attributable to levies for debt service.

(2) If the amount of property tax revenue available for allocation in the current fiscal year is insufficient to make the allocations required by paragraph (1), the amount of revenue to be allocated to each taxing jurisdiction shall be prorated based on a factor determined by dividing the total amount of property tax revenue available to all taxing jurisdictions from unitary and operating nonunitary property in the current year, exclusive of revenue attributable to levies for debt service, by the total amount of property tax revenue received by all taxing jurisdictions from unitary and operating nonunitary property in the prior fiscal year, exclusive of revenue attributable to levies for debt service.

(3) If the amount of property tax revenue available for allocation to all taxing jurisdictions in the current fiscal year from unitary and operating nonunitary property, exclusive of revenue attributable to levies for debt service, exceeds 102 percent of the property tax revenue received by all taxing jurisdictions from all unitary and operating nonunitary property in the prior fiscal year, exclusive of revenue attributable to levies for debt service, the amount of revenue in excess of 102 percent shall be allocated to all taxing jurisdictions in the county by a ratio determined by dividing each taxing jurisdiction's share of the county's total ad valorem tax levies for the secured roll for the prior year, exclusive of levies for debt service, by the county's total ad valorem tax levies for the secured roll for the prior year, exclusive of levies for debt service.

(d) The property tax revenue derived from the assessed value assigned to the countywide tax rate area pursuant to subdivision (a) by the use of the tax rate determined in paragraph (2) of subdivision (b) shall be allocated as follows:

(1) An amount shall be computed for each taxing jurisdiction and shall be determined by multiplying the amounts required in the current year pursuant to subdivisions (a) and (c) of Section 93 by that percentage that shall be determined by dividing the amount of property tax revenue the jurisdiction received in the prior year from unitary property and operating nonunitary property by the total amount of property tax revenue the jurisdiction received in the prior year from all property.

(2) The amount of property tax revenue available for allocation pursuant to this subdivision shall be allocated among taxing jurisdictions in the proportion that the amount computed for each taxing jurisdiction pursuant to paragraph (1) bears to the total amount computed pursuant to paragraph (1) for all taxing jurisdictions.

(3) If a taxing jurisdiction is levying a tax rate for debt service for the first time in the current fiscal year, for purposes of determining the percentage specified in paragraph (1), that percentage shall be the percentage determined by dividing the amount of property tax revenue received by that taxing jurisdiction in the prior year pursuant to subdivision (c) from unitary and operating nonunitary property by the total amount of property tax revenue received by that taxing jurisdiction in the prior year from all property within the taxing jurisdiction.

(e) For purposes of this section:

(1) ''The county's total ad valorem tax levies for the secured roll'' means all ad valorem tax levies for the county's secured roll, including the general tax levy, levies for debt service (including land only and land and improvement rates), and levies for redevelopment agencies.

(2) ''The county's total ad valorem secured roll'' means the county's local roll, after all exemptions except the homeowner's exemption, and the county's utility roll.

(3) ''Taxing jurisdiction'' includes a redevelopment agency.

(4) In a county of the second class, for the 1992–93 fiscal year and each fiscal year thereafter, ''taxing jurisdiction'' includes that fund that has been designated by the auditor as the ''Unallocated Residual Public Utility Tax Fund.'' All revenues allocated to that fund pursuant to this section shall be deposited in that fund and shall be distributed as follows:

(A) For the 1992–93 fiscal year to the 1996–97 fiscal year, inclusive, at the discretion of the county board of supervisors.

(B) For the 1997–98 fiscal year, 100 percent to the Orange County Fire Authority.

(C) For the 1998–99 fiscal year and each fiscal year thereafter, in accordance with the following schedule:

(i) Fifty-seven and forty-seven hundredths percent to the Orange County Fire Authority.

(ii) Forty-one and forty-seven hundredths percent to the Orange County Library District.

(iii) Forty-eight hundredths percent to the Buena Park Library District.

(iv) Fifty-eight hundredths percent to the Placentia Library District.

(f) The assessed value of the unitary and operating nonunitary property shall be kept separate for each state assessee throughout the allocation process.

(g) Each state assessee shall be issued only one tax bill for all unitary and operating nonunitary property within the county.

(h) This section does not apply to unitary property of regulated railway companies.

(i) This section does not apply to property that on July 1, 1987, was undeveloped and owned by a utility and located within a city, county, or city and county that adopts a resolution stating that the property is subject to a development plan or agreement and that this section shall not apply to that property, and the city, county, or city and county transmits a copy of that resolution, including a legal description of the property, to the State Board of Equalization and the county's auditor-controller prior to January 1, 1988.

(j) (1) For property that on July 1, 1990, was undeveloped and owned by a utility and that is located within a city, county, or city and county that adopts a resolution stating that the property is subject to a development plan or agreement and that this subdivision applies to that property, and the city, county, or city and county transmits a copy of that resolution, including a legal description of the property, to the county auditor prior to August 1, 1991, the allocation of property tax revenues

derived with respect to that property pursuant to Sections 96.1, 96.2, 97.31, 98, 98.01, and 98.04, shall be subject to the allocation required by paragraph (2).

(2) The county auditor shall annually allocate to a city, county, or city and county, that has adopted and transmitted a resolution pursuant to paragraph (1), the amount of property tax revenues derived with respect to the property described in paragraph (1) that would be allocated to that city, county, or city and county if that property were subject to assessment by the county assessor. In order to provide the allocations required by this paragraph, the county auditor shall make any necessary pro rata reductions in allocations to local agencies other than that city, county, or city and county adopting and transmitting a resolution pursuant to paragraph (1), of property tax revenues derived with respect to the property described in paragraph (1).

(k) (1) For property subject to this section that is owned by a utility that serves no more than two counties and is located within a city, county, or city and county that adopts a resolution stating that the property is subject to a development plan or agreement for new construction and the city, county, or city and county transmits a copy of that resolution, including a legal description of the property, to the State Board of Equalization and the county auditor prior to January 1, 2006, the allocation of property tax revenues derived with respect to that property pursuant to Sections 96.1, 97.31, 98, 98.01, and 98.04, shall be subject to the requirements of paragraph (2).

(2) If the city, county, or city and county has adopted and transmitted a resolution pursuant to paragraph (1), the county auditor shall annually allocate the property tax revenue attributable to the new construction described in the development plan or agreement, as if that new construction were subject to assessment by the county assessor, according to the following formula:

(A) An amount of property tax revenue to school entities, as defined in subdivision (f) of Section 95, equivalent to the same percentage the school entities received in the prior fiscal year of the property tax revenues paid by the utility in the county in which the property described in paragraph (1) is located.

(B) An amount of property tax revenue to the county in which the property is located equivalent to the same percentage the county received in the prior fiscal year of the property tax revenues paid by the utility in the county in which the property described in paragraph (1) is located. The county shall distribute those property tax revenues to the county general fund, the county library district, the county flood control district, the county sanitation districts, and the county service areas.

(C) The property tax revenue remaining after the allocations described in subparagraphs (A) and (B) are made shall be distributed to the city in which the property described in paragraph (1) is located.

(3) In order to provide the allocations required by paragraph (2), the county auditor shall make any necessary pro rata reductions in allocations of property taxes attributable to the property specified in paragraph (1) to jurisdictions other than those receiving an allocation under paragraph (2).

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.

CHAPTER 641

An act to amend Sections 108921 and 108922 of the Health and Safety Code, relating to toxic substances.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 108921 of the Health and Safety Code is amended to read:

108921. For purposes of this chapter, the following definitions apply:

(a) ''OctaBDE'' means octabrominated diphenyl ether or any technical mixture in which octabrominated diphenyl ether is a predominate congener.

(b) ''PBDE'' means polybrominated diphenyl ether.

(c) ''PentaBDE'' means pentabrominated diphenyl ether or any technical mixture in which pentabrominated diphenyl ether is a predominate congener.

(d) ''Congener'' means a specific PBDE molecule.

(e) ''Process'' does not include the processing of metallic recyclables containing PBDEs that is conducted in compliance with all applicable federal, state, and local laws.

(f) ''Product'' means a product manufactured on or after June 1, 2006.

(g) ''Metallic recyclable'' has the same meaning as a metallic discard, as defined in Section 42161 of the Public Resources Code.

(h) ''Recycle'' has the same meaning as defined in Section 40180 of the Public Resources Code.

(i) ''Technical mixture'' means a PBDE mixture that is sold to a manufacturer. A technical mixture is named for the predominant congener in the mixture, but is not exclusively made up of that congener.

SEC. 2. Section 108922 of the Health and Safety Code is amended to read:

108922. On and after June 1, 2006, a person may not manufacture, process, or distribute in commerce a product, or a flame-retarded part of a product, containing more than one-tenth of 1 percent of pentaBDE or octaBDE, except for products containing small quantities of PBDEs that are produced or used for scientific research on the health or environmental effects of PBDEs.

CHAPTER 642

An act to add Section 17280.1 to the Education Code, and to add Sections 18948.1 and 129851 to the Health and Safety Code, relating to building standards.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 17280.1 is added to the Education Code, to read:

17280.1. Written rules and regulations adopted pursuant to this article to clarify the application of the California Building Standards Code shall be made available to the public by the State Architect upon request.

SEC. 2. Section 18948.1 is added to the Health and Safety Code, to read:

18948.1. (a) Written rules and regulations by a local enforcement agency to clarify the application of the California Building Standards Code shall be made available to the public upon request.

(b) A local enforcement agency may charge a fee to cover the costs of making copies of the written rules and regulations described in subdivision (a).

SEC. 3. Section 129851 is added to the Health and Safety Code, to read:

129851. Written rules and regulations by the office to clarify the application of the California Building Standards Code pursuant to this chapter shall be made available to the public upon request.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a 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, within the meaning of Section 17556 of the Government Code.

CHAPTER 643

An act to amend Section 1536 of, and to add Sections 1506.7, 1506.8, and 1506.9 to, the Health and Safety Code, relating to foster care.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) Foster family agencies are authorized to certify or to decertify family homes that provide foster care to children who have been declared dependents of the court and removed from their homes.

(2) Foster family agencies are required by regulation to provide to the State Department of Social Services a monthly list of family homes that have been certified or decertified. In some cases, a foster family agency is required by regulation to notify the department within one business day of determining that it is necessary to decertify a certified family home for specified reasons. However, the department does not have a database for this information. Thus, if a family home has lost its certification by a foster family agency or, if the foster family agency has had a problem with the foster family home as a result of a violation of some type, it is difficult for other foster family agencies and counties to access this information. Thus, no one except for the department, the foster family agency that decertified the family home, and the adult who was decertified has a record of the decertification. In addition, statutory provisions establish certain privacy rights for foster families, and many foster family agencies, counties, and the department are therefore reluctant to share information regarding foster families. Thus, a foster family agency that is considering certifying the family home, or a county that is considering licensing the home as a foster home or approving a

home for relative placement cannot access the information of the family home's decertification.

(3) Consequently, adults who lose their certification as family homes can go to another foster family agency and become certified, or become licensed as a foster care provider or approved for a relative placement by the county, despite abuse or neglect of foster children in the care of that family home that was severe enough for that family home to lose its certification.

(4) This lack of coordination and sharing of information has resulted in abuse or neglect of foster children—abuse and neglect from which these children could and should have been protected.

(5) In its August 2003 report, the Bureau of State Audits cited this lack of coordination and sharing of information as a problem that has resulted in abusive or neglectful family homes being able to be certified by another foster family agency that is unaware of the abuse or neglect.

(b) In order to protect foster children from being placed with potentially harmful, unsafe, or neglectful caregivers, and in order to protect foster children who have been placed in the care of the state, it is the intent of the Legislature to enact legislation to ensure that both the counties that license foster homes and approve relative placements and foster family agencies that certify family homes are given access to information of family homes that have been certified or decertified, and information that a foster family agency has determined that it is necessary to decertify a certified family home as a result of specified actions by a certified foster parent. It is the intent of the Legislature to enact provisions that will give foster family agencies, counties, and the department protections from civil liability so that they may share information regarding prospective foster parents.

SEC. 2. Section 1506.7 is added to the Health and Safety Code, to read:

1506.7. (a) A foster family agency shall require the owner or operator of a family home applying for certification to sign an application that shall contain, but shall not be limited to, the following information:

(1) Whether the applicant has been certified, and by which foster family agency.

(2) Whether the applicant has been decertified, and by which foster family agency.

(3) Whether a placement hold has been placed on the applicant by a foster family agency, and by which foster family agency.

(4) Whether the applicant has been a foster home licensed by a county or by the state and, if so, by which county or state, or whether the applicant has been approved for relative placement by a county and, if so, by which county.

(b) (1) The application form signed by the owner or operator of the family home applying for certification shall contain notice to the applicant for certification that the foster family agency is required to check references of all foster family agencies that have previously certified the applicant and of all state or county licensing offices that have licensed the applicant as a foster parent, and that the signing of the application constitutes the authorization of the applicant for the foster family agency to conduct its check of references.

(2) The application form signed by the owner or operator of the family home applying for certification shall be signed with a declaration by the applicant that the information submitted is true, correct, and contains no material omissions of fact to the best knowledge and belief of the applicant. Any person who declares as true any material matter pursuant to this section that he or she knows to be false is guilty of a misdemeanor. The application shall include a statement that submitting false information is a violation of law punishable by incarceration, a fine, or both incarceration and a fine.

SEC. 3. Section 1506.8 is added to the Health and Safety Code, to read:

1506.8. Before certifying a family home, a foster family agency shall contact any foster family agencies by whom an applicant has been previously certified and any state or county licensing offices that have licensed the applicant as a foster parent, and shall conduct a reference check as to the applicant.

SEC. 4. Section 1506.9 is added to the Health and Safety Code, to read:

1506.9. (a) No person shall incur civil liability as a result of providing the department with any of the following:

(1) The foster family agency providing to the department a log of family homes certified and decertified.

(2) The foster family agency notifying the department of its determination to decertify a certified family home due to any of the following actions by the certified family parent:

(A) Violating licensing rules and regulations.

(B) Aiding, abetting, or permitting the violation of licensing rules and regulations.

(C) Conducting oneself in a way that is inimical to the health, morals, welfare, or safety of a child placed in that certified family home.

(D) Being convicted of a crime while a certified family parent.

(E) Knowingly allowing any child to have illegal drugs or alcohol.

(F) Committing an act of child abuse or neglect or an act of violence against another person.

(b) Neither the department, a foster family agency, or a county shall incur civil liability for providing a county or a foster family agency with

information if the communication is for the purpose of aiding in the evaluation of an application for certification of a family home by a foster family agency or for licensure as a foster home or approval of a relative placement by a county or by the department.

SEC. 5. Section 1536 of the Health and Safety Code is amended to read:

1536. (a) At least annually, the director shall publish and make available to interested persons a list or lists covering all licensed community care facilities, other than foster family homes and certified family homes of foster family agencies providing 24-hour care for six or fewer foster children, and the services for which each facility has been licensed or issued a special permit.

(b) Subject to subdivision (c), to encourage the recruitment of foster family homes and certified family homes of foster family agencies, protect their personal privacy, and to preserve the security and confidentiality of the placements in the homes, the names, addresses, and other identifying information of facilities licensed as foster family homes and certified family homes of foster family agencies providing 24-hour care for six or fewer children shall be considered personal information for purposes of the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code). This information shall not be disclosed by any state or local agency pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) except as necessary for administering the licensing program, facilitating the placement of children in these facilities, and providing names and addresses only to bona fide professional foster parent organizations upon request.

(c) Notwithstanding subdivision (b), the department, a county, or a foster family agency may request information from, or divulge information to, the department, a county, or a foster family agency, regarding a prospective certified parent, foster parent, or relative caregiver for the purpose of, and as necessary to, conduct a reference check to determine whether it is safe and appropriate to license, certify, or approve an applicant to be a certified parent, foster parent, or relative caregiver.

(d) The department may issue a citation and, after the issuance of that citation, may assess a civil penalty of fifty dollars ($50) per day for each instance of a foster family agency's failure to provide the department with the information required by subdivision (h) of Section 88061 of Title 22 of the California Code of Regulations.

(e) The Legislature encourages the department, when funds are available for this purpose, to develop a database that would include all of the following information:

(1) Monthly reports by a foster family agency regarding family homes.

(2) A log of family homes certified and decertified, provided by a foster family agency to the department.

(3) Notification by a foster family agency to the department informing the department of a foster family agency's determination to decertify a certified family home due to any of the following actions by the certified family parent:

(A) Violating licensing rules and regulations.

(B) Aiding, abetting, or permitting the violation of licensing rules and regulations.

(C) Conducting oneself in a way that is inimical to the health, morals, welfare, or safety of a child placed in that certified family home.

(D) Being convicted of a crime while a certified family parent.

(E) Knowingly allowing any child to have illegal drugs or alcohol.

(F) Committing an act of child abuse or neglect or an act of violence against another person.

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 that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 644

An act to amend Sections 13144 and 13152 of, and to repeal Section 12847.5 of, the Food and Agricultural Code, to amend Sections 9795, 12812.2, and 12812.5 of the Government Code, to amend Sections 901, 25178, 25244.11, 25295, 25299.81, 25395.32, 39604, 39607.5, 39619.5, 41712, 41865, 43101, 44011.6, 44100, 44104.5, 57007, and 115910 of, and to repeal Sections 39702.5, 43032, and 59019 of, the Health and Safety Code, to amend Section 14315 of the Penal Code, to amend Sections 42885.5 and 42889.4 of, to add Chapter 4 (commencing with Section 71069) to Part 2 of Division 34 of, and to repeal Section 42889.1 of, the Public Resources Code, to amend Sections 7672, 7711 and 7712 of the Public Utilities Code, to amend Sections 13191, 13292, 13369, and 13385 of, and to repeal Sections 10782, 13192, 13198, and 13399.39 of, the Water Code, and to amend Section 4 of Chapter 435 of the Statutes of 1994, relating to environmental protection.

[Approved by Governor September 21, 2004. Filed with
Secretary of State September 21, 2004.]

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

SECTION 1. Section 12847.5 of the Food and Agricultural Code is repealed.

SEC. 2. Section 13144 of the Food and Agricultural Code is amended to read:

13144. (a) The department shall establish specific numerical values for water solubility, soil adsorption coefficient (Koc), hydrolysis, aerobic and anaerobic soil metabolism, and field dissipation. The values established by the department shall be at least equal to those established by the Environmental Protection Agency. The department shall revise the numerical values when the department finds that the revision is necessary to protect the groundwater of the state. The numerical values established or revised by the department shall always be at least as stringent as the values being used by the Environmental Protection Agency at the time the values are established or revised by the department.

(b) On or before December 31, 2004, and updated at least annually thereafter, the director shall post the following information on the department's Web site for each pesticide registered for agricultural use and during years that specific numerical values are revised:

(1) A list of each active ingredient, other specified ingredient, or degradation product of an active ingredient of a pesticide for which there is a groundwater protection data gap.

(2) A list of each pesticide that contains an active ingredient, other specified ingredients, or degradation product of an active ingredient that is greater than one or more of the numerical values established pursuant to subdivision (a), or is less than the numerical value in the case of soil adsorption coefficient, in both of the following categories:

(A) Water solubility or soil adsorption coefficient (Koc).

(B) Hydrolysis, aerobic soil metabolism, anaerobic soil metabolism, or field dissipation.

(3) For each pesticide listed pursuant to paragraph (2) for which information is available, a list of the amount sold in California during the most recent year for which sales information is available and where and for what purpose the pesticide was used, when this information is available in the pesticide use report.

(c) The department shall determine, to the extent possible, the toxicological significance of the degradation products and other specified ingredients identified pursuant to paragraph (2) of subdivision (b).

SEC. 3. Section 13152 of the Food and Agricultural Code is amended to read:

13152. (a) The department shall conduct ongoing soil and groundwater monitoring of any pesticide whose continued use is permitted pursuant to paragraph (3) of subdivision (d) of Section 13150.

(b) Any pesticide monitored pursuant to this section that is determined, by review of monitoring data and any other relevant data, to pollute the groundwaters of the state two years after the director takes action pursuant to paragraph (3) of subdivision (d) of Section 13150 shall be canceled unless the director has determined that the adverse health effects of the pesticide are not carcinogenic, mutagenic, teratogenic, or neurotoxic.

(c) The department shall maintain a statewide database of wells sampled for pesticide active ingredients. All agencies shall submit to the department, in a timely manner, the results of any well sampling for pesticide active ingredients and the results of any well sampling that detect any pesticide active ingredients.

(d) Not later than June 30, 1986, the director, the State Department of Health Services, and the board shall jointly establish minimum requirements for well sampling that will ensure precise and accurate results. The requirements shall be distributed to all agencies that conduct well sampling. All well sampling conducted after December 1, 1986, shall meet the minimum requirements established pursuant to this subdivision.

(e) The department shall post the following information on its Web site, updated no later than December 1 of each year:

(1) The number of wells sampled for pesticide active ingredients, the location of the wells from which the samples were taken, the well numbers, if available, and the agencies responsible for drawing and analyzing the samples.

(2) The number of well samples with detectable levels of pesticide active ingredients, the location of the wells from which the samples were taken, the well numbers, if available, and the agencies responsible for drawing and analyzing the samples.

(3) An analysis of the results of well sampling described in paragraphs (1) and (2), to determine the probable source of the residues. The analysis shall consider factors such as the physical and chemical characteristics of the pesticide, volume of use and method of application of the pesticide, irrigation practices related to use of the pesticide, and types of soil in areas where the pesticide is applied.

(4) Actions taken by the director and the board to prevent pesticides from migrating to groundwaters of the state.

SEC. 4. Section 9795 of the Government Code is amended to read:

9795. (a) (1) Any report required or requested by law to be submitted by a state or local agency to the members of either house of the Legislature generally, shall instead be submitted to the Legislative Counsel, the Secretary of the Senate, and the Chief Clerk of the Assembly. Each report shall include a summary of its contents, not to exceed one page in length, a copy of which shall be provided to each member of the appropriate house or houses of the Legislature by the Legislative Counsel within two working days of its receipt. Notice of receipt of the report shall also be recorded in the journal of the appropriate house or houses of the Legislature by the secretary or clerk of that house.

(2) In addition to and as part of the information made available to the public in electronic form pursuant to Section 10248, the Legislative Counsel shall make available a list of the reports submitted by state and local agencies, as specified in paragraph (1). If the Legislative Counsel receives a request from a member of the public for a report contained in the list, the Legislative Counsel is not required to provide a copy of the report and may refer the requester to the state or local agency, as the case may be, that authored the report.

(b) (1) A local agency shall be deemed to have complied with paragraph (1) of subdivision (a) if the agency submits to the Legislative Counsel, the Secretary of the Senate, and the Chief Clerk of the Assembly each one hard copy of the report required or requested.

(2) A state agency shall be deemed to have complied with paragraph (1) of subdivision (a) if the agency submits to the Legislative Counsel, the Secretary of the Senate, and the Chief Clerk of the Assembly each one hard copy and one electronic copy of the report required or requested.

(c) This section shall not apply to reports required or requested by law to be directed to a committee or other specified entity within the Legislature.

(d) No report shall be distributed to a Member of the Legislature unless specifically requested by that member.

(e) Compliance with subdivision (a) shall be deemed to be full compliance with subdivision (c) of Section 10242.5.

(f) A state agency report and summary subject to this section shall include an Internet Web site where the report can be downloaded and telephone number to call to order a hard copy of the report. A report submitted by a state agency subject to this section shall also be posted at the agency's Internet Web site.

(g) For purposes of this section, ''report'' includes any study or audit.

SEC. 5. Section 12812.2 of the Government Code is amended to read:

12812.2. (a) One of the deputies to the Secretary for Environmental Protection shall be a deputy secretary for law enforcement and counsel, who, subject to the direction and supervision of the secretary, shall have the responsibility and authority to do all of the following:

(1) Develop a program to ensure that the boards, departments, offices, and other agencies that implement laws or regulations within the jurisdiction of the California Environmental Protection Agency take consistent, effective, and coordinated compliance and enforcement actions to protect public health and the environment. The program shall include training and cross-training of inspection and enforcement personnel of those boards, departments, offices, or other agencies to ensure consistent, effective, and coordinated enforcement.

(2) In consultation with the Attorney General, establish a cross-media enforcement unit to assist a board, department, office, or other agency that implements a law or regulation within the jurisdiction of the California Environmental Protection Agency, to investigate and prepare matters for enforcement action in order to protect public health and the environment. The unit may inspect and investigate a violation of a law or regulation within the jurisdiction of the board, department, office, or other agency, including a violation involving more than one environmental medium and a violation involving the jurisdiction of more than one board, department, office, or agency. The unit shall exercise its authority consistent with the authority granted to the head of a department pursuant to Article 2 (commencing with Section 11180) of Chapter 2 of Part 1.

(3) Refer a violation of a law or regulation within the jurisdiction of a board, department, office, or other agency that implements a law or regulation within the jurisdiction of the California Environmental Protection Agency to the Attorney General, a district attorney, or city attorney for the filing of a civil or criminal action.

(4) Exercise the authority granted pursuant to paragraph (3) only after providing notice to the board, department, office, or other agency unless the secretary determines that notice would compromise an investigation or enforcement action.

(b) Nothing in this section shall authorize the deputy secretary for law enforcement and counsel to duplicate, overlap, compromise, or otherwise interfere with an investigation or enforcement action undertaken by a board, department, office, or other agency that implements a law or regulation subject to the jurisdiction of the California Environmental Protection Agency.

(c) The Environmental Protection Agency shall post on its Web site, updated no later than December 1 of each year, the status of the implementation of this section.

SEC. 6. Section 12812.5 of the Government Code is amended to read:

12812.5. On or before March 1, 1994, the California Environmental Protection Agency, using existing resources and in consultation with other relevant agencies in state and local government, shall do all of the following:

(a) Establish an environmental technologies clearinghouse, which shall include, but not be limited to, maintaining information on California-based environmental technology companies and information on funding sources for environmental technology endeavors and making this information available to interested parties.

(b) Make available technical assistance within the California Environmental Protection Agency to assist California-based environmental technology companies to improve export opportunities, and to enhance foreign buyers' awareness of, and access to, environmental technologies and services offered by California-based companies. The technical assistance may include, but is not limited to, organizing and leading trade missions, receiving reverse trade missions, referral services, reviewing project opportunities, and notifying California-based companies of export opportunities and trade shows.

(c) Perform research studies and solicit technical advice to identify international market opportunities for California-based environmental technology companies.

(d) Participate in federally and other nonstate funded technical exchange programs, when appropriate, to increase foreign buyers' interest in California's environmental technologies.

(e) Coordinate activities in state government, and with the federal government and other countries' governments, to take advantage of trade promotion and financial assistance opportunities available to California-based environmental technology companies.

SEC. 7. Section 901 of the Health and Safety Code is amended to read:

901. (a) As used in this section:

(1) ''Center'' means the Children's Environmental Health Center established pursuant to Section 900.

(2) ''Office'' means the Office of Environmental Health Hazard Assessment.

(b) On or before June 30, 2001, the office shall review cancer risk assessment guidelines for use by the office and the other entities within the California Environmental Protection Agency to establish cancer potency values or numerical health guidance values that adequately address carcinogenic exposures to the fetus, infants, and children.

(c) The review required by subdivision (b) shall include a review of existing state and federal cancer risk guidelines, as well as new

information on carcinogenesis, and shall consider the extent to which those guidelines address risks from exposures occurring early in life.

(d) The review required by subdivision (b) shall also include, but not be limited to, all of the following:

(1) The development of criteria for identifying carcinogens likely to have a greater impact if exposures occur early in life.

(2) The assessment of methodologies used in existing guidelines to address early-in-life exposures.

(3) The construction of a database of animal studies to evaluate increases in risks from short-term early-in-life exposures.

(e) On or before June 30, 2004, the office shall finalize and publish children's cancer guidelines that shall be protective of children's health. These guidelines shall be revised and updated as needed by the office.

(f) (1) On or before December 31, 2002, the office shall publish a guidance document, for use by the Department of Toxic Substances Control and other state and local environmental and public health agencies, to assess exposures and health risks at existing and proposed schoolsites. The guidance document shall include, but not be limited to, all of the following:

(A) Appropriate child-specific routes of exposure unique to the school environment, in addition to those in existing exposure assessment models.

(B) Appropriate available child-specific numerical health effects guidance values, and plans for the development of additional child-specific numerical health effects guidance values.

(C) The identification of uncertainties in the risk assessment guidance, and those actions that should be taken to address those uncertainties.

(2) The office shall consult with the Department of Toxic Substances Control and the State Department of Education in the preparation of the guidance document required by paragraph (1) to ensure that it provides the information necessary for these two agencies to meet the requirements of Sections 17210.1 and 17213.1 of the Education Code.

(g) On or before January 1, 2002, the office, in consultation with the appropriate entities within the California Environmental Protection Agency, shall identify those chemical contaminants commonly found at schoolsites and determined by the office to be of greatest concern based on criteria that identify child-specific exposures and child-specific physiological sensitivities. On or before December 31, 2002, and annually thereafter, the office shall publish and make available to the public and to other state and local environmental and public health agencies and school districts, numerical health guidance values for five of those chemical contaminants identified pursuant to this subdivision until the contaminants identified have been exhausted.

(h) On and after January 1, 2002, and biennially thereafter, the center shall report to the Legislature and the Governor on the implementation of this section as part of the report required by subdivision (d) of Section 900. The report shall include, but not be limited to, information on revisions or modifications made by the office and other entities within the California Environmental Protection Agency to cancer potency values and other numerical health guidance values in order to be protective of children's health. The report shall also describe the use of the revised health guidance values in the programs and activities of the office and the other boards and departments within the California Environmental Protection Agency.

(i) Nothing in this section relieves any entity within the California Environmental Protection Agency of complying with Chapter 3.5 (commencing with Section 11340) of Part 2 of Division 3 of Title 2 of the Government Code, to the extent that chapter is applicable to the entity on or before July 19, 2000, or January 1, 1998.

SEC. 8. Section 25178 of the Health and Safety Code is amended to read:

25178. On or before January 1 of each odd-numbered year, the department shall post on its Web site, at a minimum, all of the following:

(a) The status of the regulatory and program developments required pursuant to legislative mandates.

(b) (1) The status of the hazardous waste facilities permit program that shall include all of the following information:

(A) A description of the final hazardous waste facilities permit applications received.

(B) The number of final hazardous waste facilities permits issued to date.

(C) The number of final hazardous waste facilities permits yet to be issued.

(D) A complete description of the reasons why the final hazardous waste facilities permits yet to be issued have not been issued.

(2) For purposes of paragraph (1), ''hazardous waste facility'' means a facility that uses a land disposal method, as defined in subdivision (d) of Section 25179.2, and that disposes of wastes regulated as hazardous waste pursuant to the federal act.

(c) The status of the hazardous waste facilities siting program.

(d) The status of the hazardous waste abandoned sites program.

(e) A summary of enforcement actions taken by the department pursuant to this chapter and any other actions relating to hazardous waste management.

(f) Summary data on annual quantities and types of hazardous waste generated, transported, treated, stored, and disposed.

(g) Summary data regarding onsite and offsite disposition of hazardous waste.

(h) Research activity initiated by the department.

(i) Regulatory action by other agencies relating to hazardous waste management.

(j) A revised listing of recyclable materials showing any additions or deletions to the list prepared pursuant to Section 25175 that have occurred since the last report.

(k) Any other data considered pertinent by the department to hazardous waste management.

(*l*) The information specified in subdivision (c) of Section 25161, paragraph (4) of subdivision (a) of Section 25197.1, subdivision (c) of Section 25354, and Sections 25334.7, and 25356.5.

(m) A status report on the cleanup of the McColl Hazardous Waste Disposal Site in Orange County.

SEC. 9. Section 25244.11 of the Health and Safety Code is amended to read:

25244.11. The department shall, report to the Governor and the Legislature, including the Chairpersons of the Senate Committee on Appropriations, Assembly Committee on Ways and Means, Joint Legislative Budget Committee, and Assembly Committee on Economic Development and New Technologies, on the status, funding, and results of all demonstration and research projects awarded grants during a year when grant funds are made available.

This report shall include recommendations for legislation and shall identify those state and federal economic and financial incentives which can best accelerate and maximize the research, development, and demonstration of hazardous waste reduction, recycling, and treatment technologies.

SEC. 10. Section 25295 of the Health and Safety Code is amended to read:

25295. (a) (1) Any unauthorized release which escapes from the secondary containment, or from the primary containment, if no secondary containment exists, increases the hazard of fire or explosion, or causes any deterioration of the secondary containment of the underground tank system shall be reported by the owner or operator to the local agency designated pursuant to Section 25283 within 24 hours after the release has been detected or should have been detected. A full written report shall be transmitted by the owner or operator of the underground tank system to the local agency within five working days of the occurrence of the release. The report shall describe the nature and volume of the unauthorized release, any corrective or remedial actions undertaken, and any further corrective or remedial actions, including investigative actions, which will be needed to clean up the unauthorized

release and abate the effects of the release and a time schedule for implementing these actions.

(2) The local agency shall review the permit whenever there has been an unauthorized release or when it determines that the underground tank system is unsafe. In determining whether to modify or terminate the permit, the local agency shall consider the age of the tank, the methods of containment, the methods of monitoring, the feasibility of any required repairs, the concentration of the hazardous substances stored in the tank, the severity of potential unauthorized releases, and the suitability of any other long-term preventive measures which would meet the requirements of this chapter.

(b) The board shall continuously post and update on its Web site, but at a minimum, annually on or before December 1, a report of all unauthorized releases, indicating for each unauthorized release the responsible party, the site name, the hazardous substance, the quantity of the unauthorized release if known, and the actions taken to abate the problem.

(c) The reporting requirements imposed by this section are in addition to any requirements which may be imposed by Sections 13271 and 13272 of the Water Code.

SEC. 11. Section 25299.81 of the Health and Safety Code is amended to read:

25299.81. (a) Except as provided in subdivisions (b) and (c), this chapter shall remain in effect only until January 1, 2011, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2011, deletes or extends that date.

(b) Notwithstanding subdivision (a), Article 1 (commencing with Section 25299.10), Article 2 (commencing with Section 25299.11), and Article 4 (commencing with Section 25299.36) shall not be repealed and shall remain in effect on January 1, 2011.

(c) The repeal of certain portions of this chapter does not terminate any of the following rights, obligations, or authorities, or any provision necessary to carry out these rights and obligations:

(1) The filing and payment of claims against the fund, including the costs specified in subdivisions (c), (e), and (h) of Section 25299.51, and claims for commingled plumes, as specified in Article 11 (commencing with Section 25299.90), until the moneys in the fund are exhausted. Upon exhaustion of the fund, any remaining claims shall be invalid.

(2) The repayment of loans, outstanding as of January 1, 2011, due and payable to the board.

(3) The recovery of moneys reimbursed to a claimant to which the claimant is not entitled, or the resolution of any cost recovery action.

(4) The collection of unpaid fees that are imposed pursuant to Article 5 (commencing with Section 25299.40), as that article read on December

31, 2010, or have become due before January 1, 2011, including any interest or penalties that accrue before, on, or after January 1, 2011, associated with those unpaid fees.

(d) The board shall continuously post and update on its Web site, but at a minimum, annually on or before September 30, information that describes the status of the fund and shall make recommendations, when appropriate, to improve the efficiency of the program.

SEC. 12. Section 25395.32 of the Health and Safety Code is amended to read:

25395.32. On or before January 10 of each year when a loan under this article is made or repaid during the previous fiscal year, the secretary shall report to the Joint Legislative Budget Committee and to the chairs of the appropriate policy committees of the Senate and the Assembly, and shall post on the Internet web site of the agency, all of the following:

(a) The number and dollar amount of loans approved pursuant to Section 25395.21, the number and dollar amount of those loans that have been repaid, and, the number and dollar amount of those loans that are in default.

(b) The number and dollar amount of loans waived pursuant to subdivision (f) of Section 25395.21.

(c) The number and dollar amount of loans approved pursuant to Section 25395.23, the number and dollar amount of those loans that have been repaid, and the number and dollar amount of those loans that are in default.

(d) The number of preliminary endangerment assessments completed pursuant to agreements entered into under this article.

(e) The number of sites where necessary response actions have been completed pursuant to agreements entered into under this article.

SEC. 13. Section 39604 of the Health and Safety Code is amended to read:

39604. (a) The state board shall post on its Web site, at a minimum by January 1 of each odd-numbered year, information on air quality conditions and trends statewide and on the status and effectiveness of state and local air quality programs.

(b) The data shall include, but not be limited to, all of the following:

(1) A review of air quality trends in each air basin over the most recent five-calendar-year period for which a complete data record is available.

(2) A statement of the number of violations of air quality standards that occurred in each air basin over the most recent two calendar years for which a complete data record is available, and a comparison of the number of violations to those in prior years.

(3) A listing of any changes in state ambient air quality standards adopted by the board over the previous two calendar years.

(4) A summary of the results of research projects concluded during the previous two years, the status of current research projects, and the conduct of the research program pursuant to Section 39703.

(5) A summary of any actions taken by the state board to assume the powers of districts under Section 39808.

(6) A summary of the effects of any significant federal actions over the previous two years that have affected state air quality or air quality programs.

(7) A summary of the status of the state implementation plan for achieving and maintaining ambient air quality standards.

(8) A summary of the state board's actions in the previous two calendar years to control toxic air pollutants pursuant to Chapter 3.5 (commencing with Section 39650).

(9) A summary of actions of the state board in controlling emissions from motor vehicles during the previous two-year period.

(10) A summary of significant actions taken by districts to control emissions from nonvehicular sources during the previous two-year period. This summary shall not include a district by district analysis for each district in the state, but shall include an overall analysis.

SEC. 14. Section 39607.5 of the Health and Safety Code is amended to read:

39607.5. (a) The state board shall develop, and adopt in a public hearing a methodology for use by districts to calculate the value of credits issued for emission reductions from stationary, mobile, indirect, and areawide sources, including those issued under market-based incentive programs, when those credits are used interchangeably.

(b) In developing the methodology, the state board shall do all of the following:

(1) Ensure that the methodology results in the maintenance and improvement of air quality consistent with this division.

(2) Allow those credits to be used in a market-based incentive program adopted pursuant to Section 39616 that requires annual reductions in emissions through declining annual allocations, and allow the use of all of those credits, including those from a market-based incentive program, to meet other stationary or mobile source requirements that do not expressly prohibit that use.

(3) Ensure that the methodology does not do any of the following:

(A) Result in the crediting of air emissions that already have been identified as emission reductions necessary to achieve state and federal ambient air quality standards.

(B) Provide for an additional discount of credits solely as a result of emission reduction credits trading if a district already has discounted the credit as part of its process of identifying and granting those credits to sources.

(C) Otherwise provide for double-counting emission reductions.

(4) Consult with, and consider the suggestions of, the public and all interested parties, including, but not limited to, the California Air Pollution Control Officers Association and all affected regulated entities.

(5) Ensure that any credits, whether they are derived from stationary, mobile, indirect, or areawide sources, shall be permanent, enforceable, quantifiable, and surplus.

(6) Ensure that any credits derived from a market-based incentive program adopted pursuant to Section 39616 are permanent, enforceable, quantifiable, and are in addition to any required controls, unless those credits otherwise comply with paragraph (2).

(7) Consider all of the following factors:

(A) How long credits should be valid.

(B) Whether, and which, banking opportunities may exist for credits.

(C) How to provide flexibility to sources seeking to use credits so that they remain interchangeable and negotiable until used.

(D) How to ensure a viable trading process for sources wishing to trade credits consistent with this section.

(E) How to ensure that, if credits may be used within and between adjacent districts or air basins where sources are in proximity to one another, the use occurs while maintaining and improving air quality in both districts or air basins.

(c) If necessary, the state board shall periodically update the methodology as it applies to future transactions.

(d) The state board shall periodically review each district's emission reduction and credit trading programs to ensure that the programs comply with the methodology developed pursuant to this section.

(e) The state board shall post on its Web site, at a minimum by January 1 each year, actions taken by the state board to implement this section.

SEC. 15. Section 39619.5 of the Health and Safety Code is amended to read:

39619.5. The state board shall develop and conduct an expanded and revised program of monitoring of airborne fine particles smaller than 2.5 microns in diameter (PM 2.5). The program shall be designed to accomplish all of the following:

(a) The monitoring method selected shall be capable of accurately representing the spectrum of compounds that comprise PM 2.5 in the atmosphere of regions where monitoring is conducted, including nitrates and other inorganic compounds, as well as carbonaceous materials.

(b) To the extent feasible, the state board shall consider approved federal particulate methods in selecting a monitoring method for the program.

(c) The monitoring network used in the program shall site monitors so as to characterize population exposure, background conditions, and transport influence, and attain any other objective identified by the state board as necessary to understand conditions and to provide information for the development of control strategies.

(d) Portable monitors shall be used in locations not now monitored for PM 10, but where elevated PM 2.5 might be expected.

(e) During the initial two years of expanded monitoring, PM 2.5 monitoring shall be done at one or more of the highest level PM 10 sites in any region that violates the federal ambient air quality standard for PM 10, to enable a determination of the correlation between levels of PM 10 and PM 2.5.

(f) In regions where ambient source characterization studies for PM 2.5 have not been completed, the state board shall work with the district to develop and conduct those studies.

(g) The state board shall place on its Web site, updated at a minimum January 1 of each year, the status and results of the airborne fine particulate air pollution monitoring program.

SEC. 16. Section 39702.5 of the Health and Safety Code is repealed.

SEC. 17. Section 41712 of the Health and Safety Code is amended to read:

41712. (a) For purposes of this section, the following terms have the following meaning:

(1) ''Consumer product'' means a chemically formulated product used by household and institutional consumers, including, but not limited to, detergents; cleaning compounds; polishes; floor finishes; cosmetics; personal care products; home, lawn, and garden products; disinfectants; sanitizers; aerosol paints; and automotive specialty products; but does not include other paint products, furniture coatings, or architectural coatings.

(2) ''Health benefit product'' means an antimicrobial product registered with the Environmental Protection Agency.

(3) ''Maximum feasible reduction in volatile organic compounds emitted'' means at least a 60-percent reduction in the emissions of volatile organic compounds resulting from the use of aerosol paints, calculated with respect to the 1989 baseline year, including acetone in that baseline year.

(4) ''Medical expert'' means a physician, including a pediatrician, a microbiologist, or a scientist involved in research related to infectious disease and infection control.

(b) The state board shall adopt regulations to achieve the maximum feasible reduction in volatile organic compounds emitted by consumer products, if the state board determines that adequate data exists to establish both of the following:

(1) The regulations are necessary to attain state and federal ambient air quality standards.

(2) The regulations are commercially and technologically feasible and necessary.

(c) A regulation shall not be adopted which requires the elimination of a product form.

(d) The state board shall not adopt regulations pursuant to subdivision (b) unless the regulations are technologically and commercially feasible, and necessary to carry out this division. The state board shall consider the effect that the regulations proposed for health benefit products will have on the efficacy of those products in killing or inactivating agents of infectious diseases such as viruses, bacteria, and fungi, and the impact the regulations will have on the availability of health benefit products to California consumers.

(e) Prior to adopting regulations pursuant to this section governing health benefit products, the state board shall consider any recommendations received from federal, state, or local public health agencies and medical experts in the field of public health.

(f) A district shall adopt no regulation pertaining to disinfectants, nor any regulation pertaining to a consumer product that is different than any regulation adopted by the state board for that purpose.

(g) A consumer product manufactured prior to each effective date specified in regulations adopted by the state board pursuant to this section that applies to that consumer product may be sold, supplied, or offered for sale for a period of three years from the specified effective date if the date of manufacture or a representative date code is clearly displayed on the product at the point of sale. An explanation of the date code shall be filed with the state board.

(h) (1) It is the intent of the Legislature that, prior to January 1, 2000, air pollution control standards affecting the formulation of aerosol adhesives and limiting emissions of reactive organic compounds resulting from the use of aerosol adhesives be set solely by the state board to ensure uniform standards applicable on a statewide basis.

(2) The Legislature recognizes that the current state board volatile organic compound (VOC) limit for aerosol adhesives is 75 percent by weight. Effective January 1, 1997, the state board's 75-percent standard shall apply to all uses of aerosol adhesives, including consumer, industrial, and commercial uses, and any district regulations limiting the VOC content of, or emissions from, aerosol adhesives, are null and void. After that date, a district may adopt and enforce the state board's 75-percent standard for aerosol adhesives, or a subsequently adopted state board standard, in the same manner as a district regulation limiting the issuance of air contaminants.

(3) Notwithstanding any other provision of this section, on and after January 1, 2000, a district may adopt and enforce a regulation setting an emission standard or standards for VOC emissions for the use of aerosol adhesives that is more stringent than the standards adopted by the state board.

(i) (1) It is the intent of the Legislature that air pollution control standards affecting the formulation of aerosol paints and limiting the emissions of volatile organic compounds resulting from the use of aerosol paints be set solely by the state board to ensure uniform standards applicable on a statewide basis. A district shall not adopt or enforce any regulation regarding the volatile organic compound content of, or emissions from, aerosol paints until the state board has adopted a regulation regarding those paints, and any district regulation shall not be different than the state board regulation. A district may observe and enforce a state board regulation regarding aerosol paints in the same manner as a district regulation limiting the issuance of air contaminants. This subdivision shall not apply to any district that has adopted a rule or regulation regarding aerosol paints pursuant to an order of a federal court, until the federal court has authorized the district to observe and enforce the state board regulation in lieu of the district regulation.

(2) The state board shall adopt regulations requiring the maximum feasible reduction in volatile organic compounds emitted from the use of aerosol paints. The regulations shall establish final limits and require full compliance, and shall establish interim limits prior to that date resulting in reductions in reactive organic compounds.

(3) The state board shall conduct a public hearing on the technological or commercial feasibility of achieving full compliance with the final limits. If the state board determines that a 60-percent reduction in emissions of reactive organic compounds from the use of aerosol paints is not technologically or commercially feasible, the state board may grant an extension of time not to exceed five years. During any extension of time, the most stringent interim limits shall be applicable. Any regulation adopted by the state board shall include a provision authorizing the time extension and requiring a public hearing on technological or commercial feasibility consistent with this subdivision. The state board shall seek to ensure that the final limits for aerosol paints established pursuant to this subdivision do not become federally enforceable prior to the effective date established by the state board for these limits, including any extension granted under this subdivision.

(4) Reductions required for aerosol paints under this subdivision are not intended to apply to any other consumer product.

(j) The state board shall not adopt a regulation pertaining to disinfectants any sooner than December 1, 2003.

(k) The state board shall comply with its volatile organic compound emission reduction obligations under the 1994 State Implementation Plan, or any amendments thereto, and shall ensure that there is no loss of emission reductions as a result of its compliance with subdivision (j).

SEC. 18. Section 41865 of the Health and Safety Code, as amended by Chapter 225 of the Statutes of 2004, is amended to read:

41865. (a) This section shall be known, and may be cited, as the Connelly-Areias-Chandler Rice Straw Burning Reduction Act of 1991.

(b) As used in this section:

(1) ''Sacramento Valley Air Basin'' means the area designated by the state board pursuant to Section 39606.

(2) ''Air pollution control council'' means the Sacramento Valley Basinwide Air Pollution Control Council authorized pursuant to Section 40900.

(3) ''Conditional rice straw burning permit'' means a permit to burn granted pursuant to subdivisions (f) and (h).

(4) ''Allowable acres to be burned'' means the number of acres that may be burned pursuant to subdivision (c).

(5) ''Department'' means the Department of Food and Agriculture.

(6) ''Maximum fall burn acres'' means the maximum amount of rice acreage that may be burned from September 1 to December 31, inclusive, of each year.

(7) ''Maximum spring burn acres'' means the maximum amount of rice acreage that may be burned from January 1 to May 31 of the following year, inclusive.

(c) Notwithstanding Section 41850, rice straw burning in counties in the Sacramento Valley Air Basin shall be phased down, as follows:

(1) From 1998 to 2000, the maximum spring and fall burn acres shall be the following number of acres planted prior to September 1 of each year:

Year	Maximum Fall Burn Acres	Maximum Spring Burn Acres
1998	90,000	110,000
1999	90,000	110,000
2000	90,000	110,000

(2) Notwithstanding paragraph (1), any of the 90,000 acres allocated in the fall that are not burned may be added to the maximum spring burn acres, provided that the maximum spring burn acres does not exceed 160,000 acres.

(3) Notwithstanding paragraph (1), the maximum acres burned between January 1, 1998, and August 31, 1998, shall be limited so that the total acres burned between September 1, 1997, and August 31, 1998,

do not exceed 38 percent of the total acres planted prior to September 1, 1997.

(4) In 2001 and thereafter, the maximum annual burn acres shall be the number of acres prescribed in subdivision (i), subject to subdivisions (f) and (h).

(d) The number of allowable acres to be burned each day shall be determined by the state board and the air pollution control officers in the Sacramento Valley Air Basin and equitably allocated among rice growers in accordance with the annual agricultural burning plan adopted by the air pollution control council and approved by the state board.

(e) On or before September 1, 2000, the state board, in consultation with the department and the air pollution control council, shall adopt regulations consistent with the criteria provided in subdivisions (f) and (h). On or before September 1, 1996, an advisory group shall be established by the state board and the department to assist in the adoption of those regulations.

(f) Commencing September 1, 2001, the county air pollution control officers in the Sacramento Valley Air Basin may grant conditional rice straw burning permits once the county agricultural commissioner has determined that the applicant has met the conditions specified in subdivision (h). The county agricultural commissioner shall be responsible for all field inspections associated with the issuance of conditional rice straw burning permits. A conditional rice straw burning permit shall be valid for only one burn, per field, per year.

(g) The county agricultural commissioner may charge the applicant a fee not to exceed the costs incurred by the county agricultural commissioner in making the determination specified in subdivision (f). This subdivision shall be operative only until January 1, 2009.

(h) If the terms and conditions for issuing conditional rice straw burning permits specified in paragraphs (1) to (4), inclusive, are met, a conditional rice straw burning permit may be issued unless the state board and the department have jointly determined, based upon an annual review process, that there are other economically and technically feasible alternative means of eliminating the disease that are not substantially more costly to the applicant. The terms and conditions for issuing the conditional rice straw burning permits are:

(1) The fields to be burned are specifically described.

(2) The applicant has not violated any provision of this section within the previous three years.

(3) During the growing season, the county agricultural commissioner has independently determined the significant presence of a pathogen in an amount sufficient to constitute a rice disease such as stem rot.

(4) The county agricultural commissioner makes a finding that the existence of the pathogen as identified in paragraph (3) will likely cause

a significant, quantifiable reduction in yield in the field to be burned during the current or next growing season. The findings of the county agricultural commissioner shall be based on recommendations adopted by the advisory group established pursuant to subdivision (e).

(i) (1) The maximum annual number of acres burned in the Sacramento Valley Air Basin pursuant to paragraph (4) of subdivision (c) shall be the lesser of:

(A) The total of 25 percent of each individual applicant's planted acres that year.

(B) A total of 125,000 acres planted in the Sacramento Valley Air Basin.

(2) Each grower shall be eligible to burn up to 25 percent of the grower's planted acres, as determined by the air pollution control officers in the Sacramento Valley Air Basin and subject to the maximum annual number of acres burned set forth in paragraph (1), if the grower has met the criteria for a conditional rice straw burning permit.

(3) The air pollution control council shall annually determine which is the lesser of subparagraphs (A) and (B) of paragraph (1), and shall determine the maximum percentage applicable to all growers subject to the conditions set forth in subdivisions (f) and (h).

(4) A grower who owns or operates 400 acres or less who has met the criteria for the issuance of a conditional rice straw burning permit may burn his or her entire acreage once every four years, provided that the limit prescribed in paragraph (1) is not exceeded.

(5) Nothing in this subdivision shall permit an applicant to transfer, sell, or trade any permission to burn granted pursuant to this subdivision to another applicant or individual.

(j) The state board and the department shall jointly determine if the allowable acres to be burned, as provided in subdivisions (c), (f), and (h), may be exceeded due to extraordinary circumstances, such as an act of God, that have an impact over a continuing duration and make alternatives other than burning unusable.

(k) ''Administrative burning'' means burning of vegetative materials along roads, in ditches, and on levees adjacent to or within a rice field, or the burning of vegetative materials on rice research facilities authorized by the county agricultural commissioner, not to exceed 2,000 acres. Administrative burning conducted in accordance with Section 41852 is not subject to this section.

(*l*) (1) On or before September 1, 1992, the state board and the department shall jointly establish an advisory committee composed of 10 members to assist with the identification and implementation of alternatives to rice straw burning. Members of the committee shall be from the Sacramento Valley Air Basin, and the committee shall consist of two rice growers, two representatives from the environmental

community, two health officials, two county supervisors or their designees, one member from the air pollution control council, and one member from the business community with expertise in market or product development. The committee shall meet at least annually. General Fund moneys shall not be used to support the committee.

(2) The committee shall develop a list of priority goals for the development of alternative uses of rice straw for the purpose of developing feasible and cost-effective alternatives to rice straw burning. These goals shall include, but not be limited to, research on alternatives, economic incentives to encourage alternative uses, and new product development.

(m) On or before September 1, 1998, the state board, in consultation with the department, and the advisory committee, shall develop an implementation plan and a schedule to achieve diversion of not less than 50 percent of rice straw produced toward off-field uses by 2000. Off-field uses may include, but are not limited to, the production of energy and fuels, construction materials, pulp and paper, and livestock feed.

(n) The Legislature hereby finds and declares as follows:

(1) Because of the requirements imposed by this section, rice straw that was previously burned may present, as solid waste, a new disposal problem.

(2) The state should assist local governments and growers in diverting rice straw from landfills by researching and developing diversion options.

(o) It is the intent of the Legislature that all feasible alternatives to rice straw burning and options for diverting rice straw from landfills be encouraged.

(p) This subdivision confirms that reductions in emissions from rice straw burning qualify for air quality offsets, in accordance with paragraphs (1) and (2).

(1) These credits shall meet the requirements specified in state law and district rules and regulations, and shall comply with applicable district banking rules established pursuant to Sections 40709 to 40713, inclusive. Districts are urged to establish banking systems in accordance with Sections 40709 to 40713, inclusive. The state board may adopt regulations to implement this subdivision, including, but not limited to, consideration of the seasonal and intermittent nature of rice straw burning emissions. In developing the regulations, the state board shall consult with all concerned parties. However, emission reduction credits that would otherwise accrue from reductions in emissions from rice straw burning shall not be affected or negated by the phasedown of burning, as specified in subdivision (c).

(2) Reductions in emissions achieved in compliance with subdivision (c) that are banked or used as credits shall not be credited for purposes of attainment planning and progress towards the attainment of any state or national ambient air quality standard as required by state and federal law.

(q) (1) Any person who negligently or intentionally violates any provision of this article is guilty of a misdemeanor and is subject to a fine of not more than ten thousand dollars ($10,000), imprisonment in the county jail for not more than nine months, or by both that fine and imprisonment. This subdivision applies only to agricultural burning in the Sacramento Valley Air Basin.

(2) Any person who negligently or intentionally violates any provision in this article is liable for a civil penalty of not more than ten thousand dollars ($10,000). This subdivision applies only to agricultural burning in the Sacramento Valley Air Basin.

(r) Districts in the Sacramento Valley Air Basin shall impose fees on growers to cover the cost of implementing this section pursuant to Section 42311.

(s) To the extent that resources are available, the state board and the agencies with jurisdiction over air quality within the Sacramento Valley Air Basin shall do both of the following:

(1) Improve responses to citizen complaints, and, to the extent feasible, immediately investigate and analyze smoke complaints from the public to identify factors that contribute to complaints and to develop better smoke control measures to be included in the agricultural burning plan, keep a record of all complaints, coordinate among other agencies on citizens' complaints, and investigate the source of the pollution causing the complaint.

(2) Respond more quickly to requests for update from county air pollution control officers to help maximize burning days when meteorological conditions are best suited for smoke dispersion.

SEC. 19. Section 43032 of the Health and Safety Code is repealed.

SEC. 20. Section 43101 of the Health and Safety Code is amended to read:

43101. (a) The state board shall adopt and implement emission standards for new motor vehicles for the control of emissions from new motor vehicles that the state board finds to be necessary and technologically feasible to carry out the purposes of this division. Before adopting these standards, the state board shall consider the impact of these standards on the economy of the state, including, but not limited to, their effect on motor vehicle fuel efficiency.

(b) The standards adopted pursuant to this section may be applicable to motor vehicle engines, rather than to motor vehicles.

SEC. 21. Section 44011.6 of the Health and Safety Code is amended to read:

44011.6. (a) The use of a heavy-duty motor vehicle that emits excessive smoke is prohibited.

(b) (1) As expeditiously as possible, the state board shall develop a test procedure for the detection of excessive smoke emissions from heavy-duty diesel motor vehicles that is feasible for use in an intermittent roadside inspection program. During the development of the test procedure, the state board shall cooperate with the Department of the California Highway Patrol in conducting roadside inspections.

(2) The state board may also specify visual or functional inspection procedures to determine the presence of tampering or defective emissions control systems in heavy-duty diesel or heavy-duty gasoline motor vehicles. However, visual or functional inspection procedures for heavy-duty gasoline motor vehicles shall not be more stringent than those prescribed for heavy-duty gasoline motor vehicles subject to biennial inspection pursuant to Section 44013.

(3) The chairperson of the state board shall appoint an ad hoc advisory committee that shall include, but not be limited to, representatives of heavy-duty engine manufacturers, carriers of property for compensation using heavy-duty gasoline or heavy-duty diesel motor vehicles, and the Department of the California Highway Patrol. The advisory committee shall cooperate with the state board to develop a test procedure pursuant to this subdivision and shall advise the state board in developing regulations to implement test procedures and inspection of heavy-duty commercial motor vehicles.

(c) Any smoke testing procedures or smoke measuring equipment, including any meter that measures smoke opacity or density and any recorder that stores or records smoke opacity or density measurements, used to test for compliance with this section and regulations adopted pursuant to this section, shall produce consistent and repeatable results. The requirements of this subdivision shall be satisfied by the adoption of Society of Automotive Engineers recommended practice J 1667, ''Snap-Acceleration Smoke Test Procedures for Heavy-Duty Diesel Powered Vehicles.''

(d) (1) The smoke test standards and procedures adopted and implemented pursuant to this section shall be designed to ensure that no engine will fail the smoke test standards and procedures when the engine is in good operating condition and is adjusted to the manufacturer's specifications.

(2) In implementing this section, the state board shall adopt regulations that ensure that there will be no false failures or that ensure that the state board will remedy any false failures without any penalty to the vehicle owner.

(e) The state board shall enforce the prohibition against the use of heavy-duty motor vehicles that are determined to have excessive smoke emissions and shall enforce any regulation prohibiting the use of a heavy-duty motor vehicle determined to have other emissions-related defects, using the test procedure established pursuant to this section.

(f) The state board may issue a citation to the owner or operator for any vehicle in violation of this section. The regulations may require the operator of a vehicle to submit to a test procedure adopted pursuant to subdivision (b) and this subdivision, and may specify that refusal to so submit is an admission constituting proof of a violation, and shall require that, when a citation has been issued, the owner of a vehicle in violation of the regulations shall, within 45 days, correct every deficiency specified in the citation.

(g) The department may develop criteria for one or more classes of smog check stations capable of determining compliance with regulations adopted pursuant to this section and may authorize those stations to issue certificates of compliance to vehicles in compliance with the regulations. The department may contract for the operation of smog check stations for heavy-duty motor vehicles pursuant to this subdivision, and only heavy-duty motor vehicles may be inspected at those stations.

(h) In addition to the corrective action required by this section, the owner of a motor vehicle in violation of this section is subject to a civil penalty of not more than one thousand five hundred dollars ($1,500) per day for each day that the vehicle is in violation. The state board may adopt a schedule of reduced civil penalties to be applied in cases where violations are corrected in an expeditious manner. However, the schedule of reduced civil penalties shall not apply where there have been repeated incidents of emissions control system tampering. All civil penalties imposed pursuant to this subdivision shall be collected by the state board and deposited in the Vehicle Inspection and Repair Fund. Funds in the Vehicle Inspection and Repair Fund, when appropriated by the Legislature, shall be available to the state board and the Department of the California Highway Patrol for the conduct of intermittent roadside inspections of heavy-duty motor vehicles pursuant to this section.

(i) Following the adoption of regulations pursuant to this section, the state board may commence inspecting heavy-duty motor vehicles. With the concurrence of the Department of the California Highway Patrol, these inspections may be conducted in conjunction with the safety and weight enforcement activities of the Department of the California Highway Patrol, or at other locations selected by the state board or the Department of the California Highway Patrol. Inspection locations may include private facilities where fleet vehicles are serviced or maintained. The state board and the Department of the California Highway Patrol

may conduct these inspections either cooperatively or independently, and the state board may contract for assistance in the conduct of these inspections.

(j) The state board shall inform the Department of the California Highway Patrol whenever a vehicle owner cited pursuant to this section fails to take a required corrective action or to pay a civil penalty levied pursuant to subdivisions (h) and (k) in a timely manner. Following notice and opportunity for an administrative hearing pursuant to subdivision (n), the state board may request the Department of the California Highway Patrol to remove the vehicle from service and order the vehicle to be stored. Upon notification from the state board of payment of any civil penalties imposed under subdivision (h) and storage and related charges, the vehicle shall be released to the owner or designee. Upon release of the vehicle, the owner or designee shall correct every deficiency specified in any citation to that owner with respect to the vehicle.

(k) In addition to the corrective action required by subdivision (f), and in addition to the civil penalty imposed by subdivision (h), the owner of a motor vehicle cited by the state board pursuant to this section shall pay a civil penalty of three hundred dollars ($300) per citation; except that this penalty shall not apply to the first citation for any schoolbus. All civil penalties imposed pursuant to this subdivision shall be collected by the state board and deposited in the Diesel Emission Reduction Fund, which fund is hereby created. Funds in the Diesel Emission Reduction Fund, when appropriated by the Legislature, shall be available to the State Energy Resources Conservation and Development Commission for research, development, and demonstration programs undertaken pursuant to Section 25617 of the Public Resources Code.

(*l*) The state board shall adopt regulations that afford an owner cited under this section an opportunity for an administrative hearing consistent with, but not limited to, all of the following: (1) any owner cited under this section may request an administrative hearing within 45 days following either personal receipt or certified mail receipt of the citation; (2) if the owner fails to request an administrative hearing within 45 days, the citation shall be deemed a final order and not subject to review by any court or agency; (3) if the owner requests an administrative hearing and fails to seek review by administrative mandamus pursuant to Section 1094.5 of the Code of Civil Procedure within 60 days after the mailing of the administrative hearing decision, the decision shall be deemed a final order and not subject to review by any other court or agency; and (4) the 45-day period may be extended by the administrative hearing officer for good cause.

(m) Following exhaustion of the review procedures provided for in subdivision (*l*), the state board may apply to the Superior Court of

Sacramento County for a judgment in the amount of the civil penalty. The application, which shall include a certified copy of the final order of the administrative hearing officer, shall constitute a sufficient showing to warrant the issuance of the judgment.

SEC. 22. Section 44100 of the Health and Safety Code is amended to read:

44100. The Legislature hereby finds and declares as follows:

(a) Emission reduction programs based on market principles have the potential to provide equivalent or superior environmental benefits when compared to existing controls at a lower cost to the citizens of California than traditional emission control requirements.

(b) Several studies have demonstrated that a small percentage of light-duty vehicles contribute disproportionately to the on-road emissions inventory. Programs to reduce or eliminate these excess emissions can significantly contribute to the attainment of the state's air quality goals.

(c) Programs to accelerate fleet turnover can enhance the effectiveness of the state's new motor vehicle standards by bringing more low-emission vehicles into the on-road fleet earlier.

(d) The California State Implementation Plan for Ozone (SIP), adopted November 15, 1994, and submitted to the Environmental Protection Agency, calls for added reductions in reactive organic gases (ROG) and oxides of nitrogen (NO_x) from light-duty vehicles by the year 2010. One of the more market-oriented approaches reflected in the SIP, known as the M-1 strategy, calls for accelerating the retirement of older light-duty vehicles in the South Coast Air Quality Management District to achieve the following emission reductions:

	Emissions, TPD (tons per day)
Year	(ROG + NOx)
1999	9
2002	14
2005	20
2007	22
2010	25

(e) A program for achieving those and more emission reductions should be based on the following principles:

(1) If the program receives adequate funding, the first two years should include a thorough assessment of the costs and short-term and long-term emission reduction benefits of the program, compared with other emission reduction programs for light-duty vehicles, which shall be reflected in a report and recommendations by the state board to the Governor and the Legislature on strategies and funding needs for

meeting the emission reduction requirements of the M-1 strategy of the 1994 SIP for the years 1999 to 2010, inclusive.

(2) The program should first contribute to the achievement of the emission reductions required by the inspection and maintenance program and the M-1 strategy of the 1994 SIP, and should permit the use of mobile source emission reduction credits for other purposes currently authorized by the state board or a district. Remaining credits may be used to achieve other emission reductions, including those required by the 1994 SIP, in a manner consistent with market-based strategies. Emission credits shall not be used to offset emission standards or other requirements for new vehicles, except as authorized by the state board.

(3) Participation by the vehicle owner shall be entirely voluntary and the program design should be sensitive to the concerns of car collectors and to consumers for whom older vehicles provide affordable transportation.

(4) The program design shall provide for real, surplus, and quantifiable emission reductions, based on an evaluation of the purchased vehicles, taking into account factors that include per-mile emissions, annual miles driven, remaining useful life of retired vehicles, and emissions of the typical or average replacement vehicle, as determined by the state board. The program shall ensure that there is no double counting of emission credits among the various vehicle removal programs.

(5) The program should specify the emission reductions required and then utilize the market to ensure that these reductions are obtained at the lowest cost.

(6) The program should be privately operated. It should utilize the experience and expertise gained from past successful programs. Existing entities that are authorized by, contracted with, or otherwise sanctioned by a district and approved by the state board and the United States Environmental Protection Agency shall be fully utilized for purposes of implementing this article. Nothing in this paragraph restricts the Department of Consumer Affairs from selecting qualified contractors to operate or administer any program specified pursuant to this chapter.

(7) The program should be designed insofar as possible to eliminate any benefit to any participants from vehicle tampering and other forms of cheating. To the extent that tampering and other forms of cheating might be advantageous, the program design shall include provisions for monitoring the occurrence of tampering and other forms of cheating.

(8) Emission credits should be expressed in pounds or other units, and their value should be set by the marketplace. Any contract between a public entity and a private party for the purchase of emission credits should be based on a price per pound which reflects the market value of the credit at its time of purchase. Emission reductions required by the

M-1 and other strategies of the 1994 SIP shall be accomplished by competitive bid among private businesses solicited by the oversight agency designated pursuant to Section 44105.

SEC. 23. Section 44104.5 of the Health and Safety Code is amended to read:

44104.5. (a) The regulations adopted pursuant to subdivision (a) of Section 44101 shall include a plan to guide the execution of the first two years of the program, to assess the results, and to formulate recommendations. The plan shall also verify whether the light-duty vehicle scrapping program included in the state implementation plan adopted on November 15, 1994, can reasonably be expected to yield the required emissions reductions at reasonable cost-effectiveness. Scrapping of any vehicles under this program for program development or testing or for generating emission reductions to be credited against the M-1 strategy of the 1994 SIP may proceed before the state board adopts the regulations pursuant to subdivision (a) of Section 44101 or the plan required by this subdivision. The emission credits assigned to these vehicles shall be adjusted as necessary to ensure that those credits are consistent with the credits allowed under the regulations adopted pursuant to Section 44101. The plan shall include a baseline study, for the geographical area or areas representative of those to be targeted by this program and by measure M-1 in the SIP, of the current population of vehicles by model year and market value and the current turnover rate of vehicles, and other factors that may be essential to assessing program effectiveness, cost-effectiveness, and market impacts of the program.

(b) At the end of each of the two calendar years after the adoption of the program plan, if the program receives adequate funding, the state board, in consultation with the department, shall adopt and publish a progress report evaluating each year of the program. These reports shall address the following topics for those vehicles scrapped to achieve both the M-1 SIP objectives and those vehicles scrapped or repaired to generate mobile-source emission reduction credits used for other purposes:

(1) The number of vehicles scrapped or repaired by model year.

(2) The measured emissions of the scrapped or repaired vehicles tested during the report period, using suitable inspection and maintenance test procedures.

(3) Costs of the vehicles in terms of amounts paid to sellers, the costs of repair, and the cost-effectiveness of scrappage and repair expressed in dollars per ton of emissions reduced.

(4) Administrative and testing costs for the program.

(5) Assessments of the replacement vehicles or replacement travel by model year or emission levels, as determined from interviews,

questionnaires, diaries, analyses of vehicle registrations in the study region, or other methods as appropriate.

(6) Assessments of the net emission benefits of scrapping in the year reported, considering the scrapped vehicles, the replacement vehicles, the effectiveness of repair, and other effects of the program on the mix of vehicles and use of vehicles in the geographic area of the program, including in-migration of other vehicles into the area and any tendencies to increased market value of used vehicles and prolonged useful life of existing vehicles, if any.

(7) Assessments of whether the M-1 strategy of the 1994 SIP can reasonably be expected to yield the required emission reductions.

(c) Not later than June 30, 1999, and every three years thereafter, if the programs receive adequate funding, the state board, in consultation with the department, shall evaluate the performance of the programs specified in Article 9 (commencing with Section 44090) and this article and, based on that evaluation, report to the Governor and Legislature. The report shall evaluate the overall performance of the program, including its cost-effectiveness in terms of dollars per ton of credited or reduced emissions, description of the methods and procedures to assure that the emission reductions are real, surplus, and quantifiable, the extent of the market for eligible vehicles, a recommendation for an appropriate allocation of expenditures between removal or repair of vehicles that reflects the relative cost-effectiveness of the options, and any other recommendation for improving the effectiveness of these programs. This report shall also contain all of the following:

(1) Identification of procedures for distinguishing the emission reductions attributed to scrapping for the purpose of generating emission reductions credits and scrapping that occurs or would have occurred as a result of the inspection and maintenance program managed by the Department of Consumer Affairs and other programs.

(2) A projection of the emissions reductions and cost-effectiveness that might be realized by scrapping or repairing light-duty vehicles through the year 2010, considering changes expected in the vehicle fleet and likely impacts of scrapping or repair on the mix and emissions of vehicles.

(3) A comparison of the effectiveness of scrappage, repair, or upgrade to other programs for light-duty vehicles.

(4) A recommended scrapping program, or other more cost-effective means, for continuing to achieve the emissions reductions required by the M-1 strategy of the 1994 State Implementation Plan, considering likely emission reductions in the attainment year costs, cost-effectiveness, issues of monitoring and verification, and status of the Environmental Protection Agency's approval of the state's 1994 SIP.

SEC. 24. Section 57007 of the Health and Safety Code is amended to read:

57007. (a) The agency, and the offices, boards, and departments within the agency, shall institute quality government programs to achieve increased levels of environmental protection and the public's satisfaction through improving the quality, efficiency, and cost-effectiveness of the state programs that implement and enforce state and federal environmental protection statutes. These programs shall be designed to increase the level of environmental protection while expediting decisionmaking and producing cost savings. The secretary shall create an advisory group comprised of state and local government, business, environmental, and consumer representatives experienced in quality management to provide guidance in that effort. The secretary shall develop a model quality management program that local agencies charged with implementing air quality, water quality, toxics, solid waste, and hazardous waste laws and regulations may use at their discretion.

(b) The agency, and each board, department, and office within the agency, shall submit a biennial report to the Governor and Legislature, no later than December 1 with respect to the previous two fiscal years, reporting on the extent to which these state agencies have attained their performance objectives, and on their continuous quality improvement efforts.

(c) Nothing in this section abrogates any collective bargaining agreement or interferes with any established employee rights.

(d) For purposes of this section, ''quality government program'' means all of the following:

(1) A process for obtaining the views of employees, the regulated community, the public, environmental organizations, and governmental officials with regard to the performance, vision, and needs of the agency implementing the quality government program.

(2) A process for developing measurable performance objectiveness using the views of the persons and organizations specified in paragraph (1).

(3) Processes for continually improving quality and for training agency personnel, using the information obtained from implementing paragraphs (1) and (2).

SEC. 25. Section 59019 of the Health and Safety Code is repealed.

SEC. 26. Section 115910 of the Health and Safety Code is amended to read:

115910. (a) On or before the 15th day of each month, each health officer shall submit to the board a survey documenting all beach postings and closures resulting from implementation of Section 115915 that occurred during the preceding month. The survey shall, at a minimum, include the following information:

(1) Identification of the beaches in each county subject to testing conducted pursuant to Section 115885 and the amount and types of monitoring conducted at each beach.

(2) Identification of the geographic location, areal extent, and type of action taken for each incident of posting or closure conducted pursuant to Section 115915. Geographic location and areal extent shall be noted in sufficient detail to determine on a common map, or by latitude and longitude, the approximate boundaries of the affected beaches.

(3) Identification of the standards exceeded and the causes and sources of the pollution, if known. Exceeded standards shall be identified with sufficient particularity to determine which types of tests and biological indicators were used to determine that an exceeded standard exists. Causes of pollution shall be identified with sufficient particularity to determine what substances, in addition to any water carrying the substances, were responsible for the exceeded standard. Sources shall be identified with sufficient particularity to determine the most specific geographical origin of the pollution sources available to the health officer at the time of the posting or closure.

(b) Surveys conducted pursuant to subdivision (a) shall be in a specific format established by the board on or before February 1, 2001. The board shall make the format easily accessible to the health officer through means that will enable the health officer to most effectively carry out the requirements of this section and enable the board to develop consistent, statewide data concerning the effect and status of beach postings and closures in a particular calendar year.

(c) On or before the 30th day of each month, the board shall make available to the public the information provided by the health officers. Based upon the data provided pursuant to subdivision (a), the report shall, at a minimum, include the location and duration of each beach closure and the suspected sources of the contamination that caused the closure, if known.

(d) The board shall continuously post and update on its Web site, but at a minimum, annually on or before July 30, information documenting the beach posting and closure data provided to the board by the health officers including the location and duration of each beach closure and the suspected sources of the contamination that caused the closure, if known.

SEC. 27. Section 14315 of the Penal Code is amended to read:

14315. Not later than 36 months after the date when this title may be implemented, as specified in Section 14314, the secretary shall post on the agency's Web site, updated no later than July 1, annually, a description of the operation and accomplishments of the training programs and the environmental enforcement and prosecution projects funded by this title. The commission shall prepare the section of the

report pertaining to the course of instruction authorized in Section 14304 and submit it to the secretary for inclusion in the report.

SEC. 28. Section 42885.5 of the Public Resources Code is amended to read:

42885.5. (a) The board shall adopt a five-year plan, which shall be updated every two years, to establish goals and priorities for the waste tire program and each program element.

(b) On or before July 1, 2001, and every two years thereafter, the board shall submit the adopted five-year plan to the appropriate policy and fiscal committees of the Legislature. The board shall include, in the plan, programmatic and fiscal issues including, but not limited to, the hierarchy used by the board to maximize productive uses of waste and used tires and the performance objectives and measurement criteria used by the board to evaluate the success of its waste and used tire recycling program. Additionally, the plan shall describe each program element's effectiveness, based upon performance measures developed by the board, including, but not limited to, the following:

(1) Enforcement and regulations relating to the storage of waste and used tires.

(2) Cleanup, abatement, or other remedial action related to waste tire stockpiles throughout the state.

(3) Research directed at promoting and developing alternatives to the landfill disposal of waste tires.

(4) Market development and new technology activities for used tires and waste tires.

(5) The waste and used tire hauler program and manifest system.

(6) A description of the grants, loans, contracts, and other expenditures proposed to be made by the board under the tire recycling program.

(7) Until June 30, 2006, the grant program authorized under Section 42872.5 to encourage the use of rubberized asphalt concrete technology in public works projects.

(c) The board shall base the budget for the California Tire Recycling Act and program funding on the plan.

(d) The plan may not propose financial or other support that promotes, or provides for research for the incineration of tires.

SEC. 29. Section 42889.1 of the Public Resources Code is repealed.

SEC. 30. Section 42889.4 of the Public Resources Code is amended to read:

42889.4. If facilities are permitted to burn tires in the previous calendar year, the State Air Resources Board, in conjunction with air pollution control districts and air quality management districts, shall post on its Web site, updated on or before July 1 of the subsequent year,

information summarizing the types and quantities of air emissions, if any, from those facilities.

SEC. 31. Chapter 4 (commencing with Section 71069) is added to Part 2 of Division 34 of the Public Resources Code, to read:

CHAPTER 4. REPORT AND INFORMATION MANAGEMENT

71069. The Legislature finds and declares the following:

(a) It is the policy of the state to conserve and protect its natural resources.

(b) Over 1,400 reports are submitted annually to the Legislature and the Governor, costing up to ten thousand dollars ($10,000) per report for printing and distribution.

(c) The California Environmental Protection Agency has historically submitted over 60 reports annually to the Legislature and the Governor. The agency's boards, departments, and offices submit over 300 additional reports and studies, not including the hundreds of guidance documents, fact sheets and other printed materials produced.

(d) Submitting reports to the Legislature and Governor electronically, by compact disc, and posting the reports on state agency Web sites would greatly improve economic efficiency and environmental sustainability through minimized consumption of paper and printing materials, while reducing the economic and environmental costs associated with the production, distribution, and storage of printed reports.

(e) Access to the World Wide Web is continually expanding for the private sector and the general public. Providing reports electronically on state agency Web sites would grant greater accessibility to these reports and allow for greater sharing of knowledge and data with Californians and other information seekers. In some instances, a printed copy of a report is necessary. In those instances, economic efficiency and environmental sustainability can still be realized through various resource conservation efforts.

(f) Current law mandates state agencies to purchase recycled content products and materials, including printing and writing paper. There are also proven techniques and materials that are environmentally and economically preferable, and are widely available for use of all document production.

71069.5. For purposes of this chapter "board" means the California Integrated Waste Management Board.

71070. (a) On or before January 1, 2005, the board, in consultation with the state agencies affected by the changes made by the act of the 2003–04 Regular Session of the Legislature adding this chapter, shall develop and implement guidelines, to provide and produce reports and other documentation, including guidance documents, fact sheets, and

other publications and written materials, in the most efficient and environmentally sustainable manner possible.

(b) The guidelines shall include all of the following:

(1) Distribution of reports and other documentation by electronic means and compact discs.

(2) Information on posting reports and other documentation on state agency Web sites.

(3) Techniques for the production of reports and other documentation that will reduce waste and encourage the use of recycled goods, materials, and supplies.

(4) The cost reduction options specified in Section 7550.1 of the Government Code.

(5) Distribution of a reasonable number of printed reports to ensure public access.

(c) On or before February 1, 2005, the board shall distribute the guidelines to each state agency.

71071. (a) On and after February 1, 2005, the California Environmental Protection Agency and its boards, departments, and offices shall provide and produce reports and other documentation pursuant to the guidelines established in Section 71070.

(b) On and after June 1, 2005, all state agencies not otherwise subject to subdivision (a) shall provide and produce reports and other documentation pursuant to the guidelines established in Section 71070.

71073. On or before April 30, 2005, each state agency shall conduct a thorough review of each report that the state agency is required to submit to the Legislature. During this review, the state agency shall identify whether the report is a completed one-time report, an obsolete report, or a duplicative report that can be eliminated or modified.

71074. Any reporting requirements imposed by this chapter do not supersede a reporting requirement in any other provision of law.

SEC. 32. Section 7672 of the Public Utilities Code is amended to read:

7672. For purposes of this article, ''hazardous material'' means either of the following:

(a) A hazardous material, as defined in Section 171.8 of Title 49 of the Code of Federal Regulations.

(b) A hazardous material, as defined in Section 25501 of the Health and Safety Code.

SEC. 33. Section 7711 of the Public Utilities Code is amended to read:

7711. On or before July 1, 1992, and on or before July 1 annually thereafter, the commission shall report to the Legislature on sites on railroad lines in the state it finds to be hazardous. The report shall include, but not be limited to, information on all of the following:

(a) A list of all railroad derailment accident sites in the state on which accidents have occurred within at least the previous five years. The list shall describe the nature and probable causes of the accidents, if known, and shall indicate whether the accidents occurred at or near sites that the commission, pursuant to subdivision (b), has determined pose a local safety hazard.

(b) A list of all railroad sites in the state that the commission, pursuant to Section 20106 of Title 49 of the United States Code, determines pose a local safety hazard. The commission may submit in the annual report the list of railroad sites submitted in the immediate prior year annual report, and may amend or revise that list from the immediate prior year as necessary. Factors that the commission shall consider in determining a local safety hazard may include, but need not be limited to, all of the following:

(1) The severity of grade and curve of track.

(2) The value of special skills of train operators in negotiating the particular segment of railroad line.

(3) The value of special railroad equipment in negotiating the particular segment of railroad line.

(4) The types of commodities transported on or near the particular segment of railroad line.

(5) The hazard posed by the release of the commodity into the environment.

(6) The value of special railroad equipment in the process of safely loading, transporting, storing, or unloading potentially hazardous commodities.

(7) The proximity of railroad activity to human activity or sensitive environmental areas.

(c) In determining which railroad sites pose a local safety hazard pursuant to subdivision (b), the commission shall consider the history of accidents at or near the sites. The commission shall not limit its determination to sites at which accidents have already occurred, but shall identify potentially hazardous sites based on the criteria enumerated in subdivision (b) and all other criteria that the commission determines influence railroad safety. The commission shall also consider whether any local safety hazards at railroad sites have been eliminated or sufficiently remediated to warrant removal of the site from the list required under subdivision (b).

SEC. 34. Section 7712 of the Public Utilities Code is amended to read:

7712. On or before January 1, 1993, the commission shall adopt regulations, based on its findings and not inconsistent with federal law. The commission may amend or revise the regulations as necessary thereafter, to reduce the potential railroad hazards identified in Section

7711. In adopting the regulations, the commission shall consider at least all of the following:

(a) Establishing special railroad equipment standards for trains operated on railroad sites identified as posing a local safety hazard pursuant to subdivision (b) of Section 7711. These standards may include, but need not be limited to, standards for all of the following:

(1) Sizes, numbers, and configurations of locomotives.

(2) Brakes.

(b) Establishing special train operating standards for trains operated over railroad sites identified as posing a local safety hazard pursuant to subdivision (b) of Section 7711. These standards may include, but need not be limited to, standards for all of the following:

(1) Length, weight, and weight distribution of trains.

(2) Speeds and accelerations of trains.

(3) Hours of allowable travel.

(c) Establishing special training, personnel, and performance standards for operators of trains that travel on railroad sites identified as posing a local safety hazard pursuant to subdivision (b) of Section 7711.

(d) Establishing special inspection and reporting standards for trains operated on railroad sites identified as posing a local safety hazard pursuant to subdivision (b) of Section 7711.

SEC. 35. Section 10782 of the Water Code is repealed.

SEC. 36. Section 13191 of the Water Code is amended to read:

13191. The state board shall convene an advisory group or groups to assist in the evaluation of program structure and effectiveness as it relates to the implementation of the requirements of Section 303(d) of the Clean Water Act (33 U.S.C. 1313(d)), and applicable federal regulations and monitoring and assessment programs. The advisory group or groups shall be comprised of persons concerned with the requirements of Section 303(d) of the Clean Water Act. The state board shall provide public notice on its website of any meetings of the advisory group or groups and, upon the request of any party shall mail notice of the time and location of any meeting of the group or groups. The board shall also ensure that the advisory group or groups meet in a manner that facilitates the effective participation of the public and the stakeholder participants.

SEC. 37. Section 13192 of the Water Code is repealed.

SEC. 38. Section 13198 of the Water Code is repealed.

SEC. 39. Section 13292 of the Water Code is amended to read:

13292. (a) It is the responsibility of the state board to provide guidance to the regional boards in matters of procedure, as well as policy and regulation. In order to ensure that regional boards are providing fair, timely, and equal access to all participants in regional board proceedings, the state board shall undertake a review of the regional boards' public

participation procedures. As part of the review process, and upon request by the state board, the regional boards shall solicit comments from participants in their proceedings. Upon completion of the review, the state board shall report to the Legislature regarding its findings and include recommendations to improve regional board public participation processes.

(b) (1) The state board shall provide annual training to regional board members to improve public participation procedures at the regional level.

(2) Paragraph (1) shall be implemented only during fiscal years for which funding is provided for the purposes of that paragraph in the annual Budget Act or in another statute.

SEC. 40. Section 13369 of the Water Code is amended to read:

13369. (a) (1) The state board, in consultation with the regional boards, the California Coastal Commission, and other appropriate state agencies and advisory groups, as necessary, shall prepare a detailed program for the purpose of implementing the state's nonpoint source management plan. The board shall address all applicable provisions of the Clean Water Act, including Section 319 (33 U.S.C. Sec. 1329), as well as Section 6217 of the federal Coastal Zone Act Reauthorization Amendments of 1990 (16 U.S.C. Sec. 1455b), and this division in the preparation of this detailed implementation program.

(2) (A) The program shall include all of the following components:

(i) Nonregulatory implementation of best management practices.

(ii) Regulatory-based incentives for best management practices.

(iii) The adoption and enforcement of waste discharge requirements that will require the implementation of best management practices.

(B) In connection with its duties under this subdivision to prepare and implement the state's nonpoint source management plan, the state board shall develop, on or before February 1, 2001, guidance to be used by the state board and the regional boards for the purpose of describing the process by which the state board and the regional boards will enforce the state's nonpoint source management plan, pursuant to this division.

(C) The adoption of the guidance developed pursuant to this section is not subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(b) The state board, in consultation with the California Coastal Commission and other appropriate agencies, as necessary, on or before December 31 of each year, shall submit to the Legislature, and make available to the public, both of the following:

(1) Copies of all state and regional board reports that contain information related to nonpoint source pollution and that the state or regional boards were required to prepare in the previous fiscal year pursuant to Sections 303, 305(b), and 319 of the Clean Water Act (33

U.S.C. Secs. 1313, 1315(b), and 1329), Section 6217 of the federal Coastal Zone Act Reauthorization Amendments of 1990 (16 U.S.C. Sec. 1455b), related regulations, and this division.

(2) A summary of information related to nonpoint source pollution that is set forth in the reports described pursuant to paragraph (1) including, but not limited to, summaries of both of the following:

(A) Information that is related to nonpoint source pollution and that is required to be included in reports prepared pursuant to Section 305(b) of the Clean Water Act (33 U.S.C. 1315(b)).

(B) Information that is required to be in reports prepared pursuant to Section 319(h)(11) of the Clean Water Act (33 U.S.C. Sec. 1329(h)(11)).

SEC. 41. Section 13385 of the Water Code is amended to read:

13385. (a) Any person who violates any of the following shall be liable civilly in accordance with this section:

(1) Section 13375 or 13376.

(2) Any waste discharge requirements or dredged or fill material permit issued pursuant to this chapter or any water quality certification issued pursuant to Section 13160.

(3) Any requirements established pursuant to Section 13383.

(4) Any order or prohibition issued pursuant to Section 13243 or Article 1 (commencing with Section 13300) of Chapter 5, if the activity subject to the order or prohibition is subject to regulation under this chapter.

(5) Any requirements of Section 301, 302, 306, 307, 308, 318, 401, or 405 of the Clean Water Act, as amended.

(6) Any requirement imposed in a pretreatment program approved pursuant to waste discharge requirements issued under Section 13377 or approved pursuant to a permit issued by the administrator.

(b) Civil liability may be imposed by the superior court in an amount not to exceed the sum of both of the following:

(1) Twenty-five thousand dollars ($25,000) for each day in which the violation occurs.

(2) Where there is a discharge, any portion of which is not susceptible to cleanup or is not cleaned up, and the volume discharged but not cleaned up exceeds 1,000 gallons, an additional liability not to exceed twenty-five dollars ($25) multiplied by the number of gallons by which the volume discharged but not cleaned up exceeds 1,000 gallons.

The Attorney General, upon request of a regional board or the state board, shall petition the superior court to impose the liability.

(c) Civil liability may be imposed administratively by the state board or a regional board pursuant to Article 2.5 (commencing with Section 13323) of Chapter 5 in an amount not to exceed the sum of both of the following:

(1) Ten thousand dollars ($10,000) for each day in which the violation occurs.

(2) Where there is a discharge, any portion of which is not susceptible to cleanup or is not cleaned up, and the volume discharged but not cleaned up exceeds 1,000 gallons, an additional liability not to exceed ten dollars ($10) multiplied by the number of gallons by which the volume discharged but not cleaned up exceeds 1,000 gallons.

(d) For purposes of subdivisions (b) and (c), the term ''discharge'' includes any discharge to navigable waters of the United States, any introduction of pollutants into a publicly owned treatment works, or any use or disposal of sewage sludge.

(e) In determining the amount of any liability imposed under this section, the regional board, the state board, or the superior court, as the case may be, shall take into account the nature, circumstances, extent, and gravity of the violation or violations, whether the discharge is susceptible to cleanup or abatement, the degree of toxicity of the discharge, and, with respect to the violator, the ability to pay, the effect on its ability to continue its business, any voluntary cleanup efforts undertaken, any prior history of violations, the degree of culpability, economic benefit or savings, if any, resulting from the violation, and other matters that justice may require. At a minimum, liability shall be assessed at a level that recovers the economic benefits, if any, derived from the acts that constitute the violation.

(f) (1) Except as provided in paragraph (2), for the purposes of this section, a single operational upset that leads to simultaneous violations of more than one pollutant parameter shall be treated as a single violation.

(2) (A) For the purposes of subdivisions (h) and (i), a single operational upset in a wastewater treatment unit that treats wastewater using a biological treatment process shall be treated as a single violation, even if the operational upset results in violations of more than one effluent limitation and the violations continue for a period of more than one day, if all of the following apply:

(i) The discharger demonstrates all of the following:

(I) The upset was not caused by wastewater treatment operator error and was not due to discharger negligence.

(II) But for the operational upset of the biological treatment process, the violations would not have occurred nor would they have continued for more than one day.

(III) The discharger carried out all reasonable and immediately feasible actions to reduce noncompliance with the applicable effluent limitations.

(ii) The discharger is implementing an approved pretreatment program, if so required by federal or state law.

(B) Subparagraph (A) only applies to violations that occur during a period for which the regional board has determined that violations are unavoidable, but in no case may that period exceed 30 days.

(g) Remedies under this section are in addition to, and do not supersede or limit, any other remedies, civil or criminal, except that no liability shall be recoverable under Section 13261, 13265, 13268, or 13350 for violations for which liability is recovered under this section.

(h) (1) Notwithstanding any other provision of this division, and except as provided in subdivisions (j), (k), and (*l*), a mandatory minimum penalty of three thousand dollars ($3,000) shall be assessed for each serious violation.

(2) For the purposes of this section, a ''serious violation'' means any waste discharge that violates the effluent limitations contained in the applicable waste discharge requirements for a Group II pollutant, as specified in Appendix A to Section 123.45 of Title 40 of the Code of Federal Regulations, by 20 percent or more or for a Group I pollutant, as specified in Appendix A to Section 123.45 of Title 40 of the Code of Federal Regulations, by 40 percent or more.

(i) (1) Notwithstanding any other provision of this division, and except as provided in subdivisions (j), (k), and (*l*), a mandatory minimum penalty of three thousand dollars ($3,000) shall be assessed for each violation whenever the person does any of the following four or more times in any period of six consecutive months, except that the requirement to assess the mandatory minimum penalty shall not be applicable to the first three violations:

(A) Violates a waste discharge requirement effluent limitation.

(B) Fails to file a report pursuant to Section 13260.

(C) Files an incomplete report pursuant to Section 13260.

(D) Violates a toxicity effluent limitation contained in the applicable waste discharge requirements where the waste discharge requirements do not contain pollutant-specific effluent limitations for toxic pollutants.

(2) For the purposes of this section, a ''period of six consecutive months'' means the period commencing on the date that one of the violations described in this subdivision occurs and ending 180 days after that date.

(j) Subdivisions (h) and (i) do not apply to any of the following:

(1) A violation caused by one or any combination of the following:

(A) An act of war.

(B) An unanticipated, grave natural disaster or other natural phenomenon of an exceptional, inevitable, and irresistible character, the effects of which could not have been prevented or avoided by the exercise of due care or foresight.

(C) An intentional act of a third party, the effects of which could not have been prevented or avoided by the exercise of due care or foresight.

(D) (i) The operation of a new or reconstructed wastewater treatment unit during a defined period of adjusting or testing, not to exceed 90 days for a wastewater treatment unit that relies on a biological treatment process and not to exceed 30 days for any other wastewater treatment unit, if all of the following requirements are met:

(I) The discharger has submitted to the regional board, at least 30 days in advance of the operation, an operations plan that describes the actions the discharger will take during the period of adjusting and testing, including steps to prevent violations and identifies the shortest reasonable time required for the period of adjusting and testing, not to exceed 90 days for a wastewater treatment unit that relies on a biological treatment process and not to exceed 30 days for any other wastewater treatment unit.

(II) The regional board has not objected in writing to the operations plan.

(III) The discharger demonstrates that the violations resulted from the operation of the new or reconstructed wastewater treatment unit and that the violations could not have reasonably been avoided.

(IV) The discharger demonstrates compliance with the operations plan.

(V) In the case of a reconstructed wastewater treatment unit, the unit relies on a biological treatment process that is required to be out of operation for at least 14 days in order to perform the reconstruction, or the unit is required to be out of operation for at least 14 days and, at the time of the reconstruction, the cost of reconstructing the unit exceeds 50 percent of the cost of replacing the wastewater treatment unit.

(ii) For the purposes of this section, ''wastewater treatment unit'' means a component of a wastewater treatment plant that performs a designated treatment function.

(2) (A) Except as provided in subparagraph (B), a violation of an effluent limitation where the waste discharge is in compliance with either a cease and desist order issued pursuant to Section 13301 or a time schedule order issued pursuant to Section 13300, if all of the following requirements are met:

(i) The cease and desist order or time schedule order is issued after January 1, 1995, but not later than July 1, 2000, specifies the actions that the discharger is required to take in order to correct the violations that would otherwise be subject to subdivisions (h) and (i), and the date by which compliance is required to be achieved and, if the final date by which compliance is required to be achieved is later than one year from the effective date of the cease and desist order or time schedule order, specifies the interim requirements by which progress towards compliance will be measured and the date by which the discharger will be in compliance with each interim requirement.

(ii) The discharger has prepared and is implementing in a timely and proper manner, or is required by the regional board to prepare and implement, a pollution prevention plan that meets the requirements of Section 13263.3.

(iii) The discharger demonstrates that it has carried out all reasonable and immediately feasible actions to reduce noncompliance with the waste discharge requirements applicable to the waste discharge and the executive officer of the regional board concurs with the demonstration.

(B) Subdivisions (h) and (i) shall become applicable to a waste discharge on the date the waste discharge requirements applicable to the waste discharge are revised and reissued pursuant to Section 13380, unless the regional board does all of the following on or before that date:

(i) Modifies the requirements of the cease and desist order or time schedule order as may be necessary to make it fully consistent with the reissued waste discharge requirements.

(ii) Establishes in the modified cease and desist order or time schedule order a date by which full compliance with the reissued waste discharge requirements shall be achieved. For the purposes of this subdivision, the regional board may not establish this date later than five years from the date the waste discharge requirements were required to be reviewed pursuant to Section 13380. If the reissued waste discharge requirements do not add new effluent limitations or do not include effluent limitations that are more stringent than those in the original waste discharge requirements, the date shall be the same as the final date for compliance in the original cease and desist order or time schedule order or five years from the date that the waste discharge requirements were required to be reviewed pursuant to Section 13380, whichever is earlier.

(iii) Determines that the pollution prevention plan required by clause (ii) of subparagraph (A) is in compliance with the requirements of Section 13263.3 and that the discharger is implementing the pollution prevention plan in a timely and proper manner.

(3) A violation of an effluent limitation where the waste discharge is in compliance with either a cease and desist order issued pursuant to Section 13301 or a time schedule order issued pursuant to Section 13300 or Section 13308, if all of the following requirements are met:

(A) The cease and desist order or time schedule order is issued on or after July 1, 2000, and specifies the actions that the discharger is required to take in order to correct the violations that would otherwise be subject to subdivisions (h) and (i).

(B) The regional board finds that, for one of the following reasons, the discharger is not able to consistently comply with one or more of the effluent limitations established in the waste discharge requirements applicable to the waste discharge:

(i) The effluent limitation is a new, more stringent, or modified regulatory requirement that has become applicable to the waste discharge after the effective date of the waste discharge requirements and after July 1, 2000, new or modified control measures are necessary in order to comply with the effluent limitation, and the new or modified control measures cannot be designed, installed, and put into operation within 30 calendar days.

(ii) New methods for detecting or measuring a pollutant in the waste discharge demonstrate that new or modified control measures are necessary in order to comply with the effluent limitation and the new or modified control measures cannot be designed, installed, and put into operation within 30 calendar days.

(iii) Unanticipated changes in the quality of the municipal or industrial water supply available to the discharger are the cause of unavoidable changes in the composition of the waste discharge, the changes in the composition of the waste discharge are the cause of the inability to comply with the effluent limitation, no alternative water supply is reasonably available to the discharger, and new or modified measures to control the composition of the waste discharge cannot be designed, installed, and put into operation within 30 calendar days.

(iv) The discharger is a publicly owned treatment works located in Orange County that is unable to meet effluent limitations for biological oxygen demand, suspended solids, or both, because the publicly owned treatment works meets all of the following criteria:

(I) Was previously operating under modified secondary treatment requirements pursuant to Section 301(h) of the Clean Water Act (33 U.S.C. Sec. 1311(h)).

(II) Did vote on July 17, 2002, not to apply for a renewal of the modified secondary treatment requirements.

(III) Is in the process of upgrading its treatment facilities to meet the secondary treatment standards required by Section 301(b)(1)(B) of the Clean Water Act (33 U.S.C. Sec. 1311(b)(1)(B)).

(C) The regional board establishes a time schedule for bringing the waste discharge into compliance with the effluent limitation that is as short as possible, taking into account the technological, operational, and economic factors that affect the design, development, and implementation of the control measures that are necessary to comply with the effluent limitation. For the purposes of this subdivision, the time schedule may not exceed five years in length, except that the time schedule may not exceed 10 years in length for the upgrade described in subparagraph (B)(iv)(III). If the time schedule exceeds one year from the effective date of the order, the schedule shall include interim requirements and the dates for their achievement. The interim requirements shall include both of the following:

(i) Effluent limitations for the pollutant or pollutants of concern.

(ii) Actions and milestones leading to compliance with the effluent limitation.

(D) The discharger has prepared and is implementing in a timely and proper manner, or is required by the regional board to prepare and implement, a pollution prevention plan pursuant to Section 13263.3.

(k) In lieu of assessing all or a portion of the mandatory minimum penalties pursuant to subdivisions (h) and (i) against a POTW serving a small community, as defined by subdivision (b) of Section 79084, the state board or the regional board may elect to require the POTW to spend an equivalent amount towards the completion of a compliance project proposed by the POTW, if the state or regional board finds all of the following:

(1) The compliance project is designed to correct the violations within five years.

(2) The compliance project is in accordance with the enforcement policy of the state board.

(3) The POTW has demonstrated that it has sufficient funding to complete the compliance project.

(*l*) (1) In lieu of assessing penalties pursuant to subdivision (h) or (i), the state board or regional board, with the concurrence of the discharger, may direct a portion of the penalty amount to be expended on a supplemental environmental project in accordance with the enforcement policy of the state board. If the penalty amount exceeds fifteen thousand dollars ($15,000), the portion of the penalty amount that may be directed to be expended on a supplemental environmental project may not exceed fifteen thousand dollars ($15,000) plus 50 percent of the penalty amount that exceeds fifteen thousand dollars ($15,000).

(2) For the purposes of this section, a ''supplemental environmental project'' means an environmentally beneficial project that a person agrees to undertake, with the approval of the regional board, that would not be undertaken in the absence of an enforcement action under this section.

(3) This subdivision applies to the imposition of penalties pursuant to subdivision (h) or (i) on or after January 1, 2003, without regard to the date on which the violation occurs.

(m) The Attorney General, upon request of a regional board or the state board, shall petition the appropriate court to collect any liability or penalty imposed pursuant to this section. Any person who fails to pay on a timely basis any liability or penalty imposed under this section shall be required to pay, in addition to that liability or penalty, interest, attorneys' fees, costs for collection proceedings, and a quarterly nonpayment penalty for each quarter during which the failure to pay persists. The nonpayment penalty shall be in an amount equal to 20

percent of the aggregate amount of the person's penalty and nonpayment penalties that are unpaid as of the beginning of the quarter.

(n) (1) Subject to paragraph (2), funds collected pursuant to this section shall be deposited in the State Water Pollution Cleanup and Abatement Account.

(2) (A) Notwithstanding any other provision of law, moneys collected for a violation of a water quality certification in accordance with paragraph (2) of subdivision (a) or for a violation of Section 401 of the Clean Water Act (33 U.S.C. Sec. 1341) in accordance with paragraph (5) of subdivision (a) shall be deposited in the Waste Discharge Permit Fund and separately accounted for in that fund.

(B) The funds described in subparagraph (A) shall be expended by the state board, upon appropriation by the Legislature, to assist regional boards, and other public agencies with authority to clean up waste or abate the effects of the waste, in cleaning up or abating the effects of the waste on waters of the state or for the purposes authorized in Section 13443.

(o) The state board shall continuously report and update information on its Web site, but at a minimum, annually on or before January 1, regarding its enforcement activities. The information shall include all of the following:

(1) A compilation of the number of violations of waste discharge requirements in the previous calendar year, including stormwater enforcement violations.

(2) A record of the formal and informal compliance and enforcement actions taken for each violation, including stormwater enforcement actions.

(3) An analysis of the effectiveness of current enforcement policies, including mandatory minimum penalties.

(p) The amendments made to subdivisions (f), (h), (i) and (j) during the second year of the 2001–02 Regular Session apply only to violations that occur on or after January 1, 2003.

SEC. 42. Section 13399.39 of the Water Code is repealed.

SEC. 43. Section 4 of Chapter 435 of the Statutes of 1994 is amended to read:

Sec. 4. The Department of Toxic Substances Control shall provide information on its Web site biennially on its progress in implementing the pilot program established by Chapter 6.85 (commencing with Section 25396) of Division 20 of the Health and Safety Code, as added by Section 2 of this act. The information shall describe the activities which the department has taken during the past two years in implementing the pilot program, list the sites that have been selected for response action and the sites that have been issued a certificate of completion under the program, evaluate its effectiveness in expediting

the cleanup of selected sites, and compare its effectiveness with that of the voluntary cleanup ''walk-in'' program that the department administers pursuant to Chapter 6.5 (commencing with Section 25100) of, and Chapter 6.8 (commencing with Section 25300) of, Division 20 of the Health and Safety Code.

CHAPTER 645

An act to amend Sections 100601, 100601.5, 100602.4, 100602.8, 100602.10, 100602.13, 100603, 100605, 100613, 100614, and 100616 of, and to repeal Sections 100602.2, 100602.3, 100602.5, 100602.6, and 100602.7 of, the Public Utilities Code, relating to transportation.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 100601 of the Public Utilities Code is amended to read:

100601. (a) Whenever the board finds that property adjacent to, or in the vicinity of, one or more rail transit stations, or proposed rail transit stations, of the authority receives or will receive special benefit by reason of the location or operation of one or more of those rail transit stations, the board may, by resolution adopted by a two-thirds vote of its members, provide for notice and hearing on its intention to establish one or more special benefit districts and levy a special benefit assessment on real property therein for the purpose of financing, in whole or in part, the acquisition, construction, development, joint development, operation, maintenance, or repair of one or more rail transit stations and rail transit related facilities located within the benefit district.

(b) In connection with the levy of a special benefit assessment, the board shall comply with the notice, protest, and hearing procedures set forth in Section 53753 of the Government Code.

(c) The resolution may provide that the proposed benefit district will contain separate zones, which may consist of either contiguous or noncontiguous areas of land within the district. The proposed benefit district and each proposed zone, if any, therein shall be an area adjacent to, or in the vicinity of, one or more rail transit stations or proposed rail transit stations. The boundaries of the benefit district and of each zone, if any, therein shall be drawn so as to reflect, as accurately as possible, the areas in which special benefits are conferred by reason of the proximity and operation of one or more rail transit stations.

(d) A notice stating the time and place of the hearing, and setting forth the boundaries and purpose of the proposed benefit district, shall be published prior to the time fixed for the hearing pursuant to Section 6066 of the Government Code.

(e) For purposes of this chapter, ''benefit district'' means a special benefit assessment district established pursuant to this chapter, the area of which shall not lie more than one-half mile from the center point of any rail transit station or proposed rail transit station.

(f) For purposes of this chapter, ''transit related facilities'' means land, buildings, and equipment, or any interest therein, whether or not the operation thereof produces revenue, which has, as its primary purpose, the operation of the rail transit system or the providing of services to the passengers of the rail transit system, but does not mean any land, buildings, or equipment, or interest therein, which is used primarily for the production of revenue not arising from the operation of the rail transit system.

SEC. 2. Section 100601.5 of the Public Utilities Code is amended to read:

100601.5. (a) The resolution shall state, as appropriate, the maximum and minimum rate of assessment, the amount of the special benefit assessment and the purposes for which it is to be levied, the estimated cost of accomplishing the purposes, and the dates or approximate intervals at which the assessment shall be levied. The resolution shall also state that the exterior boundaries of the benefit district are set forth on a map on file with the secretary of the authority, which map shall govern for all purposes as to the extent of the benefit district and zones, if any, therein and that the area set forth on the map shall thereupon constitute and be known as ''Benefit District No. ____ of the Santa Clara Valley Transportation Authority,'' or as "Benefit Zone ____ of the Benefit District No. ____ of the Santa Clara Valley Transportation Authority,'' as designated by the board.

(b) A copy of the resolution shall be included with the notice given pursuant to Section 53753 of the Government Code.

SEC. 3. Section 100602.2 of the Public Utilities Code is repealed.

SEC. 4. Section 100602.3 of the Public Utilities Code is repealed.

SEC. 5. Section 100602.4 of the Public Utilities Code is amended to read:

100602.4. (a) Where any parcel in the benefit district is owned in joint tenancy, tenancy in common, or any other multiple ownership, the owners of that parcel may designate in writing which one of the owners shall be deemed the owner of the parcel for purposes of submitting an assessment ballot pursuant to Section 53753 of the Government Code. In the absence of a designation, the provisions of paragraph (1) of subdivision (e) of Section 53753 of the Government Code shall apply.

(b) The legal representative of a corporation or an estate owning real property in the benefit district may act on behalf of the corporation or the estate.

(c) (1) For purposes of this chapter, ''legal representative'' means an official of a corporation owning real property in the benefit district.

(2) For purposes of this chapter, ''legal representative'' also means a guardian, conservator, executor, or administrator of the estate of the holder of title to real property in the benefit district who is all of the following:

(A) The person is appointed under the laws of this state.

(B) The person is entitled to the possession of the estate's real property.

(C) The person is authorized by the appointing court to exercise the particular right, privilege, or immunity which he or she seeks to exercise.

SEC. 6. Section 100602.5 of the Public Utilities Code is repealed.

SEC. 7. Section 100602.6 of the Public Utilities Code is repealed.

SEC. 8. Section 100602.7 of the Public Utilities Code is repealed.

SEC. 9. Section 100602.8 of the Public Utilities Code is amended to read:

100602.8. If there is no majority protest to the imposition of an assessment, the board may levy the assessment in accordance with the resolution adopted pursuant to Section 100601.

SEC. 10. Section 100602.10 of the Public Utilities Code is amended to read:

100602.10. Notice of each hearing upon the petition for exclusion or reduction shall be given in accordance with subdivision (d) of Section 100601. Notice shall also be mailed at least 30 days prior to the hearing to all record owners of each identified parcel within the boundaries of the benefit district or zone.

SEC. 11. Section 100602.13 of the Public Utilities Code is amended to read:

100602.13. Upon the hearing on an exclusion or reduction petition by the board, or upon the record of hearing by a hearing officer, the board shall order the petition be denied when the petitioner has not shown by a preponderance of the evidence that in an exclusion petition the real property is not benefited or in a reduction petition that the assessment exceeds the benefit to the property.

SEC. 12. Section 100603 of the Public Utilities Code is amended to read:

100603. (a) Following formation of the benefit district or concurrently therewith, if the board deems it necessary to incur a bonded indebtedness for the acquisition, construction, development, joint development, completion, operation, maintenance, or repair of one or more rail transit stations and related rail transit facilities located within

the benefit district, the board may provide, by resolution, that the bonded indebtedness shall be payable from special benefit assessments levied within the benefit district. The resolution shall be adopted by a two-thirds vote of the members of the board, and shall declare and state all of the following:

(1) That the board intends to incur an indebtedness, by the issuance of bonds of the authority, for the benefit district which the board has formed, or intends to form, within a portion of the authority.

(2) The purposes for which the proposed debt is to be incurred, which may include all costs and estimated costs necessary or convenient for, incidental to, or connected with, the accomplishment of the purposes, including, without limitation, engineering, inspection, legal, fiscal agent, financial consultant, bond and other reserve funds, working capital, bond interest estimated to accrue during the construction period, if any, and for a period not exceeding three years thereafter, and the expenses of all proceedings for the authorization, issuance, and sale of the bonds.

(3) The estimated cost of accomplishing the purposes and the amount of the principal of the indebtedness to be incurred.

(4) That a general description of the benefit district and of each zone, if any, therein and maps showing the exterior boundaries thereof are on file with the secretary of the authority and available for inspection by any interested person.

(5) That special benefit assessments for the payment of the bonds, and the interest thereon, have been, or are proposed to be levied in the benefit district or zones therein in accordance with the procedures and approval process set forth in Section 4 of Article XIII D of the California Constitution.

(6) The extent to which, if at all, all or a portion of the revenues of the authority are to be used to pay the principal of, interest on, and sinking fund payments for, the bonds, including the establishment and maintenance of any reserve fund therefor.

(7) The time and place set for hearing on the proposed issuance of the bonds.

(8) That, prior to levying a special benefit assessment, the board shall comply with the notice, protest, and hearing procedures set forth in Section 53753 of the Government Code.

(9) The maximum term the proposed bonds shall run before maturity, which shall not exceed 40 years from the date of the bonds or any series thereof.

(10) The maximum rate or rates of interest to be paid, which shall not exceed 12 percent per annum.

(11) That the pledge of special benefit assessment revenues to the bonds authorized by this section has priority over the use of any of those

revenues for pay-as-you-go financing, except to the extent that this priority is expressly restricted by any of the authority's agreements with bondholders.

(b) The notice stating the time and place of the hearing on the proposed issuance of bonds shall be published prior to the time fixed for the hearing pursuant to Section 6066 of the Government Code.

SEC. 13. Section 100605 of the Public Utilities Code is amended to read:

100605. Special benefit assessments for the payment of the principal of, and interest on, bonds issued for a benefit district or zone shall be levied in the benefit district or zone at rates that are sufficient in the aggregate, together with revenues already collected and available, to pay the principal of, and interest on, all bonds the authority issued for the benefit district or zone. Other revenues of the authority shall be used for the payment of the principal of, and interest on, the bonds only to the extent set forth in any agreement of the authority for the benefit of bondholders.

Special benefit assessments in the benefit district and zones, if any, therein shall be calculated in accordance with the requirements set forth in Section 4 of Article XIII D of the California Constitution.

SEC. 14. Section 100613 of the Public Utilities Code is amended to read:

100613. (a) The board shall not change the purposes, the estimated cost, the boundaries of the benefit district or zones, if any, therein, or the amount of bonded debt to be incurred until after it gives notice of its intention to do so, stating each proposed change in the purpose and stating, if applicable, that the exterior boundaries proposed to be changed are set forth on a map on file with the secretary of the authority. The notice shall also specify the time and the place set for hearing.

(b) The notice shall be published prior to the time set for the hearing pursuant to Section 6066 of the Government Code.

(c) The notice shall also be mailed at least 30 days prior to the hearing to all owners of real property affected by the proposed change whose names and addresses appear on the last equalized assessment roll or are otherwise known to the board of supervisors of the county in which the benefit district is located or to the authority. Provided, however, that any proposed increases to a special benefit assessment may not be made unless all notice, protest, and hearing procedures set forth in Section 53753 of the Government Code have been followed.

SEC. 15. Section 100614 of the Public Utilities Code is amended to read:

100614. At the time and place fixed for a hearing on changes, or at any time and place to which the hearing is adjourned, the board shall

proceed with the hearing. At the hearing, interested persons may appear and present matters material to the changes set forth in the notice.

At the conclusion of the hearing, the board shall, by resolution, determine whether to make any or all of the changes set forth in the notice. The determinations made in the resolution are conclusive and final.

SEC. 16. Section 100616 of the Public Utilities Code is amended to read:

100616. Any action or proceeding which contests, questions, or denies the validity or legality of the formation of any benefit district or zone, the issuance of any bonds therefor pursuant to this chapter, or any proceedings relating thereto, shall be commenced within six months from the date of the formation; otherwise, the formation of the benefit district or zone, the issuance of the bonds, and all proceedings relating thereto shall be held to be in every respect valid, legal, and incontestable.

CHAPTER 646

An act to amend Section 9601 of the Public Utilities Code, relating to public utilities.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 9601 of the Public Utilities Code is amended to read:

9601. (a) Except with respect to supply options of the nature specified in Section 218, with the exception of paragraph (3) of subdivision (b) of that section, as it existed on December 20, 1995, no person, corporation, electrical corporation, or local publicly owned electric utility or other governmental entity other than a retail customer's existing electric service provider as of December 20, 1995, shall provide partial or full electric service to a retail customer of a local publicly owned electric utility unless the customer first confirms in writing an obligation to pay, through tariff or otherwise, to the utility currently providing electric service, a nonbypassable generation-related severance fee or transition charge established by the regulatory body for that utility. The severance fee or transition charge shall be paid directly to the local publicly owned utility providing electricity service in the service area in which the consumer is located.

(b) Except as provided in subdivision (a) of Section 374, no local publicly owned electric utility or other governmental entity shall provide partial or full electric service to a retail customer of an electrical corporation unless the customer of that electrical corporation first confirms in writing an obligation to pay, through tariff or otherwise, to the electrical corporation currently providing electric service, a nonbypassable generation-related transition charge established by the regulatory body for that electrical corporation. The charge shall be paid directly to the electrical corporation providing electricity in the service area in which the consumer is located.

(c) No local publicly owned electric utility or electrical corporation shall sell electric power to the retail customers of another local publicly owned electric utility or electrical corporation unless the first utility has agreed to allow the second utility to make sales of electric power to the retail customers of the first utility.

(d) This section does not apply to an exchange of customers affected by a local publicly owned electric utility completing a mutually agreeable condemnation process to resolve a fringe area agreement in which there exists a balance of benefits between the customers of the local publicly owned electric utility and the electrical corporation.

CHAPTER 647

An act to amend Sections 12903, 12928, 12935, 12942, 12945, 12963.3, 12972, 12973, 12987, 12987.1, and 12989.2 of the Government Code, relating to employment.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 12903 of the Government Code is amended to read:

12903. There is in the State and Consumer Services Agency the Fair Employment and Housing Commission. The commission shall consist of seven members, to be known as commissioners, who shall be appointed by the Governor, by and with the advice and consent of the Senate, and one of whom shall be designated as chairperson by the Governor. The term of office of each member of the commission shall be for four years.

SEC. 2. Section 12928 of the Government Code is amended to read:

12928. Notwithstanding any other provision of this part, there is a rebuttable presumption that ''employer,'' as defined by subdivision (d) of Section 12926, includes any person or entity identified as the employer on the employee's Federal Form W-2 (Wage and Tax Statement).

SEC. 3. Section 12935 of the Government Code is amended to read:

12935. The commission shall have the following functions, powers, and duties:

(a) To adopt, promulgate, amend, and rescind suitable rules, regulations, and standards (1) to interpret, implement, and apply all provisions of this part, (2) to regulate the conduct of hearings held pursuant to Sections 12967 and 12981, and (3) to carry out all other functions and duties of the commission pursuant to this part.

(b) To conduct hearings pursuant to Sections 12967 and 12981.

(c) To conduct mediations at the request of the department at any time after a complaint is filed pursuant to Section 12960, 12961, or 12980. The department may withdraw a request for mediation at any time to pursue an investigation.

(d) To establish and maintain a principal office within the state and to meet and function at any place within the state.

(e) To appoint an executive secretary, and any attorneys and other employees as it may deem necessary, fix their compensation within the limitations provided by law, and prescribe their duties.

(f) To hold hearings, subpoena witnesses, compel their attendance, administer oaths, examine any person under oath and, in connection therewith, to require the production of any books or papers relating to any matter under investigation or in question before the commission.

(g) To create or provide financial or technical assistance to any advisory agencies and conciliation councils, local or otherwise, as in its judgment will aid in effectuating the purposes of this part, and to empower them to study the problems of discrimination in all or specific fields of human relationships or in particular instances of employment discrimination on the bases enumerated in this part or in specific instances of housing discrimination because of race, religious creed, color, national origin, ancestry, familial status, disability, marital status, sex, or sexual orientation and to foster, through community effort or otherwise, good will, cooperation, and conciliation among the groups and elements of the population of the state and to make recommendations to the commission for the development of policies and procedures in general. These advisory agencies and conciliation councils shall be composed of representative citizens, serving without pay.

(h) With respect to findings and orders made pursuant to this part, to establish a system of published opinions that shall serve as precedent in

interpreting and applying the provisions of this part. Commission findings, orders, and opinions in an adjudicative proceeding are subject to Section 11425.60.

(i) To issue publications and results of inquiries and research that in its judgment will tend to promote good will and minimize or eliminate unlawful discrimination. These publications shall include an annual report to the Governor and the Legislature of its activities and recommendations.

(j) Notwithstanding Sections 11370.3 and 11502, to appoint administrative law judges, as it may deem necessary, to conduct hearings and mediations. Each administrative law judge shall possess the qualifications established by the State Personnel Board for the particular class of position involved. The hearing officers of the commission shall become administrative law judges on the effective date of this subdivision.

SEC. 4. Section 12942 of the Government Code is amended to read:

12942. (a) Every employer in this state shall permit any employee who indicates in writing a desire in a reasonable time and can demonstrate the ability to do so, to continue his or her employment beyond any retirement date contained in any private pension or retirement plan.

This employment shall continue so long as the employee demonstrates his or her ability to perform the functions of the job adequately and the employer is satisfied with the quality of work performed.

(b) Any employee indicating this desire and continuing the employment shall give the employer written notice in reasonable time, of intent to retire or terminate when the retirement or termination occurs after the employee's retirement date.

(c) Nothing in this section or Section 12941 shall be construed to prohibit any of the following:

(1) To prohibit an institution of higher education, as defined by Section 1001 of Title 20 of the United States Code, from imposing a retirement policy for tenured faculty members, provided that the institution has a policy permitting reemployment of these individuals on a year-to-year basis.

(2) To prohibit compulsory retirement of any employee who has attained 70 years of age and is a physician employed by a professional medical corporation, the articles or bylaws of which provide for compulsory retirement.

(3) To prohibit compulsory retirement of any employee who has attained 65 years of age and who for the two-year period immediately before retirement was employed in a bona fide executive or a high policymaking position, if that employee is entitled to an immediate

nonforfeitable annual retirement benefit from a pension, profit-sharing, savings, or deferred compensation plan, or any combination of those plans, of the employer for the employee, which equals in the aggregate at least twenty-seven thousand dollars ($27,000).

SEC. 5. Section 12945 of the Government Code is amended to read:

12945. In addition to the provisions that govern pregnancy, childbirth, or related medical conditions in Sections 12926 and 12940, it shall be an unlawful employment practice, unless based upon a bona fide occupational qualification:

(a) For an employer to refuse to allow a female employee disabled by pregnancy, childbirth, or related medical conditions to take a leave for a reasonable period of time not to exceed four months and thereafter return to work, as set forth in the commission's regulations. The employee shall be entitled to utilize any accrued vacation leave during this period of time. Reasonable period of time means that period during which the female employee is disabled on account of pregnancy, childbirth, or related medical conditions.

An employer may require an employee who plans to take a leave pursuant to this subdivision to give the employer reasonable notice of the date the leave shall commence and the estimated duration of the leave.

(b) (1) For an employer to refuse to provide reasonable accommodation for an employee for conditions related to pregnancy, childbirth, or related medical conditions, if she so requests, with the advice of her health care provider.

(2) For an employer who has a policy, practice, or collective bargaining agreement requiring or authorizing the transfer of temporarily disabled employees to less strenuous or hazardous positions for the duration of the disability to refuse to transfer a pregnant female employee who so requests.

(3) For an employer to refuse to temporarily transfer a pregnant female employee to a less strenuous or hazardous position for the duration of her pregnancy if she so requests, with the advice of her physician, where that transfer can be reasonably accommodated. However, no employer shall be required by this section to create additional employment that the employer would not otherwise have created, nor shall the employer be required to discharge any employee, transfer any employee with more seniority, or promote any employee who is not qualified to perform the job.

(c) This section shall not be construed to affect any other provision of law relating to sex discrimination or pregnancy, or in any way to diminish the coverage of pregnancy, childbirth, or medical conditions related to pregnancy or childbirth under any other provisions of this part, including subdivision (a) of Section 12940.

SEC. 6. Section 12963.3 of the Government Code is amended to read:

12963.3. (a) Depositions taken by the department shall be noticed by issuance and service of a subpoena pursuant to Section 12963.1. If, in the course of the investigation of a complaint, a subpoena is issued and served on an individual or organization not alleged in the complaint to have committed an unlawful practice, written notice of the deposition shall also be mailed by the department to each individual or organization alleged in the complaint to have committed an unlawful practice.

(b) A deposition may be taken before any officer of the department who has been authorized by the director to administer oaths and take testimony, or before any other person before whom a deposition may be taken in a civil action pursuant to Section 2025 of the Code of Civil Procedure. The person before whom the deposition is to be taken shall put the witness on oath and shall personally, or by someone acting under the person's direction and in the person's presence, record the testimony of the witness. The testimony shall be taken stenographically and transcribed unless the parties agree otherwise. All objections made at the time of the examination shall be noted on the deposition by the person before whom the deposition is taken, and evidence objected to shall be taken subject to the objections.

SEC. 7. Section 12972 of the Government Code is amended to read:

12972. (a) The commission shall conduct all actions and procedures in accordance with its procedural regulations.

(b) (1) If the commission does not have a procedural regulation on a particular issue, the commission shall rely upon pertinent provisions of the Administrative Procedure Act (Chapter 4 (commencing with Section 11370)).

(2) Notwithstanding paragraph (1), the Administrative Adjudication Bill of Rights set forth in Article 6 (commencing with Section 11425.10) of Chapter 4.5 of Part 1, and the rules for judicial review set forth in Section 11523, shall apply to the commission.

(c) In addition to the discovery available to each party pursuant to subdivision (a), the department and the respondent may each cause a single deposition to be taken in the manner prescribed by law for depositions in civil actions in the superior courts of this state under Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure.

SEC. 8. Section 12973 of the Government Code is amended to read:

12973. (a) Within one year of the effective date of every final order or decision issued pursuant to this part, the department shall conduct a compliance review to determine whether the order or decision has been fully obeyed and implemented.

(b) If the time for judicial review of a final commission order or decision has lapsed, or if all means of judicial review have been exhausted, the department may apply to the superior court in any county in which an action could have been brought under subdivision (b) of Section 12965 for the enforcement of the order or decision or order as modified in accordance with a decision on judicial review. If, after a hearing, the court determines that an order or decision has been issued by the commission and that either the time limits for judicial review have lapsed, or the order or decision was upheld in whole or in part on judicial review, the court shall issue a judgment and order enforcing the order or decision or order as modified in accordance with a decision on judicial review. The court shall not review the merits of the order or decision. The court's judgment shall be nonappealable and shall have the same force and effect as, and shall be subject to all the provisions of law relating to, a judgment in a civil action.

(c) Notwithstanding subdivisions (a) and (b), where the reviewing court denies a petition for writ of mandate seeking review of a commission order or decision, the court shall enter judgment denying the petition and enforcing the commission's final order or decision.

(d) If the commission has found that a respondent has engaged in an unlawful practice under this part and is liable for actual damages, an administrative fine, or a civil penalty, any amount due to that respondent by a state agency may be offset to satisfy the commission's final order or decision.

(e) Notwithstanding any other provision of law, the commission is not liable for attorney's fees of parties to the administrative adjudication of cases brought before the commission, including proceedings brought pursuant to Section 11523 of this code and Section 1094.5 of the Code of Civil Procedure.

SEC. 9. Section 12987 of the Government Code is amended to read:

12987. (a) If the commission, after hearing, finds that a respondent has engaged in any unlawful practice as defined in this part, the commission shall state its findings of fact and shall issue and cause to be served on the respondent an order requiring the respondent to cease and desist from the practice and to take those actions, as, in the judgment of the commission, will effectuate the purpose of this part, including, but not limited to, any of the following:

(1) The sale or rental of the housing accommodation if it is still available, or the sale or rental of a like housing accommodation, if one is available, or the provision of financial assistance, terms, conditions, or privileges previously denied in violation of subdivision (f) of Section 12955 in the purchase, organization, or construction of the housing accommodation, if available.

(2) Affirmative or prospective relief, including injunctive or other equitable relief.

(3) The payment to the complainant of a civil penalty against any named respondent, not to exceed ten thousand dollars ($10,000), unless, in a separate accusation, the respondent has been adjudged to have, with intent, committed a prior violation of Section 12955. If the respondent has, in a separate accusation, been adjudged to have committed a prior violation of Section 12955 within the five years preceding the filing of the complaint, the amount of the civil penalty may exceed ten thousand dollars ($10,000), but may not exceed twenty-five thousand dollars ($25,000). If the respondent, in separate accusations, has been adjudged to have, with intent, violated Section 12955 two or more times within the seven-year period preceding the filing of the complaint, the civil penalty may exceed twenty-five thousand dollars ($25,000), but may not exceed fifty thousand dollars ($50,000). All civil penalties awarded under this provision shall be collected by the department. The commission may award the prevailing party, other than the state, reasonable attorney's fees and costs against any party other than the state, including expert witness fees.

(4) The payment of actual damages to the complainant.

(b) In determining whether to assess a civil penalty pursuant to this section, the commission shall find that the respondent has been guilty of oppression, fraud, or malice, expressed or implied, as required by Section 3294 of the Civil Code. In determining the amount of a civil penalty, the commission shall consider Section 12955.6 and relevant evidence of, including, but not limited to, the following:

(1) Willful, intentional, or purposeful conduct.

(2) Refusal to prevent or eliminate discrimination.

(3) Conscious disregard for fair housing rights.

(4) Commission of unlawful conduct.

(5) Intimidation or harassment.

(6) Conduct without just cause or excuse.

(7) Multiple violations of the Fair Employment and Housing Act.

(c) If the commission finds that the respondent has engaged in an unlawful practice under this part, and the respondent is licensed or granted a privilege by an agency of the state or the federal government to do business, provide a service, or conduct activities, and the unlawful practice is determined to have occurred in connection with the exercise of that license or privilege, the commission shall provide the licensing or privilege granting agency with a copy of its decision or order.

(d) If the commission finds that the respondent has engaged in an unlawful practice under this part and is liable for actual damages or a civil penalty, any amount due to the respondent by a state agency may be offset to satisfy the commission's final order or decision.

(e) No remedy shall be available to the aggrieved person unless the aggrieved person waives any and all rights or claims under Section 52 of the Civil Code prior to receiving a remedy, and signs a written waiver to that effect.

(f) The commission may require a report of the manner of compliance.

(g) If the commission finds that a respondent has not engaged in any practice which constitutes a violation of this part, the commission shall state its findings of fact and shall issue and cause to be served on the complainant an order dismissing the accusation as to that respondent.

(h) Any order issued by the commission shall have printed on its face references to the provisions of the Administrative Procedure Act which prescribe the rights of appeal of any party to the proceeding to whose position the order is adverse.

SEC. 10. Section 12987.1 of the Government Code is amended to read:

12987.1. (a) Any party aggrieved by the commission's final order for relief may obtain a review of that order in accordance with the provisions of Section 11523 of this code and Section 1094.5 of the Code of Civil Procedure except that the limitations on the court's remedial powers as described in subdivision (f) of Section 1094.5 of the Code of Civil Procedure shall not apply.

(b) The superior court, in reviewing the commission's final order, may award the following relief:

(1) Grant to the petitioner, or any other party, temporary relief, including, but not limited to, a restraining order, or other order as the court deems just and proper.

(2) Affirm, modify, or set aside, in whole or in part, the order, or remand the order for further proceedings, and enforce the order to the extent that it is affirmed or modified.

(c) Any party to the proceeding before the commission or aggrieved person may intervene as a matter of right in the superior court proceeding.

(d) When the time for petitioning a court for review of the commission's order has expired, the department or any party to the commission proceeding may petition a court for a decree enforcing the commission's order. The court may grant any relief necessary to ensure compliance with the commission's order.

(e) Notwithstanding subdivisions (a) to (d), inclusive, where the reviewing court denies a petition for writ of mandate seeking review of a commission order or decision, the court shall enter judgment denying the petition and enforcing the commission's order or decision.

SEC. 11. Section 12989.2 of the Government Code is amended to read:

12989.2. (a) In a civil action brought under Section 12989 or 12989.1, if the court finds that a discriminatory housing practice has occurred or is about to occur, the court may award the plaintiff or complainant actual and punitive damages and may grant other relief, including the issuance of a temporary or permanent injunction, or temporary restraining order, or other order, as it deems appropriate to prevent any defendant from engaging in or continuing to engage in an unlawful practice. The court may, at its discretion, award the prevailing party, other than the state, reasonable attorney's fees and costs, including expert witness fees, against any party other than the state.

(b) Notwithstanding any other provision of law, the commission is not liable for the attorney's fees of parties to the administrative adjudication of cases brought before the commission, including proceedings under Sections 11523 and 12987.1 of this code and Section 1094.5 of the Code of Civil Procedure.

CHAPTER 648

An act relating to desalination facilities.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. The Public Utilities Commission shall evaluate the interrelationship between the commission's electricity policy and water policy as it relates to saline water conversion through ocean desalination and shall report to the Governor and the Legislature by January 1, 2006, on the balance between the interests of electricity and water ratepayers. The commission shall invite the Department of Water Resources, the State Water Resources Control Board, the Department of Fish and Game, the State Energy Resources Conservation and Development Commission, and the California Coastal Commission, to participate in the evaluation.

CHAPTER 649

An act to amend Sections 25290.1 and 25299.51 of, to add Sections 25290.1.1 and 25290.1.2 to, and to add Chapter 6.77 (commencing with Section 25299.200) to Division 20 of, the Health and Safety Code,

relating to underground storage tanks, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 25290.1 of the Health and Safety Code is amended to read:

25290.1. (a) Notwithstanding subdivision (o) of Section 25281, for purposes of this section, ''product tight'' means impervious to the liquid and vapor of the substance that is contained, or is to be contained, so as to prevent the seepage of the substance from the containment.

(b) Notwithstanding Sections 25290.2 and 25291, every underground storage tank installed on or after July 1, 2004, shall meet the requirements of this section.

(c) The underground storage tank shall be designed and constructed to provide primary and secondary levels of containment of the hazardous substances stored in it in accordance with the following performance standards:

(1) Primary containment shall be constructed, operated, and maintained product tight and compatible with the stored product.

(2) Secondary containment shall be constructed, operated, and maintained product tight. The secondary containment shall also be constructed, operated, and maintained in a manner to prevent structural weakening as a result of contact with any hazardous substances released from the primary containment, and also shall be capable of storing the hazardous substances for the maximum anticipated period of time necessary for the recovery of any released hazardous substance.

(3) Secondary containment shall be constructed, operated, and maintained to prevent any water intrusion into the system by precipitation, infiltration, or surface runoff.

(4) In the case of an installation with one primary tank, the secondary containment shall be large enough to contain at least 100 percent of the volume of the primary tank.

(5) In the case of multiple primary tanks, the secondary containment shall be large enough to contain 150 percent of the volume of the largest primary tank placed in it, or 10 percent of the aggregate internal volume of all primary tanks, whichever is greater.

(d) The underground tank system shall be designed and constructed with a continuous monitoring system capable of detecting the entry of the liquid- or vapor-phase of the hazardous substance stored in the primary containment into the secondary containment and capable of detecting water intrusion into the secondary containment.

(e) The interstitial space of the underground storage tank shall be maintained under constant vacuum or pressure such that a breach in the primary or secondary containment is detected before the liquid or vapor phase of the hazardous substance stored in the underground storage tank is released into the environment. The use of interstitial liquid level measurement methods satisfies the requirements of this subdivision.

(f) The underground storage tank shall be provided with equipment to prevent spills and overfills from the primary tank.

(g) If different substances are stored in the same tank and in combination may cause a fire or explosion, or the production of flammable, toxic, or poisonous gas, or the deterioration of a primary or secondary container, those substances shall be separated in both the primary and secondary containment so as to avoid potential intermixing.

(h) Underground pressurized piping that conveys a hazardous substance shall be equipped with an automatic line leak detector.

(i) Before the underground storage tank is covered, enclosed, or placed in use, the standard installation testing requirements for underground storage systems specified in Section 2.4 of the Flammable and Combustible Liquids Code, adopted by the National Fire Protection Association (NFPA 30), as amended and published in the respective edition of the Uniform Fire Code, shall be followed.

(j) Before the underground storage tank is placed in use, the underground storage tank shall be tested after installation using one of the following methods to demonstrate that the tank is product tight:

(1) Enhanced leak detection.

(2) An inert gas pressure test that has been certified by a third party and approved by the board.

(3) A test method deemed equivalent to enhanced leak detection or an inert gas pressure test by the board in regulations adopted pursuant to this chapter. An underground storage tank installed and tested in accordance with this subdivision is exempt from the requirements of Section 25292.5.

(k) Notwithstanding Section 25281.5, for any system installed to meet the requirements of this section, those portions of vent lines, vapor recovery lines, and fill pipes that are beneath the surface of the ground are ''pipe'' as the term is defined in subdivision (m) of Section 25281, and therefore part of the underground storage tank system.

SEC. 2. Section 25290.1.1 is added to the Health and Safety Code, to read:

25290.1.1. (a) (1) On the effective date of the act adding this section and for 179 days thereafter, a local agency shall only issue a notice to comply pursuant to this section to an owner or operator of an underground storage tank subject to Section 25290.1 that does not

maintain the vacuum or pressure that is required by subdivision (e) of Section 25290.1, except as otherwise provided in this section.

(2) If the violation described in paragraph (1) occurs on or after the 180th day from the effective date of the act adding this chapter, the local agency may take any enforcement action authorized by this chapter.

(b) A local agency shall issue the notice to comply alleging a violation described in paragraph (1) of subdivision (a) by presenting a notice to comply to the owner or operator in writing, which meets all of the following requirements:

(1) The notice to comply shall be written in the course of conducting an inspection by an authorized representative of the local agency.

(2) A copy of the notice to comply shall be presented to a person who is an owner, operator, employee, or representative of the facility being inspected at the time that the notice to comply is written.

(3) The notice to comply shall clearly state that a violation described in paragraph (1) of subdivision (a) was discovered, a means by which compliance may be achieved, and a time limit in which to comply, which shall not exceed 60 days. The local agency may provide a one-time extension of the time limit for compliance specified in the notice, not to exceed an additional 60 days, if the local agency determines that an extension is necessary to ensure compliance.

(4) The notice to comply shall contain a statement that the inspected facility may be subject to reinspection at any time.

(c) (1) On or before five working days after the date the violation described in paragraph (1) of subdivision (a) is corrected, the person cited in the notice to comply or an authorized representative of that person shall sign the notice to comply, shall certify that the violation has been corrected, and shall return the notice to the local agency.

(2) A false certification submitted pursuant to paragraph (1) that the violation is corrected is punishable as a misdemeanor.

(3) The effective date of the certification that the violation has been corrected shall be the date that the certification is postmarked.

(d) Notwithstanding subdivision (a), if a person fails to correct the violation within the prescribed period in the notice, the local agency may take any enforcement action authorized by this chapter.

(e) This section does not do any of the following:

(1) Prevent the reinspection of a facility to ensure compliance.

(2) Prevent a local agency, on a case-by-case basis, from requiring a person subject to a notice to comply to submit reasonable and necessary documentation to support a claim of compliance by the person.

(3) Restrict the power of a city attorney, district attorney, county counsel, or the Attorney General to bring, in the name of the people of California, any criminal proceeding otherwise authorized by law.

(4) Prevent the local agency, state board, or regional board, from cooperating with, or participating in, a proceeding specified in paragraph (3).

(f) Notwithstanding subdivision (a), if the violation described in paragraph (1) of subdivision (a) is intentional or occurs as the result of gross negligence, the local agency may take any enforcement action authorized by this chapter.

SEC. 3. Section 25290.1.2 is added to the Health and Safety Code, to read:

25290.1.2. (a) The board and the State Air Resources Board, under the direction of the California Environmental Protection Agency, shall certify to the best of their knowledge, that the equipment that meets the requirements of Section 94011 of Title 17 of the California Code of Regulations for enhanced vapor recovery systems at gasoline dispensing facilities, as implemented by the State Air Resources Board, also meets the requirements of this chapter. The board and the State Air Resources Board shall make this certification collaboratively, using existing resources.

(b) The board and the State Air Resources Board, under the direction of the California Environmental Protection Agency, when making the certification specified in subdivision (a), shall consult with interested parties, including local implementing agencies, underground storage tank system owners and operators, equipment manufacturers, underground storage tank system installers, and environmental organizations.

(c) The board and the State Air Resources Board shall post the certification and any supporting documentation on their Web sites.

(d) This section shall be implemented by the executive directors of the board and of the State Air Resources Board, or by their designees.

SEC. 4. Section 25299.51 of the Health and Safety Code is amended to read:

25299.51. The board may expend the money in the fund for all the following purposes:

(a) In addition to the purposes specified in subdivisions (c), (d), and (e), for the costs of implementing this chapter and for implementing Section 25296.10 for a tank that is subject to this chapter.

(b) To pay for the administrative costs of the State Board of Equalization in collecting the fee imposed by Article 5 (commencing with Section 25299.40).

(c) To pay for the reasonable and necessary costs of corrective action pursuant to Section 25299.36, up to one million five hundred thousand dollars ($1,500,000) per occurrence. The Legislature may appropriate the money in the fund for expenditure by the board, without regard to fiscal year, for prompt action in response to any unauthorized release.

(d) To pay for the costs of an agreement for the abatement of, and oversight of the abatement of, an unauthorized release of hazardous substances from underground storage tanks, by a local agency, as authorized by Section 25297.1 or by any other provision of law, except that, for the purpose of expenditure of these funds, only underground storage tanks, as defined in Section 25299.24, shall be the subject of the agreement.

(e) To pay for the costs of cleanup and oversight of unauthorized releases at abandoned tank sites. The board shall not expend more than 25 percent of the total amount of money collected and deposited in the fund annually for the purposes of this subdivision and subdivision (h).

(f) To pay claims pursuant to Section 25299.57.

(g) To pay, upon order of the Controller, for refunds pursuant to Part 26 (commencing with Section 50101) of Division 2 of the Revenue and Taxation Code.

(h) To pay for the reasonable and necessary costs of corrective action pursuant to subdivision (f) of Section 25296.10, in response to an unauthorized release from an underground storage tank subject to this chapter.

(i) To pay claims pursuant to Section 25299.58.

(j) To pay for expenditures by the board associated with discovering violations of, and enforcing, or assisting in the enforcement of, the requirements of Chapter 6.7 (commencing with Section 25280) with regard to petroleum underground storage tanks.

(k) For transfer to the Petroleum Underground Storage Tank Financing Account, for purposes of Chapter 6.77 (commencing with Section 25299.200).

SEC. 5. Chapter 6.77 (commencing with Section 25299.200) is added to Division 20 of the Health and Safety Code, to read:

CHAPTER 6.77. GRANTS FOR INSTALLING UNDERGROUND STORAGE TANKS

25299.200. For purposes of this chapter, the following definitions apply:

(a) ''Account'' means the Petroleum Underground Storage Tank Financing Account.

(b) ''Board'' means the State Water Resources Control Board.

(c) ''Grant applicant'' means a small business, as described in paragraph (1) of subdivision (a) of Section 25299.202, that applies to the board for a grant pursuant to this chapter.

(d) ''Tank'' means an underground storage tank, as defined in Section 25281, installed in accordance with the requirements of Section 25290.1

on and after July 1, 2004, but before June 30, 2009, that is used for the purpose of storing petroleum, as defined in Section 25299.22.

25299.201. (a) The board shall conduct a grant program pursuant to this chapter, to assist small businesses in meeting the requirements of subdivisions (e) and (j) of Section 25290.1.

(b) For purposes of this chapter, a grant provided to assist a small business in complying with subdivision (j) of Section 25290.1 may include the cost of pretesting the underground storage tank prior to backfill, in order to evaluate the underground storage tank's ability to pass the test required by subdivision (j) of Section 25290.1.

25299.202. (a) The board shall make grant funds available from the Petroleum Underground Storage Tank Financing Account to eligible grant applicants that meet the following conditions:

(1) The grant applicant is a small business that employs fewer than 500 full-time and part-time employees, is independently owned and operated, and is not dominant in its field of operation.

(2) The principal office of the grant applicant is domiciled in the state, and the officers of the grant applicant are domiciled in the state.

(3) All tanks owned and operated by the grant applicant are subject to compliance with Chapter 6.7 (commencing with Section 25280), and the regulations adopted pursuant to that chapter.

(b) A grant applicant may expend grant funds only to pay the costs necessary to comply with subdivision (j) of Section 25290.1, and to finance the leak detection equipment costs necessary to meet with the requirements of subdivision (e) of Section 25290.1.

25299.203. (a) The board may issue a grant pursuant to this chapter before the installation of the tank, or within 12 months after the tank has been installed and placed in use.

(b) A complete grant application shall include all of the following information:

(1) Evidence of eligibility.

(2) A detailed cost estimate of the work and equipment required to be completed or installed for the tank to comply with subdivision (e) or (j) of Section 25290.1, as applicable.

(3) A detailed description of the costs incurred to perform the work and install the equipment required for the tank to comply with subdivision (e) or (j) of Section 25290.1, as applicable.

(4) Any other information the board determines is necessary to be included in the application form.

25299.204. (a) A grant recipient may use grant funds to finance or reimburse up to 100 percent of the costs necessary to comply with subdivision (j) of Section 25290.1, and to finance or reimburse the leak detection equipment costs necessary to meet the requirements of subdivision (e) of Section 25290.1.

(b) The board, pursuant to this chapter, shall not grant more than fifteen thousand dollars ($15,000) per facility, as defined in Section 25281, to assist a grant applicant in meeting the requirements of subdivision (e) of Section 25290.1.

(c) The board, pursuant to this chapter, shall not grant more than fifteen thousand dollars ($15,000) per facility, as defined in Section 25281, to assist a grant applicant in meeting the requirements of subdivision (j) of Section 25290.1.

25299.205. (a) (1) The Petroleum Underground Storage Tank Financing Account is hereby created in the State Treasury.

(2) The funds deposited into the account may be expended by the board, upon appropriation by the Legislature, for making grants pursuant to this chapter and administering this chapter.

(b) (1) This section shall not become operative if Assembly Bill 1068 of the 2003–04 Regular Session of the Legislature is enacted and takes effect on or before January 1, 2005, that bill creates the Petroleum Underground Storage Tank Financing Account in the State Treasury, and the bill adding this section takes effect on or after the effective date of Assembly Bill 1068.

(2) If the act adding this section is enacted and takes effect before the effective date of Assembly Bill 1068, this section shall become operative on the effective date of that act, and shall become inoperative on the effective date of Assembly Bill 1068. On the date this section becomes inoperative, the Controller shall transfer all moneys in the account to the Petroleum Underground Storage Tank Financing Account established pursuant to Section 25299.109.

25299.206. (a) The board shall transfer the sum of three million five hundred thousand dollars ($3,500,000) for the 2004–05 fiscal year, from the Underground Storage Tank Cleanup Fund to the account. Those funds are hereby appropriated to the board in each of those fiscal years for making grants pursuant to this chapter and administering this chapter.

(b) At the end of each fiscal year, any funds transferred from the Underground Storage Tank Cleanup Fund that remain in the account shall revert to the Underground Storage Tank Cleanup Fund.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because costs may be incurred by a local agency or school district because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution, or because a 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, within the meaning of Section 17556 of the Government Code.

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

In order to establish compliance requirements for the maintenance of the vacuum or pressure of underground storage tanks and establish a small business grant program as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 650

An act to amend Sections 302, 470, 527, 30914, and 30914.5 of the Streets and Highways Code, and to amend Sections 5201, 5751.5, 9250.7, 12810, 22670, 22710, 22851.2, 22851.4, 22851.6, 22851.8, 22851.10, and 22852 of the Vehicle Code, relating to transportation.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 302 of the Streets and Highways Code is amended to read:

302. (a) Route 2 is from:

(1) The point where Santa Monica Boulevard crosses the city limits of Santa Monica at Centinela Avenue to Route 101 in Los Angeles, except the relinquished portions described in subdivision (b).

(2) Route 101 in Los Angeles to Route 210 in La Canada-Flintridge via Glendale.

(3) Route 210 in La Canada-Flintridge to Route 138 via Wrightwood.

(b) Notwithstanding subdivision (a), the relinquished former portions of Route 2 within the city limits of West Hollywood and Santa Monica, and between Route 405 and Moreno Drive in Los Angeles, are not a state highway and are not eligible for adoption under Section 81. Those cities shall maintain signs within their respective jurisdictions directing motorists to the continuation of Route 2.

(c) (1) Notwithstanding subdivision (a), the commission may relinquish to the City of Beverly Hills the portion of Route 2 that is located between the city's west city limit at Moreno Drive and the city's east city limit at Doheny Drive, upon terms and conditions the commission finds to be in the best interests of the state.

(2) A relinquishment under this subdivision shall become effective immediately following the county recorder's recordation of the relinquishment resolution containing the commission's approval of the terms and conditions of the relinquishment.

(3) On and after the effective date of the relinquishment, both of the following shall occur:

(A) The portion of Route 2 relinquished under this subdivision shall cease to be a state highway.

(B) The portion of Route 2 relinquished under this subdivision shall be ineligible for future adoption under Section 81.

(4) For the portions of Route 2 that are relinquished, the City of Beverly Hills shall maintain within its jurisdiction signs directing motorists to the continuation of Route 2.

(d) (1) Notwithstanding subdivision (a), the commission may relinquish to the City of Los Angeles the conventional highway portion of Route 2 that is located within the city limits of that city, upon terms and conditions the commission finds to be in the best interests of the state, including, but not limited to, a condition that the City of Los Angeles maintain within its jurisdiction signs directing motorists to the continuation of Route 2.

(2) A relinquishment under this subdivision shall become effective immediately following the recording by the county recorder of the relinquishment resolution containing the commission's approval of the terms and conditions of the relinquishment.

(3) On and after the effective date of the relinquishment, both of the following shall occur:

(A) The portion of Route 2 relinquished under this subdivision shall cease to be a state highway.

(B) The portion of Route 2 relinquished under this subdivision may not be considered for future adoption under Section 81.

(4) For the portions of Route 2 that are relinquished, the City of Los Angeles shall maintain within its jurisdiction signs directing motorists to the continuation of Route 2.

SEC. 2. Section 470 of the Streets and Highways Code is amended to read:

470. (a) Route 170 is from:

(1) Los Angeles International Airport to Route 90.

(2) Route 2 to Route 101 in Los Angeles.

(3) Route 101 near Riverside Drive to Route 5 near Tujunga Wash.

(b) (1) Notwithstanding subdivision (a), the commission may relinquish to the City of Los Angeles the portion of Route 170 that is described in paragraph (2) of subdivision (a), pursuant to the terms of a cooperative agreement between the city and the department, upon a

determination by the commission that the relinquishment is in the best interests of the state.

(2) A relinquishment under this subdivision shall become effective immediately following the recordation by the county recorder of the relinquishment resolution containing the commission's approval of the terms and conditions of the relinquishment.

(3) On and after the effective date of the relinquishment, both of the following shall apply:

(A) The portion of Route 170 relinquished under this subdivision shall cease to be a state highway.

(B) The portion of Route 170 relinquished under this subdivision may not be considered for future adoption under Section 81.

SEC. 3. Section 527 of the Streets and Highways Code is amended to read:

527. (a) Route 227 is from Route 1 south of Oceano to Route 101 in San Luis Obispo.

(b) (1) Notwithstanding subdivision (a), the commission may relinquish to the City of Arroyo Grande the portion of Route 227 that is located within the city limits of that city, upon terms and conditions the commission finds to be in the best interests of the state, including, but not limited to, a condition that the City of Arroyo Grande maintain within its jurisdiction signs directing motorists to the continuation of Route 227.

(2) A relinquishment under this subdivision shall become effective immediately following the recording by the county recorder of the relinquishment resolution containing the commission's approval of the terms and conditions of the relinquishment.

(3) On and after the effective date of the relinquishment, both of the following shall occur:

(A) The portion of Route 227 relinquished under this subdivision shall cease to be a state highway.

(B) The portion of Route 227 relinquished under this subdivision may not be considered for future adoption under Section 81.

(c) (1) Notwithstanding subdivision (a), the commission may relinquish to the City of San Luis Obispo the portion of Route 227 that is located within the city limits of that city, upon terms and conditions the commission finds to be in the best interests of the state, including, but not limited to, a condition that the City of San Luis Obispo maintain within its jurisdiction signs directing motorists to the continuation of Route 227.

(2) A relinquishment under this subdivision shall become effective immediately following the recording by the county recorder of the relinquishment resolution containing the commission's approval of the terms and conditions of the relinquishment.

(3) On and after the effective date of the relinquishment, both of the following shall occur:

(A) The portion of Route 227 relinquished under this subdivision shall cease to be a state highway.

(B) The portion of Route 227 relinquished under this subdivision may not be considered for future adoption under Section 81.

(4) For the portions of Route 227 that relinquished, the City of San Luis Obispo shall maintain within its jurisdiction signs directing motorists to the continuation of Route 227.

SEC. 4. Section 30914 of the Streets and Highways Code is amended to read:

30914. (a) In addition to any other authorized expenditures of toll bridge revenues, the following major projects may be funded from toll revenues of all bridges:

(1) Dumbarton Bridge: Improvement of the western approaches from Route 101 if affected local governments are involved in the planning.

(2) San Mateo-Hayward Bridge and approaches: Widening of the bridge to six lanes, construction of rail transit capital improvements on the bridge structure, and improvements to the Route 92/Route 880 interchange.

(3) Construction of West Grand connector or an alternate project designed to provide comparable benefit by reducing vehicular traffic congestion on the eastern approaches to the San Francisco-Oakland Bay Bridge. Affected local governments shall be involved in the planning.

(4) Not less than 90 percent of the revenues determined by the authority as derived from the toll increase approved in 1988 for class I vehicles on the San Francisco-Oakland Bay Bridge authorized by Section 30917 shall be used exclusively for rail transit capital improvements designed to reduce vehicular traffic congestion on that bridge. This amount shall be calculated as 21 percent of the revenue generated each year by the collection of the base toll at the level established by the 1988 increase on the San Francisco-Oakland Bay Bridge.

(b) Notwithstanding any funding request for the transbay bus terminal pursuant to Section 31015, the Metropolitan Transportation Commission shall allocate toll bridge revenues in an annual amount not to exceed three million dollars ($3,000,000), plus a 3.5-percent annual increase, to the department or to the Transbay Joint Powers Authority after the department transfers the title of the Transbay Terminal Building to that entity, for operation and maintenance expenditures. This allocation shall be payable from funds transferred by the Bay Area Toll Authority. This transfer of funds is subordinate to any obligations of the authority, now or hereafter existing, having a statutory or first priority lien against the toll bridge revenues. The first annual 3.5 percent increase

shall be made on July 1, 2004. The transfer is further subject to annual certification by the department or the Transbay Joint Powers Authority that the total Transbay Terminal Building operating revenue is insufficient to pay the cost of operation and maintenance without the requested funding.

(c) If the voters approve a toll increase in 2004 pursuant to Section 30921, the authority shall, consistent with the provisions of subdivisions (d) and (f), fund the projects described in this subdivision and in subdivision (d) that shall collectively be known as the Regional Traffic Relief Plan by bonding or transfers to the Metropolitan Transportation Commission. These projects have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors, from toll revenues of all bridges:

(1) BART/MUNI Connection at Embarcadero and Civic Center Stations. Provide direct access from the BART platform to the MUNI platform at the above stations and equip new fare gates that are TransLink ready. Three million dollars ($3,000,000). The project sponsor is BART.

(2) MUNI Metro Third Street Light Rail Line. Provide funding for the surface and light rail transit and maintenance facility to support MUNI Metro Third Street Light Rail service connecting to Caltrain stations and the E-Line waterfront line. Thirty million dollars ($30,000,000). The project sponsor is MUNI.

(3) MUNI Waterfront Historic Streetcar Expansion. Provide funding to rehabilitate historic street cars and construct trackage and terminal facilities to support service from the Caltrain Terminal, the Transbay Terminal, and the Ferry Building, and connecting the Fisherman's Wharf and northern waterfront. Ten million dollars ($10,000,000). The project sponsor is MUNI.

(4) East to West Bay Commuter Rail Service over the Dumbarton Rail Bridge. Provide funding for the necessary track and station improvements and rolling stock to interconnect the BART and Capitol Corridor at Union City with Caltrain service over the Dumbarton Rail Bridge, and interconnect and provide track improvements for the ACE line with the same Caltrain service at Centerville. Provide a new station at Sun Microsystems in Menlo Park. One hundred thirty-five million dollars ($135,000,000). The project is jointly sponsored by the San Mateo County Transportation Authority, Capitol Corridor, the Alameda County Congestion Management Agency, and the Alameda County Transportation Improvement Authority.

(5) Vallejo Station. Construct intermodal transportation hub for bus and ferry service, including parking structure, at site of Vallejo's current ferry terminal. Twenty-eight million dollars ($28,000,000). The project sponsor is the City of Vallejo.

(6) Solano County Express Bus Intermodal Facilities. Provide competitive grant fund source, to be administered by the Metropolitan Transportation Commission. Eligible projects are Curtola Park and Ride, Benicia Intermodal Facility, Fairfield Transportation Center and Vacaville Intermodal Station. Priority to be given to projects that are fully funded, ready for construction, and serving transit service that operates primarily on existing or fully funded high-occupancy vehicle lanes. Twenty million dollars ($20,000,000). The project sponsor is Solano Transportation Authority.

(7) Solano County Corridor Improvements near Interstate 80/Interstate 680 Interchange. Provide funding for improved mobility in corridor based on recommendations of joint study conducted by the Department of Transportation and the Solano Transportation Authority. Cost-effective transit infrastructure investment or service identified in the study shall be considered a high priority. One hundred million dollars ($100,000,000). The project sponsor is Solano Transportation Authority.

(8) Interstate 80: Eastbound High-Occupancy Vehicle (HOV) Lane Extension from Route 4 to Carquinez Bridge. Construct HOV-lane extension. Fifty million dollars ($50,000,000). The project sponsor is the Department of Transportation.

(9) Richmond Parkway Transit Center. Construct parking structure and associated improvements to expand bus capacity. Sixteen million dollars ($16,000,000). The project sponsor is Alameda-Contra Costa Transit District, in coordination with West Contra Costa Transportation Advisory Committee, Western Contra Costa Transit Authority, City of Richmond, and the Department of Transportation.

(10) Sonoma-Marin Area Rail Transit District (SMART) Extension to Larkspur or San Quentin. Extend rail line from San Rafael to a ferry terminal at Larkspur or San Quentin. Thirty-five million dollars ($35,000,000). Up to five million dollars ($5,000,000) may be used to study, in collaboration with the Water Transit Authority, the potential use of San Quentin property as an intermodal water transit terminal. The project sponsor is SMART.

(11) Greenbrae Interchange/Larkspur Ferry Access Improvements. Provide enhanced regional and local access around the Greenbrae Interchange to reduce traffic congestion and provide multimodal access to the Richmond-San Rafael Bridge and Larkspur Ferry Terminal by constructing a new full service diamond interchange at Wornum Drive south of the Greenbrae Interchange, extending a multiuse pathway from the new interchange at Wornum Drive to East Sir Francis Drake Boulevard and the Cal Park Hill rail right-of-way, adding a new lane to East Sir Francis Drake Boulevard and rehabilitating the Cal Park Hill Rail Tunnel and right-of-way approaches for bicycle and pedestrian

access to connect the San Rafael Transit Center with the Larkspur Ferry Terminal. Sixty-five million dollars ($65,000,000). The project sponsor is Marin County Congestion Management Agency.

(12) Direct High-Occupancy Vehicle (HOV) lane connector from Interstate 680 to the Pleasant Hill or Walnut Creek BART stations or in close proximity to either station or as an extension of the southbound Interstate 680 High-Occupancy Vehicle Lane through the Interstate 680/State Highway Route 4 interchange from North Main in Walnut Creek to Livorna Road. The County Connection shall utilize up to one million dollars ($1,000,000) of the funds described in this paragraph to develop options and recommendations for providing express bus service on the Interstate 680 High-Occupancy Vehicle Lane south of the Benicia Bridge in order to connect to BART. Upon completion of the plan, the Contra Costa Transportation Authority shall adopt a preferred alternative provided by the County Connection plan for future funding. Following adoption of the preferred alternative, the remaining funds may be expended either to fund the preferred alternative or to extend the high-occupancy vehicle lane as described in this paragraph. Fifteen million dollars ($15,000,000). The project is sponsored by the Contra Costa Transportation Authority.

(13) Rail Extension to East Contra Costa/E-BART. Extend BART from Pittsburg/Bay Point Station to Byron in East Contra Costa County. Ninety-six million dollars ($96,000,000). Project funds may only be used if the project is in compliance with adopted BART policies with respect to appropriate land use zoning in vicinity of proposed stations. The project is jointly sponsored by BART and Contra Costa Transportation Authority.

(14) Capitol Corridor Improvements in Interstate 80/Interstate 680 Corridor. Fund track and station improvements, including the Suisun Third Main Track and new Fairfield Station. Twenty-five million dollars ($25,000,000). The project sponsor is Capitol Corridor Joint Powers Authority and the Solano Transportation Authority.

(15) Central Contra Costa Bay Area Rapid Transit (BART) Crossover. Add new track before Pleasant Hill BART Station to permit BART trains to cross to return track towards San Francisco. Twenty-five million dollars ($25,000,000). The project sponsor is BART.

(16) Benicia-Martinez Bridge: New Span. Provide partial funding for completion of new five-lane span between Benicia and Martinez to significantly increase capacity in the I-680 corridor. Fifty million dollars ($50,000,000). The project sponsor is the Bay Area Toll Authority.

(17) Regional Express Bus North. Competitive grant program for bus service in Richmond-San Rafael Bridge, Carquinez, Benicia-Martinez and Antioch Bridge corridors. Provide funding for park and ride lots, infrastructure improvements, and rolling stock. Eligible recipients

include Golden Gate Bridge Highway and Transportation District, Vallejo Transit, Napa VINE, Fairfield-Suisun Transit, Western Contra Costa Transit Authority, Eastern Contra Costa Transit Authority, and Central Contra Costa Transit Authority. The Golden Gate Bridge Highway and Transportation District shall receive a minimum of one million six hundred thousand dollars ($1,600,000). Napa VINE shall receive a minimum of two million four hundred thousand dollars ($2,400,000). Twenty million dollars ($20,000,000). The project sponsor is the Metropolitan Transportation Commission.

(18) TransLink. Integrate the Bay Area's regional smart card technology, TransLink, with operator fare collection equipment and expand system to new transit services. Twenty-two million dollars ($22,000,000). The project sponsor is the Metropolitan Transportation Commission.

(19) Real-Time Transit Information. Provide a competitive grant program for transit operators for assistance with implementation of high-technology systems to provide real-time transit information to riders at transit stops or via telephone, wireless, or Internet communication. Priority shall be given to projects identified in the commission's connectivity plan adopted pursuant to subdivision (d) of Section 30914.5. Twenty million dollars ($20,000,000). The funds shall be administered by the Metropolitan Transportation Commission.

(20) Safe Routes to Transit: Plan and construct bicycle and pedestrian access improvements in close proximity to transit facilities. Priority shall be given to those projects that best provide access to regional transit services. Twenty-two million five hundred thousand dollars ($22,500,000). City Car Share shall receive two million five hundred thousand dollars ($2,500,000) to expand its program within approximately one-quarter mile of transbay regional transit terminals or stations. The City Car Share project is sponsored by City Car Share and the Safe Routes to Transit project is jointly sponsored by the East Bay Bicycle Coalition and the Transportation and Land Use Coalition. These sponsors must identify a public agency cosponsor for purposes of specific project fund allocations.

(21) BART Tube Seismic Strengthening. Add seismic capacity to existing BART tube connecting the east bay with San Francisco. One hundred forty-three million dollars ($143,000,000). The project sponsor is BART.

(22) Transbay Terminal/Downtown Caltrain Extension. A new Transbay Terminal at First and Mission Streets in San Francisco providing added capacity for transbay, regional, local, and intercity bus services, the extension of Caltrain rail services into the terminal, and accommodation of a future high-speed passenger rail line to the terminal and eventual rail connection to the east bay. Eligible expenses include

project planning, design and engineering, construction of a new terminal and its associated ramps and tunnels, demolition of existing structures, design and development of a temporary terminal, property and right-of-way acquisitions required for the project, and associated project-related administrative expenses. A bus- and train-ready terminal facility, including purchase and acquisition of necessary rights-of-way for the terminal, ramps, and rail extension, is the first priority for toll funds for the Transbay Terminal/Downtown Caltrain Extension Project. The temporary terminal operation shall not exceed five years. One hundred fifty million dollars ($150,000,000). The project sponsor is the Transbay Joint Powers Authority.

(23) Oakland Airport Connector. New transit connection to link BART, Capitol Corridor and AC Transit with Oakland Airport. The Port of Oakland shall provide a full funding plan for the connector. Thirty million dollars ($30,000,000). The project sponsors are the Port of Oakland and BART.

(24) AC Transit Enhanced Bus-Phase 1 on Telegraph Avenue, International Boulevard, and East 14th Street (Berkeley-Oakland-San Leandro). Develop enhanced bus service on these corridors, including bus bulbs, signal prioritization, new buses, and other improvements. Priority of investment shall improve the AC connection to BART on these corridors. Sixty-five million dollars ($65,000,000). The project sponsor is AC Transit.

(25) Commute Ferry Service for Alameda/Oakland/Harbor Bay. Purchase two vessels for ferry services between Alameda and Oakland areas and San Francisco. Second vessel funds to be released upon demonstration of appropriate terminal locations, new transit oriented development, adequate parking, and sufficient landside feeder connections to support ridership projections. Twelve million dollars ($12,000,000). The project sponsor is Water Transit Authority. If the Water Transit Authority demonstrates to the Metropolitan Transportation Commission that it has secured alternative funding for the two vessel purchases described in this paragraph, the funds may be used for terminal improvements.

(26) Commute Ferry Service for Berkeley/Albany. Purchase two vessels for ferry services between the Berkeley/Albany Terminal and San Francisco. Parking access and landside feeder connections must be sufficient to support ridership projections. Twelve million dollars ($12,000,000). The project sponsor is Water Transit Authority. If the Water Transit Authority demonstrates to the Metropolitan Transportation Commission that it has secured alternative funding for the two vessel purchases described in this paragraph, the funds may be used for terminal improvements. If the Water Transit Authority does not have an entitled terminal site within the Berkeley/Albany catchment area

by 2010 that meets its requirements, the funds described in this paragraph and the operating funds described in paragraph (7) of subdivision (d) shall be transferred to another site in the East Bay. The City of Richmond shall be given first priority to receive this transfer of funds if it has met the planning milestones identified in its special study developed pursuant to paragraph (28).

(27) Commute Ferry Service for South San Francisco. Purchase two vessels for ferry services to the Peninsula. Parking access and landside feeder connections must be sufficient to support ridership projections. Twelve million dollars ($12,000,000). The project sponsor is Water Transit Authority. If the Water Transit Authority demonstrates to the Metropolitan Transportation Commission that it has secured alternative funding for the two vessel purchases described in this paragraph, the funds may be used for terminal improvements.

(28) Water Transit Facility Improvements, Spare Vessels, and Environmental Review Costs. Provide two backup vessels for Water Transit Authority services, expand berthing capacity at the Port of San Francisco, and expand environmental studies and design for eligible locations. Forty-eight million dollars ($48,000,000). The project sponsor is Water Transit Authority. Up to one million dollars ($1,000,000) of the funds described in this paragraph shall be made available for the Water Transit Authority to study accelerating development and other milestones that would potentially increase ridership at the City of Richmond ferry terminal.

(29) Regional Express Bus Service for San Mateo, Dumbarton, and Bay Bridge Corridors. Expand park and ride lots, improve HOV access, construct ramp improvements, and purchase rolling stock. Twenty-two million dollars ($22,000,000). The project sponsors are AC Transit and Alameda County Congestion Management Agency.

(30) I-880 North Safety Improvements. Reconfigure various ramps on I-880 and provide appropriate mitigations between 29th Avenue and 16th Avenue. Ten million dollars ($10,000,000). The project sponsors are Alameda County Congestion Management Agency, City of Oakland, and the Department of Transportation.

(31) BART Warm Springs Extension. Extension of the existing BART system from Fremont to Warm Springs in southern Alameda County. Ninety-five million dollars ($95,000,000). Up to ten million dollars ($10,000,000) shall be used for grade separation work in the City of Fremont necessary to extend BART. The project would facilitate a future rail service extension to the Silicon Valley. The project sponsor is BART.

(32) I-580 (Tri Valley) Rapid Transit Corridor Improvements. Provide rail or High-Occupancy Vehicle lane direct connector to Dublin BART and other improvements on I-580 in Alameda County for use by

express buses. Sixty-five million dollars ($65,000,000). The project sponsor is Alameda County Congestion Management Agency.

(33) Regional Rail Master Plan. Provide planning funds for integrated regional rail study pursuant to subdivision (f) of Section 30914.5. Six million five hundred thousand dollars ($6,500,000). The project sponsors are Caltrain and BART.

(34) Integrated Fare Structure Program. Provide planning funds for the development of zonal monthly transit passes pursuant to subdivision (e) of Section 30914.5. One million five hundred thousand dollars ($1,500,000). The project sponsor is the Translink Consortium.

(35) Transit Commuter Benefits Promotion. Marketing program to promote tax-saving opportunities for employers and employees as specified in Section 132(f)(3) of the Internal Revenue Code. Goal is to increase the participation rate of employers offering employees a tax-free benefit to commute to work by transit. The project sponsor is the Metropolitan Transportation Commission. Five million dollars ($5,000,000).

(36) Caldecott Tunnel Improvements. Provide funds to plan and construct a fourth bore at the Caldecott Tunnel between Contra Costa and Alameda Counties. The fourth bore will be a two-lane bore with a shoulder or shoulders north of the current three bores. The County Connection shall study all feasible alternatives to increase transit capacity in the westbound corridor of State Highway Route 24 between State Highway Route 680 and the Caldecott Tunnel, including the study of the use of an express lane, high-occupancy vehicle lane, and an auxiliary lane. The cost of the study shall not exceed five hundred thousand dollars ($500,000) and shall be completed not later than January 15, 2006. Fifty million five hundred thousand dollars ($50,500,000). The project sponsor is the Contra Costa Transportation Authority.

(d) Not more than 38 percent of the revenues generated from the toll increase shall be made available annually for the purpose of providing operating assistance for transit services as set forth in the authority's annual budget resolution. The funds shall be made available to the provider of the transit services subject to the performance measures described in Section 30914.5. If the funds cannot be obligated for operating assistance consistent with the performance measures, these funds shall be obligated for other operations consistent with this chapter.

Except for operating programs that do not have planned funding increases and subject to the 38-percent limit on total operating cost funding in any single year, following the first year of scheduled operations, an escalation factor, not to exceed 1.5 percent per year, shall be added to the operating cost funding through fiscal year 2015–16, to partially offset increased operating costs. The escalation factors shall be

contained in the operating agreements described in Section 30914.5. Subject to the limitations of this paragraph, the Metropolitan Transportation Commission may annually fund the following operating programs as another component of the Regional Traffic Relief Plan:

(1) Golden Gate Express Bus Service over the Richmond Bridge (Route 40). Two million one hundred thousand dollars ($2,100,000).

(2) Napa Vine Service terminating at the Vallejo Intermodal Terminal. Three hundred ninety thousand dollars ($390,000).

(3) Regional Express Bus North Pool serving the Carquinez and Benicia Bridge Corridors. Three million four hundred thousand dollars ($3,400,000).

(4) Regional Express Bus South Pool serving the Bay Bridge, San Mateo Bridge, and Dumbarton Bridge Corridors. Six million five hundred thousand dollars ($6,500,000).

(5) Dumbarton Rail. Five million five hundred thousand dollars ($5,500,000).

(6) Water Transit Authority, Alameda/Oakland/Harbor Bay. A portion of the operating funds may be dedicated to landside transit operations. Six million four hundred thousand dollars ($6,400,000).

(7) Water Transit Authority, Berkeley/Albany. A portion of the operating funds may be dedicated to landside transit operations. Three million two hundred thousand dollars ($3,200,000).

(8) Water Transit Authority, South San Francisco. A portion of the operating funds may be dedicated to landside operations. Three million dollars ($3,000,000).

(9) Vallejo Ferry. Two million seven hundred thousand dollars ($2,700,000).

(10) Owl Bus Service on BART Corridor. One million eight hundred thousand dollars ($1,800,000).

(11) MUNI Metro Third Street Light Rail Line. Two million five hundred thousand dollars ($2,500,000) without escalation.

(12) AC Transit Enhanced Bus Service on Telegraph Avenue, International Boulevard, and East 14th Street in Berkeley-Oakland-San Leandro. Three million dollars ($3,000,000) without escalation.

(13) TransLink, three-year operating program. Twenty million dollars ($20,000,000) without escalation.

(14) Water Transit Authority, regional planning and operations. Three million dollars ($3,000,000) without escalation.

(e) For all projects authorized under subdivision (c), the project sponsor shall submit an initial project report to the Metropolitan Transportation Commission before July 1, 2004. This report shall include all information required to describe the project in detail, including the status of any environmental documents relevant to the project, additional funds required to fully fund the project, the amount,

if any, of funds expended to date, and a summary of any impediments to the completion of the project. This report, or an updated report, shall include a detailed financial plan and shall notify the commission if the project sponsor will request toll revenue within the subsequent 12 months. The project sponsor shall update this report as needed or requested by the commission. No funds shall be allocated by the commission for any project authorized by subdivision (c) until the project sponsor submits the initial project report, and the report is reviewed and approved by the commission.

If multiple project sponsors are listed for projects listed in subdivision (c), the commission shall identify a lead sponsor in coordination with all identified sponsors, for purposes of allocating funds. For any projects authorized under subdivision (c), the commission shall have the option of requiring a memorandum of understanding between itself and the project sponsor or sponsors that shall include any specific requirements that must be met prior to the allocation of funds provided under subdivision (c).

(f) The Metropolitan Transportation Commission shall annually assess the status of programs and projects and shall allocate a portion of funding made available under Section 30921 or 30958 for public information and advertising to support the services and projects identified in subdivisions (c) and (d). If an operating program or project cannot achieve its performance objectives described in subdivision (a) of Section 30914.5 or if a program or project cannot be completed or cannot continue due to delivery or financing obstacles making the completion or continuation of the program or project unrealistic, the commission shall consult with the program or the project sponsor. After consulting with the sponsor, the commission shall hold a public hearing concerning the project. After the hearing, the commission may vote to modify the program or the project's scope, decrease its level of funding, or to reassign all of the funds to another or an additional regional transit program or project within the same corridor. If a program or project does not meet the required performance measures, the commission shall give the sponsor a time certain to achieve the performance measures or have its funding reassigned.

(g) If the voters approve a toll increase pursuant to Section 30921, the authority shall within 24 months of the election date, include the projects in a long-range plan that are consistent with the commission's findings required by this section and Section 30914.5. The authority shall update its long-range plan as required to maintain its viability as a strategic plan for funding projects authorized by this section. The authority shall by January 1, 2007, submit its updated long-range plan to the transportation policy committee of each house of the Legislature for review.

(h) If the voters approve a toll increase pursuant to Section 30921, and if additional funds from this toll increase are available following the funding obligations of subdivisions (c) and (d), the authority may set aside a reserve to fund future rolling stock replacement to enhance the sustainability of the services enumerated in subdivision (d). The authority shall, by January 1, 2020, submit a 20-year toll bridge expenditure plan to the Legislature for adoption. This expenditure plan shall have, as its highest priority, replacement of transit vehicles purchased pursuant to subdivision (c).

SEC. 5. Section 30914.5 of the Streets and Highways Code is amended to read:

30914.5. (a) Prior to the allocation of revenue for transit operating assistance under subdivision (d) of Section 30914, the Metropolitan Transportation Commission shall adopt performance measures related to fare-box recovery, ridership, and other performance measures as needed. The performance measures shall be developed in consultation with the affected transit operators and the commission's advisory council.

(b) The Metropolitan Transportation Commission shall execute an operating agreement with the sponsors of the projects described in subdivision (d) of Section 30914. This agreement shall include, at a minimum, a fully funded operating plan that conforms to and is consistent with the adopted performance measures. The agreement shall also include a schedule of projected fare revenues or other operating revenues to indicate that the service is viable in the near-term and is expected to meet the adopted performance measures in future years. For any individual project sponsor, this operating agreement may include additional requirements, as determined by the commission, to be met prior to the allocation of transit assistance under subdivision (d) of Section 30914.

(c) Prior to the annual allocation of transit operating assistance funds by the Metropolitan Transportation Commission pursuant to subdivision (d) of Section 30914, the Metropolitan Transportation Commission shall conduct, or shall require the sponsoring agency to conduct, an independent audit that contains audited financial information, including an opinion on the status and cost of the project and its compliance with the approved performance measures. Notwithstanding this requirement, each operator shall be given a one-year trial period to operate new service. In the first year of new service, the sponsor shall develop a reporting and accounting structure for the performance measures. Commencing with the third operating year, sponsors shall be subject to the approved performance measures.

(d) The Metropolitan Transportation Commission shall adopt a regional transit connectivity plan by December 1, 2005. The

connectivity plan shall be incorporated into the commission's Transit Coordination Implementation Plan pursuant to Section 66516.5 of the Government Code. The connectivity plan shall require operators to comply with the plan utilizing commission authority pursuant to Section 66516.5 of the Government Code. The commission shall consult with the Partnership Transit Coordination Council in developing a plan that identifies and evaluates opportunities for improving transit connectivity and shall include, but not be limited to, the following components:

(1) A network of key transit hubs connecting regional rapid transit services to one another, and to feeder transit services. ''Regional rapid transit'' means long-haul transit service that crosses county lines, and operates mostly in dedicated rights-of-way, including freeway high-occupancy vehicle lanes, crossing a bridge, or on the bay. The identified transit hubs shall operate either as a timed transfer network or as pulsed hub connections, providing regularly scheduled connections between two or more transit lines.

(2) Physical infrastructure and right-of-way improvements necessary to improve system reliability and connections at transit hubs. Physical infrastructure improvements may include, but are not limited to, improved rail-to-rail transfer facilities, including cross-platform transfers, and intermodal transit improvements that facilitate rail-to-bus, rail-to-ferry, ferry-to-ferry, ferry-to bus, and bus-to-bus transfers. Capital improvements identified in the plan shall be eligible for funding in the commission's regional transportation plan.

(3) Regional standards and procedures to ensure maximum coordination of schedule connections to minimize transfer times between transit lines at key transit hubs, including, but not limited to, the following:

(A) Policies and procedures for improved fare collection.

(B) Enhanced trip-planning services, including Internet-based programs, telephone information systems, and printed schedules.

(C) Enhanced schedule coordination through the implementation of real-time transit-vehicle location systems that facilitate communication between systems and result in improved timed transfers between routes.

(D) Performance measures and data collection to monitor the performance of the connectivity plan.

The connectivity plan shall focus on, but not be limited to, feeder transit lines connecting to regional rapid transit services, and the connection of regional rapid transit services to one another. The connectivity plan shall be adopted following a Metropolitan Transportation Commission public hearing at least 60 days prior to adoption. The commission shall adopt performance measures and collect appropriate data to monitor the performance of the connectivity plan. The plan shall be evaluated every three years by the commission

as part of the update to its regional transportation plan. No agency shall be eligible to receive funds under this section unless the agency is a participant operator in the commission's regional transit connectivity plan.

The provisions of this subdivision shall only be effective if the voters approve the toll increase as set forth in Section 30921, and the expenditures incurred by the Metropolitan Transportation Commission up to five hundred thousand dollars ($500,000) that are related to the requirements of this subdivision, including any study, shall be reimbursed from toll revenues identified in paragraph (33) of subdivision (c) of Section 30914.

(e) The TransLink Consortium, per the TransLink Interagency Participation Agreement, shall by July 1, 2007, develop a plan for an integrated fare program covering all regional rapid transit trips funded in full or in part by this section. ''Regional rapid transit'' means long-haul transit services that cross county lines, and operate mostly in dedicated rights-of-way, including freeway high-occupancy vehicle lanes, crossing a bridge, or on the bay. Interregional rail services, originating or terminating from outside the Bay Area, shall not be considered regional rapid transit. The purpose of the integrated fare program is to encourage greater use of the region's transit network by making it easier and less costly for transit riders whose regular commute involves multizonal travel and may involve the transfer between two or more transit agencies, including regional-to-regional and regional-to-local transfers. The integrated fare program shall include a zonal fare system for the sole purpose of creating a monthly zonal pass (monthly pass), allowing for unlimited or discounted fares for transit riders making a minimum number of monthly transit trips between two or more zones. The number of minimum trips shall be established by the plan. The integrated fare program shall not apply to fare structures that are not purchased on a monthly basis. For the purposes of these zonal fares, geographic zones shall be created in the Bay Area. To the extent practical, zone boundaries for overlapping systems shall be in the same places and shall correspond to the boundaries of the local transit service areas. A regional rapid transit zone may cover more than one local service area, or may subdivide an existing local service area. The monthly pass shall be created in at least the following two forms:

(1) For the use of interzonal regional rapid transit trips without local transit discounts.

(2) For the use of interzonal regional rapid transit trips with local transit discounts. The plan may recommend the elimination of existing transit pass arrangements to simplify the marketing of the monthly pass. The integrated fare program shall establish a monitoring program to evaluate the impact of the integrated fare program on the operating

finances of the participating agencies. The integrated fare program shall be adjusted as necessary to ensure that the program does not jeopardize the viability of local or regional rapid transit routes impacted by the program, and to the extent feasible, provide an equitable revenue sharing arrangement among the participating agencies. This subdivision shall only be effective if the voters approve the toll increase as set forth in Section 30921, and any expenditures related to the implementation of this subdivision incurred by the TransLink Consortium shall be reimbursed by toll revenues designated in paragraph (34) of subdivision (c) of Section 30914.

(f) The Metropolitan Transportation Commission (MTC) shall, by July 1, 2006, adopt a Bay Area Regional Rail Plan (plan) for the development of passenger rail services in the San Francisco Bay Area over the short, medium, and long term. The plan shall formulate strategies to integrate passenger rail systems, improve interfaces with connecting services, expand the regional rapid transit network, and coordinate investments with transit-supportive land use. The plan shall be governed by a steering committee consisting of appointees from the Department of Transportation (Caltrans), the San Francisco Bay Area Rapid Transit District (BART), Caltrain, the National Railroad Passenger Corporation (Amtrak), the Capitol Corridor Joint Powers Authority, the Altamont Commuter Express, the High-Speed Rail Authority, the Metropolitan Transportation Commission (MTC), the Sonoma-Marin Area Rail Transit District (SMART), the Santa Clara Valley Transportation Authority, the Solano Transportation Authority, and the owners of standard gauge rail. Congestion management agencies and other agencies as determined by the steering committee shall be invited as nonvoting members. Under policy guidance from the steering committee and with input from Bay Area transit agencies, Caltrain, and BART shall provide day-to-day management and technical support for the development of this plan. The plan proposals shall be evaluated using performance criteria, including, but not limited to, transit-supportive land use and access, ridership, cost-effectiveness, regional network connectivity, and capital and operating financial stability. Additional performance criteria shall be developed as necessary. The plan shall include, but not be limited to, all of the following:

(1) Identification of issues in connectivity, access, capacity, operations and cost-effectiveness.

(2) Identification of opportunities to enhance rail connectivity and to maximize passenger convenience when transferring between systems.

(3) Recommendation of improvements to the interface with shuttles, buses, other rail systems, and other feeder modes.

(4) Identification of potential impacts on capacity constraints and operations on existing passenger and freight carriers.

(5) Identification of bottlenecks where added capacity could cost-effectively increase performance.

(6) Recommendation of potential efficiency improvements through economies of scale, such as through joint vehicle procurement and maintenance facilities.

(7) Recommendation of strategies to acquire right-of-way and station property to preserve future service options.

(8) Identification of potential capital and operating funding sources for proposed actions.

(9) Identification of locations where the presence of passenger rail could stimulate redevelopment and thereby direct growth to the urban core.

(10) Recommendation of technology-appropriate service expansion in specific corridors. Technologies to be considered include conventional rail transit modes, bus rapid transit, and emerging rail technologies. Identify phasing strategies for the implementation of rail services where appropriate.

(11) Examination of how recommendations would integrate with proposed high-speed rail to the Central Valley and southern California. Up to two million five hundred thousand dollars ($2,500,000) of the funds described in paragraph (33) of subdivision (c) of Section 30914 may be expended by the Metropolitan Transportation Commission and the High-Speed Rail Authority to study Bay Area access to the high-speed rail system. Up to five hundred thousand dollars ($500,000) of the funds described in paragraph (33) of subdivision (c) of Section 30914 may be expended by the Metropolitan Transportation Commission and the High-Speed Rail Authority to study the feasibility and construction of an intermodal transfer hub at Niles (Shinn Street) Junction. The Metropolitan Transportation Commission and the High-Speed Rail Authority, or its successor, shall collaborate with a steering committee in conducting these studies.

(12) Recommendation of a governance strategy to implement and operate future regional rapid transit services.

This subdivision shall only be effective if the voters approve the toll increase as set forth in Section 30921. Any expenditures incurred by the Metropolitan Transportation Commission or the project sponsors identified in paragraph (33) of subdivision (c) of Section 30914 related to the requirements of this subdivision, including any study and administration, shall be appropriate charges against toll revenue to be reimbursed from toll revenues.

SEC. 6. Section 5201 of the Vehicle Code is amended to read:

5201. License plates shall at all times be securely fastened to the vehicle for which they are issued so as to prevent the plates from swinging, shall be mounted in a position so as to be clearly visible, and

shall be maintained in a condition so as to be clearly legible. The rear license plate shall be mounted not less than 12 inches nor more than 60 inches from the ground, and the front license plate shall be mounted not more than 60 inches from the ground, except as follows:

(a) The rear license plate on a tow truck may be mounted on the left-hand side of the mast assembly at the rear of the cab of the vehicle, not less than 12 inches nor more than 90 inches from the ground.

(b) The rear license plate on a tank vehicle hauling hazardous waste, as defined in Section 25117 of the Health and Safety Code, or asphalt material may be mounted not less than 12 inches nor more than 90 inches from the ground.

(c) The rear license plate on a truck tractor may be mounted at the rear of the cab of the vehicle, but not less than 12 inches nor more than 90 inches from the ground.

(d) The rear license plate of a vehicle designed by the manufacturer for the collection and transportation of garbage, rubbish, or refuse that is used regularly for the collection and transportation of that material by any person or governmental entity employed to collect, transport, and dispose of garbage, rubbish, or refuse may be mounted not less than 12 inches nor more than 90 inches from the ground.

(e) The rear license plate on a two-axle livestock trailer may be mounted 12 inches or more, but not more than 90 inches, from the ground.

(f) No covering may be used on license plates except as follows:

(1) The installation of a cover over a lawfully parked vehicle to protect it from the weather and the elements does not constitute a violation of this subdivision. Any peace officer or other regularly salaried employee of a public agency designated to enforce laws, including local ordinances, relating to the parking of vehicles may temporarily remove so much of the cover as is necessary to inspect any license plate, tab, or indicia of registration on a vehicle.

(2) The installation of a license plate security cover is not a violation of this subdivision if the device does not obstruct or impair the recognition of the license plate information, including, but not limited to, the issuing state, license plate number, and registration tabs, and the cover is limited to the area directly over the top of the registration tabs. No portion of a license plate security cover shall rest over the license plate number.

(g) No casing, shield, frame, border, or other device that obstructs or impairs the reading or recognition of a license plate by a remote emission sensing device, as specified in Sections 44081 and 44081.6 of the Health and Safety Code, shall be installed on, or affixed to, a vehicle.

(h) (1) It is the Legislature's intent that an accommodation be made to persons with disabilities and to those persons who regularly transport

persons with disabilities, to allow the removal and relocation of wheelchair lifts and wheelchair carriers without the necessity of removing and reattaching the vehicle's rear license plate. Therefore, it is not a violation of this section if the reading or recognition of a rear license plate is obstructed or impaired by a wheelchair lift or wheelchair carrier and all of the following requirements are met:

(A) The owner of the vehicle has been issued a special identification license plate pursuant to Section 5007, or the person using the wheelchair that is carried on the vehicle has been issued a distinguishing placard under Section 22511.55.

(B) (i) The operator of the vehicle displays a decal, designed and issued by the department, that contains the license plate number assigned to the vehicle transporting the wheelchair.

(ii) The decal is displayed on the rear window of the vehicle, in a location determined by the department, in consultation with the Department of the California Highway Patrol, so as to be clearly visible to law enforcement.

(2) Notwithstanding any other provision of law, if a decal is displayed pursuant to this subdivision, the requirements of this code that require the illumination of the license plate and the license plate number do not apply.

(3) The department shall adopt regulations governing the procedures for accepting and approving applications for decals, and issuing decals, authorized by this subdivision.

(4) This subdivision does not apply to a front license plate.

SEC. 7. Section 5751.5 of the Vehicle Code is amended to read:

5751.5. (a) Upon transfer of the title or interest of the registered owner of a motor vehicle that is subject to Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code, if no certificate of compliance or certificate of noncompliance is submitted to the department pursuant to the exemptions described in paragraph (1) of subdivision (d) of Section 4000.1, the transferor of that vehicle shall sign and deliver to the transferee, upon completion of the transaction, the original copy of a statement, under penalty of perjury, that he or she has not modified the emissions system of the vehicle and does not have any personal knowledge of anyone else modifying the system in a manner that causes the emission system to fail to qualify for the issuance of a certificate of compliance pursuant to Section 44015 of the Health and Safety Code. The transferor shall keep a duplicate copy of the statement delivered to the transferee pursuant to this section. The department shall prescribe and make available to transferors the necessary forms to comply with this subdivision.

(b) Any form prescribed by the department pursuant to subdivision (a) shall contain the following statement and a space for the signatures of the transferor and transferee at the end of the statement:

"WARNING TO THE BUYER

"A valid certificate of compliance was submitted to the Department of Motor Vehicles with an application for the renewal of registration of this vehicle. If an application for transfer is submitted to the department within the 90-day validity period of the smog certification, no new smog certification will be required. However, at present, you may be purchasing a vehicle that may not be in compliance with specified emission standards.

"By signing this statement, you acknowledge that the seller is not required to provide you with an additional certificate of compliance prior to the completion of this transaction.

"You may have this vehicle tested at a licensed smog check station prior to completion of this transaction to verify compliance. If the vehicle passes the test, you shall be responsible for the costs of the test. If the vehicle fails the test, the seller is obligated to reimburse you the cost of having the vehicle tested and, without expense to you, must have the vehicle repaired to comply with specified emission standards prior to completion of this transaction.

(Transferor)	(Date)
(Transferee)	(Date)"

SEC. 8. Section 9250.7 of the Vehicle Code is amended to read:

9250.7. (a) (1) A service authority established under Section 22710 may impose a service fee of one dollar ($1) on all vehicles, except vehicles described in subdivision (a) of Section 5014.1, registered to an owner with an address in the county that established the service authority. The fee shall be paid to the department at the time of registration, or renewal of registration, or when renewal becomes delinquent, except on vehicles that are expressly exempted under this code from the payment of registration fees.

(2) In addition to the one dollar ($1) service fee, and upon the implementation of the permanent trailer identification plate program, and as part of the Commercial Vehicle Registration Act of 2001, all commercial motor vehicles subject to Section 9400.1 registered to an owner with an address in the county that established a service authority under this section shall pay an additional service fee of two dollars ($2).

(b) The department, after deducting its administrative costs, shall transmit, at least quarterly, the net amount collected pursuant to subdivision (a) to the Treasurer for deposit in the Abandoned Vehicle Trust Fund, which is hereby created. All money in the fund is continuously appropriated to the Controller for allocation to a service authority that has an approved abandoned vehicle abatement program pursuant to Section 22710, and for payment of the administrative costs of the Controller. After deduction of its administrative costs, the Controller shall allocate the money in the Abandoned Vehicle Trust Fund to each service authority in proportion to the revenues received from the fee imposed by that authority pursuant to subdivision (a). If any funds received by a service authority pursuant to this section are not expended to abate abandoned vehicles pursuant to an approved abandoned vehicle abatement program that has been in existence for at least two full fiscal years within 90 days of the close of the fiscal year in which the funds were received and the amount of those funds exceeds the amount expended by the service authority for the abatement of abandoned vehicles in the previous fiscal year, the fee imposed pursuant to subdivision (a) shall be suspended for one year, commencing on July 1 following the Controller's determination pursuant to subdivision (e).

(c) Every service authority that imposes a fee authorized by subdivision (a) shall issue a fiscal yearend report to the Controller on or before October 31 of each year summarizing all of the following:

(1) The total revenues received by the service authority during the previous fiscal year.

(2) The total expenditures by the service authority during the previous fiscal year.

(3) The total number of vehicles abated during the previous fiscal year.

(4) The average cost per abatement during the previous fiscal year.

(5) Any additional, unexpended fee revenues for the service authority during the previous fiscal year.

(d) Each service authority that fails to submit the report required pursuant to subdivision (c) by October 31 of each year shall have its fee pursuant to subdivision (a) suspended for one year commencing on July 1 following the Controller's determination pursuant to subdivision (e).

(e) On or before January 1 annually, the Controller shall review the fiscal yearend reports, submitted by each service authority pursuant to subdivision (c) and due no later than October 31, to determine if fee revenues are being utilized in a manner consistent with the service authority's approved program. If the Controller determines that the use of the fee revenues is not consistent with the service authority's program as approved by the California Highway Patrol, or that an excess of fee revenues exists, as specified in subdivision (b), the authority to collect

the fee shall be suspended for one year pursuant to subdivision (b). If the Controller determines that a service authority has not submitted a fiscal yearend report as required in subdivision (c), the authorization to collect the service fee shall be suspended for one year pursuant to subdivisions (b) and (d). The Controller shall inform the Department of Motor Vehicles on or before January 1 annually, that the authority to collect the fee is suspended. A suspension shall only occur if the service authority has been in existence for at least two full fiscal years and the revenue fee surpluses are in excess of those allowed under this section, the use of the fee revenue is not consistent with the service authority's approved program, or the required fiscal yearend report has not been submitted by October 31.

(f) On or before January 1 annually, the Controller shall prepare and submit to the Legislature a revenue and expenditure summary for each service authority established under Section 22710 that includes, but is not limited to, all of the following:

(1) The total revenues received by each service authority.

(2) The total expenditures by each service authority.

(3) The unexpended revenues for each service authority.

(4) The total number of vehicle abatements for each service authority.

(5) The average cost per abatement as provided by each service authority to the Controller pursuant to subdivision (c).

(g) The fee imposed by a service authority shall remain in effect only for a period of 10 years from the date that the actual collection of the fee commenced unless the fee is extended pursuant to this subdivision. The fee may be extended in increments of up to 10 years each if the board of supervisors of the county, by a two-thirds vote, and a majority of the cities having a majority of the incorporated population within the county adopt resolutions providing for the extension of the fee.

SEC. 9. Section 12810 of the Vehicle Code is amended to read:

12810. In determining the violation point count, the following shall apply:

(a) Any conviction of failure to stop in the event of an accident in violation of Section 20001 or 20002 shall be given a value of two points.

(b) Any conviction of a violation of Section 23152 or 23153 shall be given a value of two points.

(c) Any conviction of reckless driving shall be given a value of two points.

(d) (1) Any conviction of a violation of subdivision (c) of Section 192 of the Penal Code, or of Section 2800.2 or 2800.3, subdivision (b) of Section 21651, subdivision (b) of Section 22348, subdivision (a) or (c) of Section 23109, or Section 31602 of this code, shall be given a value of two points.

(2) Any conviction of a violation of subdivision (a) or (b) of Section 23140 shall be given a value of two points.

(e) Any conviction of a violation of Section 14601, 14601.1, 14601.2, 14601.3, or 14601.5 shall be given a value of two points.

(f) Except as provided in subdivision (i), any other traffic conviction involving the safe operation of a motor vehicle upon the highway shall be given a value of one point.

(g) Any traffic accident in which the operator is deemed by the department to be responsible shall be given a value of one point.

(h) Any conviction of a violation of Section 27360 or 27360.5 shall be given a value of one point.

(i) (1) A violation of paragraph (1), (2), (3), or (5) of subdivision (b) of Section 40001 shall not result in a violation point count being given to the driver if the driver is not the owner of the vehicle.

(2) Any conviction of a violation of paragraph (1) or (2) of subdivision (b) of Section 12814.6, subdivision (a) of Section 21116, Section 21207.5, 21708, 21710, 21716, 23120, 24800, or 26707 shall not be given a violation point count.

(3) A violation of Section 23136 shall not result in a violation point count.

(j) A conviction for only one violation arising from one occasion of arrest or citation shall be counted in determining the violation point count for the purposes of this section.

SEC. 10. Section 22670 of the Vehicle Code is amended to read:

22670. (a) For lien sale purposes, the public agency causing the removal of the vehicle shall determine if the estimated value of the vehicle that has been ordered removed, towed, or stored is five hundred dollars ($500) or less, over five hundred dollars ($500) but four thousand dollars ($4,000) or less, or over four thousand dollars ($4,000).

(b) If the public agency fails or refuses to put a value on, or to estimate the value of, the vehicle within three days after the date of removal of the vehicle, the garage keeper specified in Section 22851 or the garage keeper's agent shall determine, under penalty of perjury, if the estimated value of the vehicle that has been ordered removed, towed, or stored, is five hundred dollars ($500) or less, over five hundred dollars ($500) but four thousand dollars ($4,000) or less, or over four thousand dollars ($4,000).

SEC. 11. Section 22710 of the Vehicle Code is amended to read:

22710. (a) A service authority for the abatement of abandoned vehicles may be established, and a one dollar ($1) vehicle registration fee imposed, in any county if the board of supervisors of the county, by a two-thirds vote, and a majority of the cities having a majority of the incorporated population within the county have adopted resolutions providing for the establishment of the authority and imposition of the

fee. The membership of the authority shall be determined by concurrence of the board of supervisors and a majority vote of the majority of the cities within the county having a majority of the incorporated population.

(b) The authority may contract and may undertake any act convenient or necessary to carry out any law relating to the authority. The authority shall be staffed by existing personnel of the city, county, or county transportation commission.

(c) (1) Notwithstanding any other provision of law, a service authority may adopt an ordinance establishing procedures for the abatement, removal, and disposal, as a public nuisance, of any abandoned, wrecked, dismantled, or inoperative vehicle or part thereof from private or public property; and for the recovery, pursuant to Section 25845 or 38773.5 of the Government Code, or assumption by the service authority, of costs of administration and that removal and disposal. The actual removal and disposal of a vehicle shall be undertaken by an entity that may be a county or city or the department, pursuant to contract with the service authority as provided in this section.

(2) The money received by an authority pursuant to Section 9250.7 and this section shall be used only for the abatement, removal, and disposal as a public nuisance of any abandoned, wrecked, dismantled, or inoperative vehicle or part thereof from private or public property.

(d) (1) An abandoned vehicle abatement program and plan of a service authority shall be implemented only with the approval of the county and a majority of the cities having a majority of the incorporated population.

(2) The department shall provide guidelines for an abandoned vehicle abatement program. An authority's abandoned vehicle abatement plan and program shall be consistent with those guidelines, and shall provide for, but not be limited to, an estimate of the number of abandoned vehicles, a disposal and enforcement strategy including contractual agreements, and appropriate fiscal controls.

The department's guidelines provided pursuant to this paragraph shall include, but not be limited to, requiring each service authority receiving funds from the Abandoned Vehicle Trust Fund to report to the Controller on an annual basis pursuant to subdivision (c) of Section 9250.7, in a manner prescribed by the department, and pursuant to an approved abandoned vehicle abatement program.

(3) After a plan has been approved pursuant to paragraph (1), the service authority shall, not later than August 1 of the year in which the plan was approved, submit it to the department for review, and the department shall, not later than October 1 of that same year, either approve the plan as submitted or make recommendations for revision. After the plan has received the department's approval as being consistent

with the department's guidelines, the service authority shall submit it to the Controller.

(4) Except as provided in subdivision (e), the Controller shall make no allocations for a fiscal year, commencing on July 1 following the Controller's determination to suspend a service authority when a service authority has failed to comply with the provisions set forth in Section 9250.7.

(5) No governmental agency shall receive any funds from a service authority for the abatement of abandoned vehicles pursuant to an approved abandoned vehicle abatement program unless the governmental agency has submitted an annual report to the service authority stating the manner in which the funds were expended, and the number of vehicles abated. The governmental agency shall receive that percentage of the total funds collected by the service authority that is equal to its share of the formula calculated pursuant to paragraph (6).

(6) Each service authority shall calculate a formula for apportioning funds to each governmental agency that receives funds from the service authority and submit that formula to the Controller with the annual report required pursuant to paragraph (2). The formula shall apportion 50 percent of the funds received by the service authority to a governmental agency based on the percentage of vehicles abated by that governmental agency of the total number of abandoned vehicles abated by all member agencies, and 50 percent based on population and geographic area, as determined by the service authority. When the formula is first submitted to the Controller, and each time the formula is revised thereafter, the service authority shall include a detailed explanation of how the service authority determined the apportionment between per capita abatements and service area.

(7) Notwithstanding any other provision of this subdivision, the Controller may allocate to the service authority in the County of Humboldt the net amount of the abandoned vehicle abatement funds received from the fee imposed by that authority, as described in subdivision (b) of Section 9250.7, for calendar years 2000 and 2001.

(e) Any plan that has been submitted to the Controller pursuant to subdivision (d) may be revised pursuant to the procedure prescribed in that subdivision, including compliance with any dates described therein for submission to the department and the Controller, respectively, in the year in which the revisions are proposed by the service authority. Compliance with that procedure shall only be required if the revisions are substantial.

(f) For purposes of this section, ''abandoned vehicle abatement'' means the removal of a vehicle from public or private property by towing or any other means after the vehicle has been marked as abandoned by

an official of a governmental agency that is a member of the service authority.

(g) A service authority shall cease to exist on the date that all revenues received by the authority pursuant to this section and Section 9250.7 have been expended.

SEC. 12. Section 22851.2 of the Vehicle Code is amended to read:

22851.2. (a) Excepting a vehicle removed pursuant to Section 22669, if the vehicle is determined to have a value not exceeding five hundred dollars ($500) pursuant to Section 22670, the public agency that removed the vehicle shall do all of the following:

(1) Within 48 hours after removal of the vehicle, notify the Stolen Vehicle System of the Department of Justice in Sacramento of the removal.

(2) Prepare and give to the lienholder a report that includes all of the following:

(A) The value of the vehicle estimated pursuant to Section 22670.

(B) The identification of the estimator.

(C) The location of the vehicle.

(D) A description of the vehicle, including the make, year model, identification number, license number, state of registration, and, if a motorcycle, an engine number.

(E) The statutory authority for storage.

(b) If the vehicle is in a condition that there is no means of determining ownership, the public agency that removed the vehicle may give authorization to dispose of the vehicle. If authorization for disposal is not issued, a vehicle identification number shall be assigned prior to commencing the lien sale proceedings.

SEC. 13. Section 22851.4 of the Vehicle Code is amended to read:

22851.4. If the vehicle is determined to have a value exceeding five hundred dollars ($500) pursuant to Section 22670, the lien shall be satisfied pursuant to Sections 3067 to 3074, inclusive, of the Civil Code.

SEC. 14. Section 22851.6 of the Vehicle Code is amended to read:

22851.6. (a) Lienholders who acquire a vehicle subject to Section 22851.2 shall satisfy their lien pursuant to Sections 22851.8 and 22851.10 if the vehicle has a value not exceeding five hundred dollars ($500), as determined pursuant to Section 22670.

(b) All forms required by Sections 22851.8 and 22851.10 shall be prescribed by the Department of Motor Vehicles. The language used in the notices and declarations shall be simple and nontechnical.

SEC. 15. Section 22851.8 of the Vehicle Code is amended to read:

22851.8. (a) The lienholder shall, within 15 working days following the date of possession of the vehicle, make a request to the Department of Motor Vehicles for the names and addresses of all persons having an interest in the vehicle. A storage charge may not accrue

beyond the 15-day period unless the lienholder has made a request to the Department of Motor Vehicles as provided for in this section.

(b) By certified mail with return receipt requested or by United States Postal Service Certificate of Mailing, the lienholder shall immediately, upon receipt of this information, send the following prescribed forms and enclosures to the registered owner and legal owner at their addresses of record with the Department of Motor Vehicles, and to any other person known to have an interest in the vehicle:

(1) A completed form entitled ''Notice of Intent to Dispose of a Vehicle Valued at $500 or Less.''

(2) A blank form entitled ''Declaration of Opposition.''

(3) A return envelope preaddressed to the lienholder.

(c) All notices to persons having an interest in the vehicle shall be signed under penalty of perjury and shall include all of the following:

(1) A description of the vehicle, including make, year, model, identification number, license number, and state of registration. For motorcycles, the engine number shall also be included.

(2) The names and addresses of the registered and legal owners of the vehicle and any other person known to have an interest in the vehicle.

(3) The following statements and information:

(A) The amount of the lien.

(B) The facts concerning the claim that gives rise to the lien.

(C) The person has a right to a hearing in court.

(D) If a hearing in court is desired, a Declaration of Opposition form shall be signed under penalty of perjury and returned to the lienholder within 10 days of the date the notice form specified in paragraph (1) of subdivision (b) was mailed.

(E) If the Declaration of Opposition form is signed and mailed, the lienholder shall be allowed to dispose of the vehicle only if the lienholder obtains a court judgment or a subsequent release from the declarant or if the declarant cannot be served as described in subdivision (e).

(F) If a court action is filed, the declarant shall be notified of the lawsuit at the address shown on the Declaration of Opposition form, and the declarant may appear to contest the claim.

(G) The declarant may be liable for court costs if a judgment is entered in favor of the lienholder.

(4) A statement that the lienholder may dispose of the vehicle to a licensed dismantler or scrap iron processor if it is not redeemed or if a Declaration of Opposition form is not signed and mailed to the lienholder within 10 days of the date the notice form specified in paragraph (1) of subdivision (b) was mailed.

(d) If the lienholder receives a completed Declaration of Opposition form within the time prescribed, the vehicle shall not be disposed of unless the lienholder files an action in court within 20 days of the date

the notice form specified in paragraph (1) of subdivision (b) was mailed and a judgment is subsequently entered in favor of the lienholder or unless the declarant subsequently releases his or her interest in the vehicle. If a money judgment is entered in favor of the lienholder and the judgment is not paid within five days after becoming final, then the lienholder may dispose of the vehicle through a dismantler or scrap iron processor.

(e) (1) Service on the declarant in person or by certified mail, return receipt requested, signed by the addressee at the address shown on the Declaration of Opposition form, shall be effective for the serving of process.

(2) If the lienholder has served the declarant by certified mail, return receipt requested, at the address shown on the Declaration of Opposition form and the mail has been returned unclaimed, or if the lienholder has attempted to effect service on the declarant in person with a marshal, sheriff, or licensed process server and the marshal, sheriff, or licensed process server has been unable to effect service on the declarant, the lienholder may proceed with the judicial proceeding or proceed with the lien sale without a judicial proceeding. The lienholder shall notify the Department of Motor Vehicles of the inability to effect service on the declarant and shall provide the Department of Motor Vehicles with a copy of the documents with which service on the declarant was attempted. Upon receipt of the notification of unsuccessful service, the Department of Motor Vehicles shall send authorization of the sale to the lienholder and send notification of the authorization to the declarant. If service is effected on the declarant, the proof of service shall be submitted to the Department of Motor Vehicles with the documents specified in Section 22851.10.

SEC. 16. Section 22851.10 of the Vehicle Code is amended to read:

22851.10. (a) A vehicle determined to have a value not exceeding five hundred dollars ($500) pursuant to Section 22670 that was stored pursuant to this chapter, and that remains unclaimed, or for which reasonable towing and storage charges remain unpaid, shall be disposed of only to a licensed dismantler or scrap iron processor not earlier than 15 days after the date the Notice of Intent to Dispose of a Vehicle Valued at $500 or Less form required pursuant to subdivision (b) of Section 22851.8 was mailed, unless a Declaration of Opposition form has been signed and returned to the lienholder.

(b) If the vehicle has been disposed of to a licensed dismantler or scrap iron processor, the lienholder shall forward the following forms and information to the licensed dismantler or scrap iron processor within five days:

(1) A statement, signed under penalty of perjury, that a properly executed Declaration of Opposition form was not received.

(2) A copy of the notice sent to all interested parties.

(3) A certification from the public agency that made the determination of value pursuant to Section 22670.

(4) The proof of service pursuant to subdivision (e) of Section 22851.8 or a copy of the court judgment, if any in favor of the lienholder entered pursuant to subdivision (d) of Section 22851.8.

(5) The name, address, and telephone number of the licensed dismantler or scrap iron processor who received the vehicle.

(6) The amount the lienholder received for the vehicle.

(c) A vehicle disposed of pursuant to this section shall not be reconstructed or made operable, unless it is a vehicle that qualifies for either horseless carriage license plates or historical vehicle license plates, pursuant to Section 5004, in which case the vehicle may be reconstructed or made operable.

SEC. 17. Section 22852 of the Vehicle Code is amended to read:

22852. (a) Whenever an authorized member of a public agency directs the storage of a vehicle, as permitted by this chapter, or upon the storage of a vehicle as permitted under this section (except as provided in subdivision (f) or (g)), the agency or person directing the storage shall provide the vehicle's registered and legal owners of record, or their agents, with the opportunity for a poststorage hearing to determine the validity of the storage.

(b) A notice of the storage shall be mailed or personally delivered to the registered and legal owners within 48 hours, excluding weekends and holidays, and shall include all of the following information:

(1) The name, address, and telephone number of the agency providing the notice.

(2) The location of the place of storage and description of the vehicle, which shall include, if available, the name or make, the manufacturer, the license plate number, and the mileage.

(3) The authority and purpose for the removal of the vehicle.

(4) A statement that, in order to receive their poststorage hearing, the owners, or their agents, shall request the hearing in person, writing, or by telephone within 10 days of the date appearing on the notice.

(c) The poststorage hearing shall be conducted within 48 hours of the request, excluding weekends and holidays. The public agency may authorize its own officer or employee to conduct the hearing if the hearing officer is not the same person who directed the storage of the vehicle.

(d) Failure of either the registered or legal owner, or his or her agent, to request or to attend a scheduled hearing shall satisfy the poststorage hearing requirement.

(e) The agency employing the person who directed the storage shall be responsible for the costs incurred for towing and storage if it is

determined in the poststorage hearing that reasonable grounds for the storage are not established.

(f) This section does not apply to vehicles abated under the Abandoned Vehicle Abatement Program pursuant to Sections 22660 to 22668, inclusive, and Section 22710, or to vehicles impounded for investigation pursuant to Section 22655, or to vehicles removed from private property pursuant to Section 22658.

(g) This section does not apply to abandoned vehicles removed pursuant to Section 22669 that are determined by the public agency to have an estimated value of five hundred dollars ($500) or less.

SEC. 18. 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.

CHAPTER 651

An act to amend Section 20251 of the Public Contract Code, relating to transportation.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 20251 of the Public Contract Code is amended to read:

20251. (a) The purchase of all supplies, equipment, and materials, when the expenditure required exceeds fifty thousand dollars ($50,000), shall be by contract let to the lowest responsible bidder.

(b) The construction of facilities and works, when the expenditure required exceeds three thousand dollars ($3,000), shall be by contract let to the lowest responsible bidder. Notwithstanding the preceding sentence, the district may elect to have this construction be governed by Article 3 (commencing with Section 22030) of Chapter 2.

(c) Notice requesting bids shall be published at least once in a newspaper of general circulation, which publication shall be made at least 10 days before bids are received. The board may reject any and all bids and readvertise in its discretion.

SEC. 2. The Legislature hereby finds and declares that Section 1 of this act as a special statute, is necessary and that a general statute cannot be made applicable, within the meaning of Section 16 of Article IV of the California Constitution, because of unique circumstances and concerns applicable to the San Joaquin Regional Transit District.

CHAPTER 652

An act to add and repeal Article 6 (commencing with Section 35800) of Chapter 4 of Part 21 of the Education Code, relating to school districts.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Article 6 (commencing with Section 35800) is added to Chapter 4 of Part 21 of the Education Code, to read:

Article 6. Program to Facilitate the Unification of School Districts

35800. (a) This article establishes a program to facilitate the unification of school districts and applies only to the unification of school districts in Fresno County, Humboldt County, and Ventura County if the county superintendent in those counties elects to be governed by this article. This article applies only to unification petitions commenced on or after January 1, 2005.

(b) Except as specified in this article, the provisions of Chapter 3 (commencing with Section 35500) and this chapter apply to the program established by this article.

(c) For purposes of this article, the following terms have the following meanings:

(1) ''Petition'' means a petition for the unification of school districts.

(2) ''Unification'' means the combination of one or more elementary school districts with all or a portion of a high school district to form a new unified school district as defined by Section 83.

35801. (a) Whenever the boundaries of an elementary school district and a high school district become coterminous, the districts are merged into a new unified district.

(b) Notwithstanding subdivision (a), an elementary school district that has boundaries that are totally within a high school district may be excluded from an action to unify those districts if the governing board of the elementary school district receives approval for an exclusion from

the county committee. Any elementary school district authorized by the county committee to be excluded from an action to unify, may continue to send pupils to attend a school of the coterminous high school district under the same terms that existed before any action to unify pursuant to subdivision (a).

(c) A component district excluded from an action to unify pursuant to subdivision (b) is deemed to be part of the territory proposed for reorganization for the purpose of holding the unification election and the election of the governing board of the new district.

35802. (a) (1) The county committee may add to a petition any of the appropriate provisions specified in Article 3 (commencing with Section 35730) that are not included in the petition as filed and may amend any such provision that was included in that petition.

(2) The county committee shall add to the petition those provisions as agreed to by the affected school districts and the chief petitioners and as specified in Article 3 (commencing with Section 35730).

(b) At least 10 days before the public hearing, or hearings, on the petition, the county committee shall make available to the public and to the governing boards affected by the petition a description of the petition, including all of the following:

(1) The right of the employees in the affected districts to continued employment.

(2) The revenue limit per unit of average daily attendance for each affected district and the effect of the petition, if approved, on that revenue limit.

(3) Whether the districts involved will be governed, in part, by provisions of a city charter and, if so, in what way.

(4) Whether the governing board of any proposed new district will have five or seven members.

(5) A description of the territory or districts in which the election, if any, will be held.

(6) Where the proposal is to create two or more districts, whether the proposal will be voted on as a single proposition.

(7) Whether the governing board of any new district will have trustee areas and, if so, whether the trustees will be elected only by the voters of that trustee area or by the voters of the entire district.

(8) A description of the manner in which the property, obligations, and bonded indebtedness of the existing districts will be divided.

(9) A description of when the first governing board of the new district will be elected and the manner in which the terms of office for each new trustee will be determined.

35803. Within 120 days of the commencement of the first public hearing on the petition, the county committee shall approve or disapprove a petition, as the petition may be augmented.

35804. The county committee shall determine whether any of the following, in the opinion of the committee, would be true regarding the proposed unification as described in the petition:

(a) It would adversely affect the school district organization of the county.

(b) It would comply with the provisions of Section 35812.

35805. If the county committee finds that the conditions enumerated in paragraphs (1) to (10), inclusive, of subdivision (a) of Section 35812 are substantially met or that the petition presents exceptional circumstances sufficient to otherwise justify approval of the petition, the county committee may approve the petition and shall so notify the county superintendent of schools.

35806. (a) If the county committee finds that the petition meets the conditions of Section 35805 and approves the petition, the county committee shall so notify the county superintendent of schools who shall call an election in the territory of the districts as determined by the county committee and in the manner described in Part 4 (commencing with Section 5000) to be conducted at the next election pursuant to Section 1000 of the Elections Code. The county superintendent of schools shall not issue an order of election until after the time period for an appeal pursuant to subdivision (b) of Section 35807 has elapsed. The opportunity for appeal shall commence on the date the county committee gives notice to the county superintendent of schools.

(b) A county committee considering the approval of a petition, or reconsidering its recommendation on a petition not yet approved or disapproved by the State Board of Education, that finds that a condition of Section 35812 is not substantially met, shall determine whether the petition presents exceptional circumstances sufficient to justify approval of the petition and shall add to the petition the provisions specified in Article 3 (commencing with Section 35730) that the affected school districts and the chief petitioners agree upon or that the county committee deems appropriate.

(c) If a dispute arises, the county committee may require arbitration pursuant to Section 35565.

35806.5. For a petition considered or reconsidered by a county committee pursuant to Sections 35805 and 35806, the county committee shall be designated the lead agency for the California Environmental Quality Act as defined in Section 21067 of the Public Resources Code.

35807. (a) An action by the county committee approving or disapproving a petition pursuant to Sections 35805 and 35806 may be appealed to the State Board of Education by the chief petitioners or one or more affected school districts. The appeal shall be limited to issues of noncompliance with the provisions of Section 35705, 35802, 35803, 35805, or 35806. If an appeal is made as to the territory for the election

specified by the county committee or as to the issue of whether the proposed unification substantially meets paragraph (4) of subdivision (a) of Section 35812 or violates Section 35734, it shall be made pursuant to Section 35711.

(b) Within five days after the county committee notifies the county superintendent of schools of its final action, the appellant shall file with the county committee a notice of appeal and shall provide a copy to the county superintendent of schools, except that if the appellant is one of the affected school districts it shall have 30 days to file the notice of appeal with the county committee and provide a copy to the county superintendent. Upon the filing of the notice of appeal, the action of the county committee shall be stayed, pending the outcome of the appeal. Within 15 days after the filing of the notice of appeal, the appellant shall file with the county committee a statement of reasons and factual evidence. The county committee shall, within 15 days of receipt of the statement, send to the State Board of Education the statement and the complete administrative record of the county committee proceedings, including minutes of the oral proceedings.

(c) Upon receipt of the appeal, the State Board of Education may elect either to review the appeal, or to ratify the county committee's decision by summarily denying review of the appeal. The state board may review the appeal either solely on the administrative record or in conjunction with a public hearing. The state board may, in its discretion, limit review only to the issues raised in the notice of appeal or may review other determinations by the county committee as it deems appropriate. If the state board elects to review the appeal pursuant to this section or Section 35711, the board shall issue a decision as expeditiously as possible after receipt of the appeal. Following the review, the state board shall affirm or reverse the action of the county committee and shall determine the territory within which the election is to be held. The state board may reverse or modify the action of the county committee in any manner consistent with law.

(d) If the State Board of Education approves an appeal pursuant to this section or Section 35711, the secretary of the state board shall give notice of the approval to the county committee which shall notify the county superintendent of schools pursuant to Section 35806.

35808. The county superintendent of schools, within 35 days after receiving the notification provided by Section 35806 or 35807, shall call an election, in the manner prescribed in Part 4 (commencing with Section 5000), to be conducted at the next election pursuant to Section 1000 of the Elections Code, in the territory of districts as determined by the county committee on school district organization, or, in the case of unifications appealed to the State Board of Education pursuant to subdivision (c) of Section 35807, as determined by the State Board of

Education. The county superintendent shall not issue an order of election until after the time for an appeal pursuant to subdivision (b) of Section 35807 or Section 35711 has elapsed.

35809. Following the public hearing, or last public hearing, required by Section 35720.5 or subdivision (c) of Section 35721, the county committee shall approve the petition, transmit it to the State Board of Education, and order that an election be held if the requirements of Sections 35805 and 35806 are satisfied.

35810. The State Board of Education shall establish minimum standards that it or a county committee shall apply in approving or disapproving petitions and that the state board shall apply to hearing appeals heard pursuant to Section 35807.

35811. If the State Board of Education hears an appeal pursuant to Section 35807, each county superintendent of schools and every other county officer in the counties affected, and the district superintendent of the school districts affected shall provide the statistical information required by the department to prepare the appeal.

35812. (a) The county committee, or the State Board of Education for petitions on appeal, may approve a petition if the county committee or board determines with respect to the petition and the resulting district, that all of the following conditions are substantially met:

(1) The new district will be adequate in terms of number of pupils enrolled.

(2) The district is organized on the basis of a substantial community identity.

(3) The proposal will result in an equitable division of property and facilities of the original district or districts.

(4) The unification of the districts will not promote racial or ethnic discrimination or segregation.

(5) The proposed unification will not result in any substantial increase in costs to the state.

(6) The proposed unification will not significantly disrupt the educational programs in the proposed district and the districts affected by the proposed unification and will continue to promote sound education performance in those districts.

(7) The proposed unification will not result in a significant increase in school housing costs.

(8) The proposed unification is not primarily designed to result in a significant increase in property values causing financial advantage to property owners.

(9) The proposed unification will not cause a substantial negative effect on the fiscal management or fiscal status of the proposed district or any existing district affected by the proposed unification.

(10) Any other criteria as the state board may, by regulation, prescribe.

(b) The county committee, or the State Board of Education for petitions on appeal, may approve a petition if the county committee or board determines that it is not practical or possible to apply the criteria of this section literally, and that the circumstances with respect to the petition provide an exceptional situation sufficient to justify approval of the proposals.

35813. After affording interested persons an opportunity to present their views on the appeal and after considering any findings and recommendations of the State Superintendent of Public Instruction, the State Board of Education shall approve or disapprove the formation of the proposed new district. If the board approves the formation, it may amend or include in the proposal any of the appropriate provisions of Article 3 (commencing with Section 35730).

35814. After the State Board of Education approves a petition on appeal, the Secretary of the State Board of Education shall give notice of the approval to the county superintendent of schools having jurisdiction over any of the districts whose boundaries or status would be affected by the unification as proposed.

35815. The county superintendent of schools, within 35 days after receiving the notification provided by Section 35814, shall call an election, in the manner prescribed in Part 4 (commencing with Section 5000), to be conducted at the next available election date pursuant to Section 1000 of the Elections Code.

35816. This article shall remain in effect only until January 1, 2009, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2009, deletes or extends that date.

SEC. 2. The Legislature hereby finds and declares that a special statute is necessary and that a general statute cannot be made applicable, within the meaning of Section 16 of Article IV of the California Constitution, because of unique circumstances and concerns applicable to the Counties of Fresno, Humboldt, and Ventura.

SEC. 3. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

CHAPTER 653

An act to amend Sections 1522, 1568.09, 1569.17, and 1596.871 of the Health and Safety Code, relating to care facilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 1522 of the Health and Safety Code, as amended by Chapter 229 of the Statutes of 2004, is amended to read:

1522. The Legislature recognizes the need to generate timely and accurate positive fingerprint identification of applicants as a condition of issuing licenses, permits, or certificates of approval for persons to operate or provide direct care services in a community care facility, foster family home, or a certified family home of a licensed foster family agency. Therefore, the Legislature supports the use of the fingerprint live-scan technology, as identified in the long-range plan of the Department of Justice for fully automating the processing of fingerprints and other data by the year 1999, otherwise known as the California Crime Information Intelligence System (CAL-CII), to be used for applicant fingerprints. It is the intent of the Legislature in enacting this section to require the fingerprints of those individuals whose contact with community care clients may pose a risk to the clients' health and safety.

(a) (1) Before issuing a license or special permit to any person or persons to operate or manage a community care facility, the State Department of Social Services shall secure from an appropriate law enforcement agency a criminal record to determine whether the applicant or any other person specified in subdivision (b) has ever been convicted of a crime other than a minor traffic violation or arrested for any crime specified in Section 290 of the Penal Code, for violating Section 245 or 273.5, of the Penal Code, subdivision (b) of Section 273a of the Penal Code, or, prior to January 1, 1994, paragraph (2) of Section 273a of the Penal Code, or for any crime for which the department cannot grant an exemption if the person was convicted and the person has not been exonerated.

(2) The criminal history information shall include the full criminal record, if any, of those persons, and subsequent arrest information pursuant to Section 11105.2 of the Penal Code.

(3) Except during the 2003–04 and 2004–05 fiscal years, neither the Department of Justice nor the State Department of Social Services may charge a fee for the fingerprinting of an applicant for a license or special

permit to operate a facility providing nonmedical board, room, and care for six or less children or for obtaining a criminal record of the applicant pursuant to this section.

(4) The following shall apply to the criminal record information:

(A) If the State Department of Social Services finds that the applicant, or any other person specified in subdivision (b), has been convicted of a crime other than a minor traffic violation, the application shall be denied, unless the director grants an exemption pursuant to subdivision (g).

(B) If the State Department of Social Services finds that the applicant, or any other person specified in subdivision (b) is awaiting trial for a crime other than a minor traffic violation, the State Department of Social Services may cease processing the application until the conclusion of the trial.

(C) If no criminal record information has been recorded, the Department of Justice shall provide the applicant and the State Department of Social Services with a statement of that fact.

(D) If the State Department of Social Services finds after licensure that the licensee, or any other person specified in paragraph (2) of subdivision (b), has been convicted of a crime other than a minor traffic violation, the license may be revoked, unless the director grants an exemption pursuant to subdivision (g).

(E) An applicant and any other person specified in subdivision (b) shall submit a second set of fingerprints to the Department of Justice for the purpose of searching the criminal records of the Federal Bureau of Investigation, in addition to the criminal records search required by this subdivision. If an applicant and all other persons described in subdivision (b) meet all of the conditions for licensure, except receipt of the Federal Bureau of Investigation's criminal history information for the applicant or any of the persons described in subdivision (b), the department may issue a license if the applicant and each person described in subdivision (b) has signed and submitted a statement that he or she has never been convicted of a crime in the United States, other than a traffic infraction, as defined in paragraph (1) of subdivision (a) of Section 42001 of the Vehicle Code. If, after licensure, the department determines that the licensee or any other person specified in subdivision (b) has a criminal record, the license may be revoked pursuant to Section 1550. The department may also suspend the license pending an administrative hearing pursuant to Section 1550.5.

(b) (1) In addition to the applicant, this section shall be applicable to criminal convictions of the following persons:

(A) Adults responsible for administration or direct supervision of staff.

(B) Any person, other than a client, residing in the facility.

(C) Any person who provides client assistance in dressing, grooming, bathing, or personal hygiene. Any nurse assistant or home health aide meeting the requirements of Section 1338.5 or 1736.6, respectively, who is not employed, retained, or contracted by the licensee, and who has been certified or recertified on or after July 1, 1998, shall be deemed to meet the criminal record clearance requirements of this section. A certified nurse assistant and certified home health aide who will be providing client assistance and who falls under this exemption shall provide one copy of his or her current certification, prior to providing care, to the community care facility. The facility shall maintain the copy of the certification on file as long as care is being provided by the certified nurse assistant or certified home health aide at the facility. Nothing in this paragraph restricts the right of the department to exclude a certified nurse assistant or certified home health aide from a licensed community care facility pursuant to Section 1558.

(D) Any staff person, volunteer, or employee who has contact with the clients.

(E) If the applicant is a firm, partnership, association, or corporation, the chief executive officer or other person serving in like capacity.

(F) Additional officers of the governing body of the applicant, or other persons with a financial interest in the applicant, as determined necessary by the department by regulation. The criteria used in the development of these regulations shall be based on the person's capability to exercise substantial influence over the operation of the facility.

(2) The following persons are exempt from the requirements applicable under paragraph (1):

(A) A medical professional as defined in department regulations who holds a valid license or certification from the person's governing California medical care regulatory entity and who is not employed, retained, or contracted by the licensee if all of the following apply:

(i) The criminal record of the person has been cleared as a condition of licensure or certification by the person's governing California medical care regulatory entity.

(ii) The person is providing time-limited specialized clinical care or services.

(iii) The person is providing care or services within the person's scope of practice.

(iv) The person is not a community care facility licensee or an employee of the facility.

(B) A third-party repair person or similar retained contractor if all of the following apply:

(i) The person is hired for a defined, time-limited job.

(ii) The person is not left alone with clients.

(iii) When clients are present in the room in which the repairperson or contractor is working, a staff person who has a criminal record clearance or exemption is also present.

(C) Employees of a licensed home health agency and other members of licensed hospice interdisciplinary teams who have a contract with a client or resident of the facility and are in the facility at the request of that client or resident's legal decisionmaker. The exemption does not apply to a person who is a community care facility licensee or an employee of the facility.

(D) Clergy and other spiritual caregivers who are performing services in common areas of the community care facility or who are advising an individual client at the request of, or with the permission of, the client or legal decisionmaker, are exempt from fingerprint and criminal background check requirements imposed by community care licensing. This exemption does not apply to a person who is a community care licensee or employee of the facility.

(E) Members of fraternal, service, or similar organizations who conduct group activities for clients if all of the following apply:

(i) Members are not left alone with clients.

(ii) Members do not transport clients off the facility premises.

(iii) The same organization does not conduct group activities for clients more often than defined by the department's regulations.

(3) In addition to the exemptions in paragraph (2), the following persons in foster family homes, certified family homes, and small family homes are exempt from the requirements applicable under paragraph (1):

(A) Adult friends and family of the licensee who come into the home to visit for a length of time no longer than defined by the department in regulations, provided that the adult friends and family of the licensee are not left alone with the foster children.

(B) Parents of a foster child's friends when the foster child is visiting the friend's home and the friend, foster parent, or both are also present.

(4) In addition to the exemptions specified in paragraph (2), the following persons in adult day care and adult day support centers are exempt from the requirements applicable under paragraph (1):

(A) Unless contraindicated by the client's individualized program plan (IPP) or needs and service plan, a spouse, significant other, relative, or close friend of a client, or an attendant or a facilitator for a client with a developmental disability if the attendant or facilitator is not employed, retained, or contracted by the licensee. This exemption applies only if the person is visiting the client or providing direct care and supervision to the client.

(B) A volunteer if all of the following applies:

(i) The volunteer is supervised by the licensee or a facility employee with a criminal record clearance or exemption.

(ii) The volunteer is never left alone with clients.

(iii) The volunteer does not provide any client assistance with dressing, grooming, bathing, or personal hygiene other than washing of hands.

(5) (A) In addition to the exemptions specified in paragraph (2), the following persons in adult residential and social rehabilitation facilities, unless contraindicated by the client's individualized program plan (IPP) or needs and services plan, are exempt from the requirements applicable under paragraph (1): a spouse, significant other, relative, or close friend of a client, or an attendant or a facilitator for a client with a developmental disability if the attendant or facilitator is not employed, retained, or contracted by the licensee. This exemption applies only if the person is visiting the client or providing direct care and supervision to that client.

(B) Nothing in this subdivision shall prevent a licensee from requiring a criminal record clearance of any individual exempt from the requirements of this section, provided that the individual has client contact.

(6) Any person similar to those described in this subdivision, as defined by the department in regulations.

(c) (1) Subsequent to initial licensure, any person specified in subdivision (b) and not exempted from fingerprinting shall, as a condition to employment, residence, or presence in a community care facility, be fingerprinted and sign a declaration under penalty of perjury regarding any prior criminal convictions. The licensee shall submit these fingerprints to the Department of Justice, along with a second set of fingerprints for the purpose of searching the records of the Federal Bureau of Investigation, or to comply with paragraph (1) of subdivision (h), prior to the person's employment, residence, or initial presence in the community care facility. These fingerprints shall be on a card provided by the State Department of Social Services or sent by electronic transmission in a manner approved by the State Department of Social Services and the Department of Justice for the purpose of obtaining a permanent set of fingerprints, and shall be submitted to the Department of Justice by the licensee. A licensee's failure to submit fingerprints to the Department of Justice or to comply with paragraph (1) of subdivision (h), as required in this section, shall result in the citation of a deficiency and the immediate assessment of civil penalties in the amount of one hundred dollars ($100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars ($100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1550. The department may assess civil penalties for continued violations

as permitted by Section 1548. The fingerprints shall then be submitted to the State Department of Social Services for processing. Upon request of the licensee, who shall enclose a self-addressed stamped postcard for this purpose, the Department of Justice shall verify receipt of the fingerprints.

(2) Within 14 calendar days of the receipt of the fingerprints, the Department of Justice shall notify the State Department of Social Services of the criminal record information, as provided for in subdivision (a). If no criminal record information has been recorded, the Department of Justice shall provide the licensee and the State Department of Social Services with a statement of that fact within 14 calendar days of receipt of the fingerprints. Documentation of the individual's clearance or exemption shall be maintained by the licensee and be available for inspection. If new fingerprints are required for processing, the Department of Justice shall, within 14 calendar days from the date of receipt of the fingerprints, notify the licensee that the fingerprints were illegible. When live-scan technology is operational, as defined in Section 1522.04, the Department of Justice shall notify the State Department of Social Services, as required by that section, and shall also notify the licensee by mail, within 14 days of electronic transmission of the fingerprints to the Department of Justice, if the person has no criminal history recorded. A violation of the regulations adopted pursuant to Section 1522.04 shall result in the citation of a deficiency and an immediate assessment of civil penalties in the amount of one hundred dollars ($100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars ($100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1550. The department may assess civil penalties for continued violations as permitted by Section 1548.

(3) Except for persons specified in paragraph (2) of subdivision (b), the licensee shall endeavor to ascertain the previous employment history of persons required to be fingerprinted under this subdivision. If it is determined by the State Department of Social Services, on the basis of the fingerprints submitted to the Department of Justice, that the person has been convicted of, or is awaiting trial for, a sex offense against a minor, or has been convicted for an offense specified in Section 243.4, 273a, 273d, 273g, or 368 of the Penal Code, or a felony, the State Department of Social Services shall notify the licensee to act immediately to terminate the person's employment, remove the person from the community care facility, or bar the person from entering the community care facility. The State Department of Social Services may subsequently grant an exemption pursuant to subdivision (g). If the

conviction or arrest was for another crime, except a minor traffic violation, the licensee shall, upon notification by the State Department of Social Services, act immediately to either (1) terminate the person's employment, remove the person from the community care facility, or bar the person from entering the community care facility; or (2) seek an exemption pursuant to subdivision (g). The State Department of Social Services shall determine if the person shall be allowed to remain in the facility until a decision on the exemption is rendered. A licensee's failure to comply with the department's prohibition of employment, contact with clients, or presence in the facility as required by this paragraph shall be grounds for disciplining the licensee pursuant to Section 1550.

(4) The department may issue an exemption on its own motion pursuant to subdivision (g) if the person's criminal history indicates that the person is of good character based on the age, seriousness, and frequency of the conviction or convictions. The department, in consultation with interested parties, shall develop regulations to establish the criteria to grant an exemption pursuant to this paragraph.

(5) Concurrently with notifying the licensee pursuant to paragraph (3), the department shall notify the affected individual of his or her right to seek an exemption pursuant to subdivision (g). The individual may seek an exemption only if the licensee terminates the person's employment or removes the person from the facility after receiving notice from the department pursuant to paragraph (3).

(d) (1) Before issuing a license, special permit, or certificate of approval to any person or persons to operate or manage a foster family home or certified family home as described in Section 1506, the State Department of Social Services or other approving authority shall secure from an appropriate law enforcement agency a criminal record to determine whether the applicant or any person specified in subdivision (b) has ever been convicted of a crime other than a minor traffic violation or arrested for any crime specified in Section 290 of the Penal Code, for violating Section 245 or 273.5, subdivision (b) of Section 273a or, prior to January 1, 1994, paragraph (2) of Section 273a of the Penal Code, or for any crime for which the department cannot grant an exemption if the person was convicted and the person has not been exonerated.

(2) The criminal history information shall include the full criminal record, if any, of those persons.

(3) Neither the Department of Justice nor the State Department of Social Services may charge a fee for the fingerprinting of an applicant for a license, special permit, or certificate of approval described in this subdivision. The record, if any, shall be taken into consideration when evaluating a prospective applicant.

(4) The following shall apply to the criminal record information:

(A) If the applicant or other persons specified in subdivision (b) have convictions that would make the applicant's home unfit as a foster family home or a certified family home, the license, special permit, or certificate of approval shall be denied.

(B) If the State Department of Social Services finds that the applicant, or any person specified in subdivision (b) is awaiting trial for a crime other than a minor traffic violation, the State Department of Social Services or other approving authority may cease processing the application until the conclusion of the trial.

(C) For the purposes of this subdivision, a criminal record clearance provided under Section 8712 of the Family Code may be used by the department or other approving agency.

(D) An applicant for a foster family home license or for certification as a family home, and any other person specified in subdivision (b), shall submit a set of fingerprints to the Department of Justice for the purpose of searching the criminal records of the Federal Bureau of Investigation, in addition to the criminal records search required by subdivision (a). If an applicant meets all other conditions for licensure, except receipt of the Federal Bureau of Investigation's criminal history information for the applicant and all persons described in subdivision (b), the department may issue a license, or the foster family agency may issue a certificate of approval, if the applicant, and each person described in subdivision (b), has signed and submitted a statement that he or she has never been convicted of a crime in the United States, other than a traffic infraction, as defined in paragraph (1) of subdivision (a) of Section 42001 of the Vehicle Code. If, after licensure or certification, the department determines that the licensee, certified foster parent, or any person specified in subdivision (b) has a criminal record, the license may be revoked pursuant to Section 1550 and the certificate of approval revoked pursuant to subdivision (b) of Section 1534. The department may also suspend the license pending an administrative hearing pursuant to Section 1550.5.

(5) Any person specified in this subdivision shall, as a part of the application, be fingerprinted and sign a declaration under penalty of perjury regarding any prior criminal convictions or arrests for any crime against a child, spousal or cohabitant abuse or, any crime for which the department cannot grant an exemption if the person was convicted and shall submit these fingerprints to the licensing agency or other approving authority.

(6) (A) The foster family agency shall obtain fingerprints from certified home applicants and from persons specified in subdivision (b) and shall submit them directly to the Department of Justice or send them by electronic transmission in a manner approved by the State Department of Social Services. A foster family home licensee or foster

family agency shall submit these fingerprints to the Department of Justice, along with a second set of fingerprints for the purpose of searching the records of the Federal Bureau of Investigation or to comply with paragraph (1) of subdivision (b) prior to the person's employment, residence, or initial presence. A foster family agency's failure to submit fingerprints to the Department of Justice, or comply with paragraph (1) of subdivision (h), as required in this section, shall result in a citation of a deficiency, and the immediate civil penalties of one hundred dollars ($100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars ($100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1550. A violation of the regulation adopted pursuant to Section 1522.04 shall result in the citation of a deficiency and an immediate assessment of civil penalties in the amount of one hundred dollars ($100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars ($100) per violation for a maximum of 30 days, and shall be grounds for disciplining the foster family agency pursuant to Section 1550. A licensee's failure to submit fingerprints to the Department of Justice, or comply with paragraph (1) of subdivision (h), as required in this section, may result in the citation of a deficiency and immediate civil penalties of one hundred dollars ($100) per violation. A licensee's violation of regulations adopted pursuant to Section 1522.04 may result in the citation of a deficiency and an immediate assessment of civil penalties in the amount of one hundred dollars ($100) per violation. The State Department of Social Services may assess penalties for continued violations, as permitted by Section 1548. The fingerprints shall then be submitted to the State Department of Social Services for processing.

(B) Upon request of the licensee, who shall enclose a self-addressed envelope for this purpose, the Department of Justice shall verify receipt of the fingerprints. Within five working days of the receipt of the criminal record or information regarding criminal convictions from the Department of Justice, the department shall notify the applicant of any criminal arrests or convictions. If no arrests or convictions are recorded, the Department of Justice shall provide the foster family home licensee or the foster family agency with a statement of that fact concurrent with providing the information to the State Department of Social Services.

(7) If the State Department of Social Services finds that the applicant, or any other person specified in subdivision (b), has been convicted of a crime other than a minor traffic violation, the application shall be

denied, unless the director grants an exemption pursuant to subdivision (g).

(8) If the State Department of Social Services finds after licensure or the granting of the certificate of approval that the licensee, certified foster parent, or any other person specified in paragraph (2) of subdivision (b), has been convicted of a crime other than a minor traffic violation, the license or certificate of approval may be revoked by the department or the foster family agency, whichever is applicable, unless the director grants an exemption pursuant to subdivision (g). A licensee's failure to comply with the department's prohibition of employment, contact with clients, or presence in the facility as required by paragraph (3) of subdivision (c) shall be grounds for disciplining the licensee pursuant to Section 1550.

(e) The State Department of Social Services may not use a record of arrest to deny, revoke, or terminate any application, license, employment, or residence unless the department investigates the incident and secures evidence, whether or not related to the incident of arrest, that is admissible in an administrative hearing to establish conduct by the person that may pose a risk to the health and safety of any person who is or may become a client. The State Department of Social Services is authorized to obtain any arrest or conviction records or reports from any law enforcement agency as necessary to the performance of its duties to inspect, license, and investigate community care facilities and individuals associated with a community care facility.

(f) (1) For purposes of this section or any other provision of this chapter, a conviction means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action that the State Department of Social Services is permitted to take following the establishment of a conviction may be taken when the time for appeal has elapsed, when the judgment of conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence, notwithstanding a subsequent order pursuant to Sections 1203.4 and 1203.4a of the Penal Code permitting the person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment. For purposes of this section or any other provision of this chapter, the record of a conviction, or a copy thereof certified by the clerk of the court or by a judge of the court in which the conviction occurred, shall be conclusive evidence of the conviction. For purposes of this section or any other provision of this chapter, the arrest disposition report certified by the Department of Justice, or documents admissible in a criminal action pursuant to Section 969b of the Penal Code, shall be prima facie evidence of the conviction, notwithstanding any other

provision of law prohibiting the admission of these documents in a civil or administrative action.

(2) For purposes of this section or any other provision of this chapter, the department shall consider criminal convictions from another state or federal court as if the criminal offense was committed in this state.

(g) (1) After review of the record, the director may grant an exemption from disqualification for a license or special permit as specified in paragraphs (1) and (4) of subdivision (a), or for a license, special permit, or certificate of approval as specified in paragraphs (4) and (5) of subdivision (d), or for employment, residence, or presence in a community care facility as specified in paragraphs (3), (4), and (5) of subdivision (c), if the director has substantial and convincing evidence to support a reasonable belief that the applicant and the person convicted of the crime, if other than the applicant, are of such good character as to justify issuance of the license or special permit or granting an exemption for purposes of subdivision (c). Except as otherwise provided in this subdivision, an exemption may not be granted pursuant to this subdivision if the conviction was for any of the following offenses:

(A) (i) An offense specified in Section 220, 243.4, or 264.1, subdivision (a) of Section 273a or, prior to January 1, 1994, paragraph (1) of Section 273a, Section 273d, 288, or 289, subdivision (a) of Section 290, or Section 368 of the Penal Code, or was a conviction of another crime against an individual specified in subdivision (c) of Section 667.5 of the Penal Code.

(ii) Notwithstanding clause (i), the director may grant an exemption regarding the conviction for an offense described in paragraph (1), (2), (7), or (8) of subdivision (c) of Section 667.5 of the Penal Code, if the employee or prospective employee has been rehabilitated as provided in Section 4852.03 of the Penal Code, has maintained the conduct required in Section 4852.05 of the Penal Code for at least 10 years, and has the recommendation of the district attorney representing the employee's county of residence, or if the employee or prospective employee has received a certificate of rehabilitation pursuant to Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the Penal Code.

(B) A felony offense specified in Section 729 of the Business and Professions Code or Section 206 or 215, subdivision (a) of Section 347, subdivision (b) of Section 417, or subdivision (a) of Section 451 of the Penal Code.

(2) The department may not prohibit a person from being employed or having contact with clients in a facility on the basis of a denied criminal record exemption request or arrest information unless the department complies with the requirements of Section 1558.

(h) (1) For purposes of compliance with this section, the department may permit an individual to transfer a current criminal record clearance, as defined in subdivision (a), from one facility to another, as long as the criminal record clearance has been processed through a state licensing district office, and is being transferred to another facility licensed by a state licensing district office. The request shall be in writing to the State Department of Social Services, and shall include a copy of the person's driver's license or valid identification card issued by the Department of Motor Vehicles, or a valid photo identification issued by another state or the United States government if the person is not a California resident. Upon request of the licensee, who shall enclose a self-addressed envelope for this purpose, the State Department of Social Services shall verify whether the individual has a clearance that can be transferred.

(2) The State Department of Social Services shall hold criminal record clearances in its active files for a minimum of two years after an employee is no longer employed at a licensed facility in order for the criminal record clearance to be transferred.

(3) The following shall apply to a criminal record clearance or exemption from the department or a county office with department delegated licensing authority:

(A) A county office with department delegated licensing authority may accept a clearance or exemption from the department.

(B) The department may accept a clearance or exemption from any county office with department delegated licensing authority.

(C) A county office with department delegated licensing authority may accept a clearance or exemption from any other county office with department delegated licensing authority.

(4) With respect to notifications issued by the Department of Justice pursuant to Section 11105.2 of the Penal Code concerning an individual whose criminal record clearance was originally processed by the department or a county office with department delegated licensing authority, all of the following shall apply:

(A) The Department of Justice shall process a request from the department or a county office with department delegated licensing authority to receive the notice only if all of the following conditions are met:

(i) The request shall be submitted to the Department of Justice by the agency to be substituted to receive the notification.

(ii) The request shall be for the same applicant type as the type for which the original clearance was obtained.

(iii) The request shall contain all prescribed data elements and format protocols pursuant to a written agreement between the department and the Department of Justice.

(B) (i) On or before January 7, 2005, the department shall notify the Department of Justice of all county offices that have department delegated licensing authority.

(ii) The department shall notify the Department of Justice within 15 calendar days of the date on which a new county office receives department delegated licensing authority or a county's delegated licensing authority is rescinded.

(C) The Department of Justice shall charge the department or a county office with department delegated licensing authority a fee for each time a request to substitute the recipient agency is received for purposes of this paragraph. This fee shall not exceed the cost of providing the service.

(i) The full criminal record obtained for purposes of this section may be used by the department or by a licensed adoption agency as a clearance required for adoption purposes.

(j) If a licensee or facility is required by law to deny employment or to terminate employment of any employee based on written notification from the state department that the employee has a prior criminal conviction or is determined unsuitable for employment under Section 1558, the licensee or facility shall not incur civil liability or unemployment insurance liability as a result of that denial or termination.

(k) (1) The Department of Justice shall coordinate with the State Department of Social Services to establish and implement an automated live-scan processing system for fingerprints in the district offices of the Community Care Licensing Division of the State Department of Social Services by July 1, 1999. These live-scan processing units shall be connected to the main system at the Department of Justice by July 1, 1999, and shall become part of that department's pilot project in accordance with its long-range plan. The State Department of Social Services may charge a fee for the costs of processing a set of live-scan fingerprints.

(2) The Department of Justice shall provide a report to the Senate and Assembly fiscal committees, the Assembly Human Services Committee, and to the Senate Health and Human Services Committee by April 15, 1999, regarding the completion of backlogged criminal record clearance requests for all facilities licensed by the State Department of Social Services and the progress on implementing the automated live-scan processing system in the two district offices pursuant to paragraph (1).

(*l*) Amendments to this section made in the 1999 portion of the 1999–2000 Regular Session shall be implemented commencing 60 days after the effective date of the act amending this section in the 1999 portion of the 1999–2000 Regular Session, except that those provisions for the submission of fingerprints for searching the records of the Federal

Bureau of Investigation shall be implemented 90 days after the effective date of that act.

SEC. 2. Section 1568.09 of the Health and Safety Code is amended to read:

1568.09. It is the intent of the Legislature in enacting this section to require the fingerprints of those individuals whose contact with residents of residential care facilities for persons with a chronic, life-threatening illness may pose a risk to the residents' health and safety.

Therefore, the Legislature supports the use of the fingerprint live-scan technology, as identified in the long-range plan of the Department of Justice for fully automating the processing of fingerprints and other data by the year 1999, otherwise known as the California Crime Information Intelligence System (CAL-CII), to be used for applicant fingerprints. It is the intent of the Legislature, in enacting this section, to require the fingerprints of those individuals whose contact with community care clients may pose a risk to the clients' health and safety.

(a) (1) Before issuing a license to any person or persons to operate or manage a residential care facility, the department shall secure from an appropriate law enforcement agency a criminal record to determine whether the applicant or any other person specified in subdivision (b) has ever been convicted of a crime other than a minor traffic violation or arrested for any crime specified in Section 290 of the Penal Code, for violating Section 245 or 273.5, subdivision (b) of Section 273a or, prior to January 1, 1994, paragraph (2) of Section 273a of the Penal Code, or for any crime for which the department cannot grant an exemption if the person was convicted and the person has not been exonerated.

(2) The criminal history information shall include the full criminal record if any, of those persons, and subsequent arrest information pursuant to Section 11105.2 of the Penal Code.

(3) The following shall apply to the criminal record information:

(A) If the State Department of Social Services finds that the applicant or any other person specified in subdivision (b) has been convicted of a crime, other than a minor traffic violation, the application shall be denied, unless the director grants an exemption pursuant to subdivision (f).

(B) If the State Department of Social Services finds that the applicant, or any other person specified in subdivision (b) is awaiting trial for a crime other than a minor traffic violation, the State Department of Social Services may cease processing the application until the conclusion of the trial.

(C) If no criminal record information has been recorded, the Department of Justice shall provide the applicant and the State Department of Social Services with a statement of that fact.

(D) If the State Department of Social Services finds after licensure that the licensee, or any other person specified in paragraph (2) of subdivision (b), has been convicted of a crime other than a minor traffic violation, the license may be revoked, unless the director grants an exemption pursuant to subdivision (f).

(E) An applicant and any other person specified in subdivision (b) shall submit to the Department of Justice a second set of fingerprints for the purpose of searching the records of the Federal Bureau of Investigation, in addition to the search required by this subdivision. If an applicant meets all other conditions for licensure, except receipt of the Federal Bureau of Investigation's criminal history information for the applicant and persons listed in subdivision (b), the department may issue a license if the applicant and each person described by subdivision (b) has signed and submitted a statement that he or she has never been convicted of a crime in the United States, other than a traffic infraction as defined in paragraph (1) of subdivision (a) of Section 42001 of the Vehicle Code. If, after licensure, the department determines that the licensee or person specified in subdivision (b) has a criminal record, the license may be revoked pursuant to subdivision (a) of Section 1568.082. The department may also suspend the license pending an administrative hearing pursuant to subdivision (b) of Section1568.082.

(b) In addition to the applicant, the provisions of this section shall be applicable to criminal convictions of the following persons:

(1) Adults responsible for administration or direct supervision of staff of the facility.

(2) Any person, other than a resident, residing in the facility.

(3) Any person who provides resident assistance in dressing, grooming, bathing, or personal hygiene. Any nurse assistant or home health aide meeting the requirements of Section 1338.5 or 1736.6, respectively, who is not employed, retained, or contracted by the licensee, and who has been certified or recertified on or after July 1, 1998, shall be deemed to meet the criminal record clearance requirements of this section. A certified nurse assistant and certified home health aide who will be providing client assistance and who falls under this exemption shall provide one copy of his or her current certification, prior to providing care, to the residential care facility for persons with chronic, life-threatening illness. The facility shall maintain the copy of the certification on file as long as care is being provided by the certified nurse assistant or certified home health aide at the facility. Nothing in this paragraph restricts the right of the department to exclude a certified nurse assistant or certified home health aide from a licensed residential care facility for persons with chronic, life-threatening illness pursuant to Section 1568.092.

(4) (A) Any staff person, volunteer, or employee who has contact with the residents.

(B) A volunteer shall be exempt from the requirements of this subdivision if he or she is a relative, significant other, or close friend of a client receiving care in the facility and the volunteer does not provide direct care and supervision of residents. A volunteer who provides direct care and supervision shall be exempt if the volunteer is a resident's spouse, significant other, close friend, or family member and provides direct care and supervision to that resident only at the request of the resident. The department may define in regulations persons similar to those described in this subparagraph who may be exempt from the requirements of this subdivision.

(5) If the applicant is a firm, partnership, association, or corporation, the chief executive officer or other person serving in that capacity.

(6) Additional officers of the governing body of the applicant, or other persons with a financial interest in the applicant, as determined necessary by the department by regulation. The criteria used in the development of these regulations shall be based on the person's capability to exercise substantial influence over the operation of the facility.

(c) (1) (A) Subsequent to initial licensure, any person specified in subdivision (b) and not exempted from fingerprinting shall, as a condition to employment, residence, or presence in a residential care facility, be fingerprinted and sign a declaration under penalty of perjury regarding any prior criminal convictions. The licensee shall submit these fingerprints to the Department of Justice, along with a second set of fingerprints, for the purpose of searching the records of the Federal Bureau of Investigation, or to comply with paragraph (1) of subdivision (g), prior to the person's employment, residence, or initial presence in the residential care facility.

(B) These fingerprints shall be on a card provided by the State Department of Social Services for the purpose of obtaining a permanent set of fingerprints and submitted to the Department of Justice by the licensee or sent by electronic transmission in a manner approved by the State Department of Social Services. A licensee's failure to submit fingerprints to the Department of Justice, or to comply with paragraph (1) of subdivision (g), as required in this section, shall result in the citation of a deficiency and an immediate assessment of civil penalties in the amount of one hundred dollars ($100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars ($100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1568.082. The State Department of Social Services

may assess civil penalties for continued violations as allowed in Section 1568.0822. The fingerprints shall then be submitted to the State Department of Social Services for processing. The licensee shall maintain and make available for inspection documentation of the individual's clearance or exemption.

(2) A violation of the regulations adopted pursuant to Section 1522.04 shall result in the citation of a deficiency and an immediate assessment of civil penalties in the amount of one hundred dollars ($100) per violation per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars ($100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1568.082. The department may assess civil penalties for continued violations as permitted by Section 1568.0822.

(3) Within 14 calendar days of the receipt of the fingerprints, the Department of Justice shall notify the State Department of Social Services of the criminal record information, as provided for in this subdivision. If no criminal record information has been recorded, the Department of Justice shall provide the licensee and the State Department of Social Services with a statement of that fact within 14 calendar days of receipt of the fingerprints. If new fingerprints are required for processing, the Department of Justice shall, within 14 calendar days from the date of receipt of the fingerprints, notify the licensee that the fingerprints were illegible. When live-scan technology is operational, as defined in Section 1522.04, the Department of Justice shall notify the department, as required by that section, and shall notify the licensee by mail within 14 days of electronic transmission of the fingerprints to the Department of Justice, if the person has no criminal history record.

(4) Except for persons specified in paragraph (2) of subdivision (b), the licensee shall endeavor to ascertain the previous employment history of persons required to be fingerprinted under this subdivision. If it is determined by the State Department of Social Services, on the basis of the fingerprints submitted to the Department of Justice, that the person has been convicted of a sex offense against a minor, an offense specified in Section 243.4, 273a, 273d, 273g, or 368 of the Penal Code, or a felony, the department shall notify the licensee to act immediately to terminate the person's employment, remove the person from the residential care facility, or bar the person from entering the residential care facility. The department may subsequently grant an exemption pursuant to subdivision (f). If the conviction was for another crime, except a minor traffic violation, the licensee shall, upon notification by the department, act immediately to either (1) terminate the person's employment,

remove the person from the residential care facility, or bar the person from entering the residential care facility; or (2) seek an exemption pursuant to subdivision (f). The department shall determine if the person shall be allowed to remain in the facility until a decision on the exemption is rendered. A licensee's failure to comply with the department's prohibition of employment, contact with clients, or presence in the facility as required by this paragraph shall result in a citation of deficiency and an immediate assessment of civil penalties by the department against the licensee, in the amount of one hundred dollars ($100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars ($100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1568.082.

(5) The department may issue an exemption on its own motion pursuant to subdivision (f) if the person's criminal history indicates that the person is of good character based on the age, seriousness, and frequency of the conviction or convictions. The department, in consultation with interested parties, shall develop regulations to establish the criteria to grant an exemption pursuant to this paragraph.

(6) Concurrently with notifying the licensee pursuant to paragraph (4), the department shall notify the affected individual of his or her right to seek an exemption pursuant to subdivision (f). The individual may seek an exemption only if the licensee terminates the person's employment or removes the person from the facility after receiving notice from the department pursuant to paragraph (4).

(d) (1) For purposes of this section or any other provision of this chapter, a conviction means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action that the department is permitted to take following the establishment of a conviction may be taken when the time for appeal has elapsed, when the judgment of conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of the sentence, notwithstanding a subsequent order pursuant to Sections 1203.4 and 1203.4a of the Penal Code permitting that person to withdraw his or her plea of guilty and to enter a plea of not guilty, setting aside the verdict of guilty, or dismissing the accusation, information, or indictment. For purposes of this chapter, the record of a conviction, or a copy thereof certified by the clerk of the court or by a judge of the court in which the conviction occurred, shall be conclusive evidence of the conviction. For purposes of this section or any other provision of this chapter, the arrest disposition report certified by the Department of Justice, or documents admissible in a criminal action pursuant to Section 969b of the Penal Code, shall be prima facie evidence of the conviction, notwithstanding

any other provision of law prohibiting the admission of these documents in a civil or administrative action.

(2) For purposes of this section or any other provision of this chapter, the department shall consider criminal convictions from another state or federal court as if the criminal offense was committed in this state.

(e) The State Department of Social Services may not use a record of arrest to deny, revoke, or terminate any application, license, employment, or residence unless the department investigates the incident and secures evidence, whether or not related to the incident of arrest, that is admissible in an administrative hearing to establish conduct by the person that may pose a risk to the health and safety of any person who is or may become a client. The State Department of Social Services is authorized to obtain any arrest or conviction records or reports from any law enforcement agency as necessary to the performance of its duties to inspect, license, and investigate community care facilities and individuals associated with a community care facility.

(f) (1) After review of the record, the director may grant an exemption from disqualification for a license as specified in paragraphs (1) and (4) of subdivision (a), or for employment, residence, or presence in a residential care facility as specified in paragraphs (4), (5), and (6) of subdivision (c) if the director has substantial and convincing evidence to support a reasonable belief that the applicant and the person convicted of the crime, if other than the applicant, are of such good character as to justify issuance of the license or special permit or granting an exemption for purposes of subdivision (c). However, an exemption may not be granted pursuant to this subdivision if the conviction was for any of the following offenses:

(A) An offense specified in Section 220, 243.4, or 264.1, subdivision (a) of Section 273a or, prior to January 1, 1994, paragraph (1) of Section 273a, Section 273d, 288, or 289, subdivision (a) of Section 290, or Section 368 of the Penal Code, or was a conviction of another crime against an individual specified in subdivision (c) of Section 667.5 of the Penal Code.

(B) A felony offense specified in Section 729 of the Business and Professional Code or Section 206 or 215, subdivision (a) of Section 347, subdivision (b) of Section 417, or subdivision (a) of Section 451 of the Penal Code.

(2) The department may not prohibit a person from being employed or having contact with clients in a facility on the basis of a denied criminal record exemption request or arrest information unless the department complies with the requirements of Section 1568.092.

(g) (1) For purposes of compliance with this section, the department may permit an individual to transfer a current criminal record clearance, as defined in subdivision (a), from one facility to another, as long as the

criminal record clearance has been processed through a state licensing district office, and is being transferred to another facility licensed by a state licensing district office. The request shall be in writing to the department, and shall include a copy of the person's driver's license or valid identification card issued by the Department of Motor Vehicles, or a valid photo identification issued by another state or the United States government if the person is not a California resident. Upon request of the licensee, who shall enclose a self-addressed stamped envelope for this purpose, the department shall verify whether the individual has a clearance that can be transferred.

(2) The State Department of Social Services shall hold criminal record clearances in its active files for a minimum of two years after an employee is no longer employed at a licensed facility in order for the criminal record clearance to be transferred.

(h) If a licensee or facility is required by law to deny employment or to terminate employment of any employee based on written notification from the state department that the employee has a prior criminal conviction or is determined unsuitable for employment under Section 1568.092, the licensee or facility shall not incur civil liability or unemployment insurance liability as a result of that denial or termination.

(i) (1) The Department of Justice shall charge a fee sufficient to cover its cost in providing services to comply with the 14-day requirement contained in subdivision (c) for provision to the department of criminal record information.

(2) Paragraph (1) shall cease to be implemented when the department adopts emergency regulations pursuant to Section 1522.04, and shall become inoperative when permanent regulations are adopted under that section.

(j) Amendments to the provisions of this section made in the 1998 calendar year shall be implemented commencing 60 days after the effective date of the act amending this section in the 1998 calendar year, except those provisions for the submission of fingerprints for searching the records of the Federal Bureau of Investigation, which shall be implemented commencing January 1, 1999.

SEC. 3. Section 1569.17 of the Health and Safety Code is amended to read:

1569.17. The Legislature recognizes the need to generate timely and accurate positive fingerprint identification of applicants as a condition of issuing licenses, permits, or certificates of approval for persons to operate or provide direct care services in a residential care facility for the elderly. The Legislature supports the use of the fingerprint live-scan technology, as identified in the long-range plan of the Department of Justice for fully automating the processing of fingerprints and other data

by the year 1999. It is the intent of the Legislature in enacting this section to require the fingerprints of those individuals whose contact with clients of residential care facilities for the elderly may pose a risk to the clients' health and safety.

(a) (1) Before issuing a license to any person or persons to operate or manage a residential care facility for the elderly, the department shall secure from an appropriate law enforcement agency a criminal record to determine whether the applicant or any other person specified in subdivision (b) has ever been convicted of a crime other than a minor traffic violation or arrested for any crime specified in Section 290 of the Penal Code, for violating Section 245 or 273.5, subdivision (b) of Section 273a or, prior to January 1, 1994, paragraph (2) of Section 273a of the Penal Code, or for any crime for which the department cannot grant an exemption if the person was convicted and the person has not been exonerated.

(2) The criminal history information shall include the full criminal record, if any, of those persons, and subsequent arrest information pursuant to Section 11105.2 of the Penal Code.

(3) The following shall apply to the criminal record information:

(A) If the State Department of Social Services finds that the applicant or any other person specified in subdivision (b) has been convicted of a crime, other than a minor traffic violation, the application shall be denied, unless the director grants an exemption pursuant to subdivision (f).

(B) If the State Department of Social Services finds that the applicant, or any other person specified in subdivision (b) is awaiting trial for a crime other than a minor traffic violation, the State Department of Social Services may cease processing the application until the conclusion of the trial.

(C) If no criminal record information has been recorded, the Department of Justice shall provide the applicant and the State Department of Social Services with a statement of that fact.

(D) If the State Department of Social Services finds after licensure that the licensee, or any other person specified in paragraph (2) of subdivision (b), has been convicted of a crime other than a minor traffic violation, the license may be revoked, unless the director grants an exemption pursuant to subdivision (f).

(E) An applicant and any other person specified in subdivision (b) shall submit a second set of fingerprints to the Department of Justice, for the purpose of searching the records of the Federal Bureau of Investigation, in addition to the search required by subdivision (a). If an applicant meets all other conditions for licensure, except receipt of the Federal Bureau of Investigation's criminal history information for the applicant and persons listed in subdivision (b), the department may issue

a license if the applicant and each person described by subdivision (b) has signed and submitted a statement that he or she has never been convicted of a crime in the United States, other than a traffic infraction as defined in paragraph (1) of subdivision (a) of Section 42001 of the Vehicle Code. If, after licensure, the department determines that the licensee or person specified in subdivision (b) has a criminal record, the license may be revoked pursuant to Section 1569.50. The department may also suspend the license pending an administrative hearing pursuant to Sections 1569.50 and 1569.51.

(b) In addition to the applicant, the provisions of this section shall apply to criminal convictions of the following persons:

(1) (A) Adults responsible for administration or direct supervision of staff.

(B) Any person, other than a client, residing in the facility. Residents of unlicensed independent senior housing facilities that are located in contiguous buildings on the same property as a residential care facility for the elderly shall be exempt from these requirements.

(C) Any person who provides client assistance in dressing, grooming, bathing, or personal hygiene. Any nurse assistant or home health aide meeting the requirements of Section 1338.5 or 1736.6, respectively, who is not employed, retained, or contracted by the licensee, and who has been certified or recertified on or after July 1, 1998, shall be deemed to meet the criminal record clearance requirements of this section. A certified nurse assistant and certified home health aide who will be providing client assistance and who falls under this exemption shall provide one copy of his or her current certification, prior to providing care, to the residential care facility for the elderly. The facility shall maintain the copy of the certification on file as long as the care is being provided by the certified nurse assistant or certified home health aide at the facility. Nothing in this paragraph restricts the right of the department to exclude a certified nurse assistant or certified home health aide from a licensed residential care facility for the elderly pursuant to Section 1569.58.

(D) Any staff person, volunteer, or employee who has contact with the clients.

(E) If the applicant is a firm, partnership, association, or corporation, the chief executive officer or other person serving in a similar capacity.

(F) Additional officers of the governing body of the applicant or other persons with a financial interest in the applicant, as determined necessary by the department by regulation. The criteria used in the development of these regulations shall be based on the person's capability to exercise substantial influence over the operation of the facility.

(2) The following persons are exempt from requirements applicable under paragraph (1):

(A) A spouse, relative, significant other, or close friend of a client shall be exempt if this person is visiting the client or provides direct care and supervision to that client only.

(B) A volunteer to whom all of the following apply:

(i) The volunteer is at the facility during normal waking hours.

(ii) The volunteer is directly supervised by the licensee or a facility employee with a criminal record clearance or exemption.

(iii) The volunteer spends no more than 16 hours per week at the facility.

(iv) The volunteer does not provide clients with assistance in dressing, grooming, bathing, or personal hygiene.

(v) The volunteer is not left alone with clients in care.

(C) A third-party contractor retained by the facility if the contractor is not left alone with clients in care.

(D) A third-party contractor or other business professional retained by a client and at the facility at the request or by permission of that client. These individuals may not be left alone with other clients.

(E) Licensed or certified medical professionals are exempt from fingerprint and criminal background check requirements imposed by community care licensing. This exemption does not apply to a person who is a community care facility licensee or an employee of the facility.

(F) Employees of licensed home health agencies and members of licensed hospice interdisciplinary teams who have contact with a resident of a residential care facility at the request of the resident or resident's legal decisionmaker are exempt from fingerprint and criminal background check requirements imposed by community care licensing. This exemption does not apply to a person who is a community care facility licensee or an employee of the facility.

(G) Clergy and other spiritual caregivers who are performing services in common areas of the residential care facility, or who are advising an individual resident at the request of, or with permission of, the resident, are exempt from fingerprint and criminal background check requirements imposed by community care licensing. This exemption does not apply to a person who is a community care facility licensee or an employee of the facility.

(H) Any person similar to those described in this subdivision, as defined by the department in regulations.

(I) Nothing in this paragraph shall prevent a licensee from requiring a criminal record clearance of any individual exempt from the requirements of this section, provided that the individual has client contact.

(c) (1) (A) Subsequent to initial licensure, any person required to be fingerprinted pursuant to subdivision (b) shall, as a condition to employment, residence, or presence in a residential facility for the elderly, be fingerprinted and sign a declaration under penalty of perjury regarding any prior criminal convictions. The licensee shall submit these fingerprints, along with a second set of fingerprints for the purpose of searching the records of the Federal Bureau of Investigation, to the Department of Justice, or to comply with paragraph (1) of subdivision (g) prior to the person's employment, residence, or initial presence in the residential care facility for the elderly.

(B) These fingerprints shall be on a fingerprint card provided by the State Department of Social Services, or sent by electronic transmission in a manner approved by the State Department of Social Services and the Department of Justice and submitted to the Department of Justice by the licensee. A licensee's failure to submit fingerprints to the Department of Justice, or to comply with paragraph (1) of subdivision (g), as required in this section, shall result in the citation of a deficiency and an immediate assessment of civil penalties in the amount of one hundred dollars ($100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars ($100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1569.50. The State Department of Social Services may assess civil penalties for continued violations as permitted by Section 1569.49. The licensee shall then submit these fingerprints to the State Department of Social Services for processing. Documentation of the individual's clearance or exemption shall be maintained by the licensee and be available for inspection. When live-scan technology is operational, as defined in Section 1522.04, the Department of Justice shall notify the department, as required by that section, and notify the licensee by mail within 14 days of electronic transmission of the fingerprints to the Department of Justice, if the person has no criminal record. A violation of the regulations adopted pursuant to Section 1522.04 shall result in the citation of a deficiency and an immediate assessment of civil penalties in the amount of one hundred dollars ($100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars ($100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1569.50. The department may assess civil penalties for continued violations as permitted by Section 1569.49.

(2) Within 14 calendar days of the receipt of the fingerprints, the Department of Justice shall notify the State Department of Social

Services of the criminal record information, as provided for in this subdivision. If no criminal record information has been recorded, the Department of Justice shall provide the licensee and the State Department of Social Services with a statement of that fact within 14 calendar days of receipt of the fingerprints. If new fingerprints are required for processing, the Department of Justice shall, within 14 calendar days from the date of receipt of the fingerprints, notify the licensee that the fingerprints were illegible.

(3) Except for persons specified in paragraph (2) of subdivision (b), the licensee shall endeavor to ascertain the previous employment history of persons required to be fingerprinted under this subdivision. If the State Department of Social Services determines, on the basis of the fingerprints submitted to the Department of Justice, that the person has been convicted of a sex offense against a minor, an offense specified in Section 243.4, 273a, 273d, 273g, or 368 of the Penal Code, or a felony, the State Department of Social Services shall notify the licensee in writing within 15 calendar days of the receipt of the notification from the Department of Justice to act immediately to terminate the person's employment, remove the person from the residential care facility for the elderly, or bar the person from entering the residential care facility for the elderly. The State Department of Social Services may subsequently grant an exemption pursuant to subdivision (f). If the conviction was for another crime, except a minor traffic violation, the licensee shall, upon notification by the State Department of Social Services, act immediately to either (1) terminate the person's employment, remove the person from the residential care facility for the elderly, or bar the person from entering the residential care facility for the elderly or (2) seek an exemption pursuant to subdivision (f). The department shall determine if the person shall be allowed to remain in the facility until a decision on the exemption is rendered by the department. A licensee's failure to comply with the department's prohibition of employment, contact with clients, or presence in the facility as required by this paragraph shall result in a citation of deficiency and an immediate assessment of civil penalties by the department against the licensee, in the amount of one hundred dollars ($100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars ($100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1569.50.

(4) The department may issue an exemption on its own motion pursuant to subdivision (f) if the person's criminal history indicates that the person is of good character based on the age, seriousness, and frequency of the conviction or convictions. The department, in

consultation with interested parties, shall develop regulations to establish the criteria to grant an exemption pursuant to this paragraph.

(5) Concurrently with notifying the licensee pursuant to paragraph (4), the department shall notify the affected individual of his or her right to seek an exemption pursuant to subdivision (f). The individual may seek an exemption only if the licensee terminates the person's employment or removes the person from the facility after receiving notice from the department pursuant to paragraph (4).

(d) (1) For purposes of this section or any other provision of this chapter, a conviction means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action that the department is permitted to take following the establishment of a conviction may be taken when the time for appeal has elapsed, when the judgment of conviction has been affirmed on appeal or when an order granting probation is made suspending the imposition of the sentence, notwithstanding a subsequent order pursuant to the provisions of Sections 1203.4 and 1203.4a of the Penal Code permitting a person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment. For purposes of this section or any other provision of this chapter, the record of a conviction, or a copy thereof certified by the clerk of the court or by a judge of the court in which the conviction occurred, shall be conclusive evidence of the conviction. For purposes of this section or any other provision of this chapter, the arrest disposition report certified by the Department of Justice or documents admissible in a criminal action pursuant to Section 969b of the Penal Code shall be prima facie evidence of the conviction, notwithstanding any other provision of law prohibiting the admission of these documents in a civil or administrative action.

(2) For purposes of this section or any other provision of this chapter, the department shall consider criminal convictions from another state or federal court as if the criminal offense was committed in this state.

(e) The State Department of Social Services may not use a record of arrest to deny, revoke, or terminate any application, license, employment, or residence unless the department investigates the incident and secures evidence, whether or not related to the incident of arrest, that is admissible in an administrative hearing to establish conduct by the person that may pose a risk to the health and safety of any person who is or may become a client. The State Department of Social Services is authorized to obtain any arrest or conviction records or reports from any law enforcement agency as necessary to the performance of its duties to inspect, license, and investigate community care facilities and individuals associated with a community care facility.

(f) (1) After review of the record, the director may grant an exemption from disqualification for a license as specified in paragraphs (1) and (4) of subdivision (a), or for employment, residence, or presence in a residential care facility for the elderly as specified in paragraphs (4), (5), and (6) of subdivision (c) if the director has substantial and convincing evidence to support a reasonable belief that the applicant and the person convicted of the crime, if other than the applicant, are of such good character as to justify issuance of the license or special permit or granting an exemption for purposes of subdivision (c). However, an exemption may not be granted pursuant to this subdivision if the conviction was for any of the following offenses:

(A) An offense specified in Section 220, 243.4, or 264.1, subdivision (a) of Section 273a or, prior to January 1, 1994, paragraph (1) of Section 273a, Section 273d, 288, or 289, subdivision (a) of Section 290, or Section 368 of the Penal Code, or was a conviction of another crime against an individual specified in subdivision (c) of Section 667.5 of the Penal Code.

(B) A felony offense specified in Section 729 of the Business and Professions Code or Section 206 or 215, subdivision (a) of Section 347, subdivision (b) of Section 417, or subdivision (a) of Section 451 of the Penal Code.

(2) The director shall notify in writing the licensee or the applicant of his or her decision within 60 days of receipt of all information from the applicant and other sources determined necessary by the director for the rendering of a decision pursuant to this subdivision.

(3) The department may not prohibit a person from being employed or having contact with clients in a facility on the basis of a denied criminal record exemption request or arrest information unless the department complies with the requirements of Section 1569.58.

(g) (1) For purposes of compliance with this section, the department may permit an individual to transfer a current criminal record clearance, as defined in subdivision (a), from one facility to another, as long as the criminal record clearance has been processed through a state licensing district office, and is being transferred to another facility licensed by a state licensing district office. The request shall be submitted in writing to the department, and shall include a copy of the person's driver's license or valid identification card issued by the Department of Motor Vehicles, or a valid photo identification issued by another state or the United States government if the person is not a California resident. Upon request of the licensee, who shall enclose a self-addressed stamped envelope for this purpose, the department shall verify whether the individual has a clearance that can be transferred.

(2) The State Department of Social Services shall hold criminal record clearances in its active files for a minimum of two years after an

employee is no longer employed at a licensed facility in order for the criminal record clearances to be transferred under this section.

(h) If a licensee or facility is required by law to deny employment or to terminate employment of any employee based on written notification from the department that the employee has a prior criminal conviction or is determined unsuitable for employment under Section 1569.58, the licensee or facility shall not incur civil liability or unemployment insurance liability as a result of that denial or termination.

(i) Amendments to the provisions of this section made in the 1998 calendar year shall be implemented commencing 60 days after the effective date of the act amending this section in the 1998 calendar year, except those provisions for the submission of fingerprints for searching the records of the Federal Bureau of Investigation, which shall be implemented commencing on January 1, 1999.

SEC. 4. Section 1596.871 of the Health and Safety Code, as amended by Chapter 229 of the Statutes of 2004, is amended to read:

1596.871. The Legislature recognizes the need to generate timely and accurate positive fingerprint identification of applicants as a condition of issuing licenses, permits, or certificates of approval for persons to operate or provide direct care services in a child care center or family child care home. Therefore, the Legislature supports the use of the fingerprint live-scan technology, as defined in the long-range plan of the Department of Justice for fully automating the processing of fingerprints and other data by the year 1999, otherwise known as the California Crime Information Intelligence System (CAL-CII), to be used for applicant fingerprints. It is the intent of the Legislature in enacting this section to require the fingerprints of those individuals whose contact with child day care facility clients may pose a risk to the children's health and safety.

(a) (1) Before issuing a license or special permit to any person to operate or manage a day care facility, the department shall secure from an appropriate law enforcement agency a criminal record to determine whether the applicant or any other person specified in subdivision (b) has ever been convicted of a crime other than a minor traffic violation or arrested for any crime specified in Section 290 of the Penal Code, for violating Section 245 or 273.5, subdivision (b) of Section 273a or, prior to January 1, 1994, paragraph (2) of Section 273a of the Penal Code, or for any crime for which the department cannot grant an exemption if the person was convicted and the person has not been exonerated.

(2) The criminal history information shall include the full criminal record, if any, of those persons, and subsequent arrest information pursuant to Section 11105.2 of the Penal Code.

(3) Except during the 2003–04 fiscal and 2004–05 fiscal years, neither the Department of Justice nor the department may charge a fee

for the fingerprinting of an applicant who will serve six or fewer children or any family day care applicant for a license, or for obtaining a criminal record of an applicant pursuant to this section.

(4) The following shall apply to the criminal record information:

(A) If the State Department of Social Services finds that the applicant or any other person specified in subdivision (b) has been convicted of a crime, other than a minor traffic violation, the application shall be denied, unless the director grants an exemption pursuant to subdivision (f).

(B) If the State Department of Social Services finds that the applicant, or any other person specified in subdivision (b), is awaiting trial for a crime other than a minor traffic violation, the State Department of Social Services may cease processing the application until the conclusion of the trial.

(C) If no criminal record information has been recorded, the Department of Justice shall provide the applicant and the State Department of Social Services with a statement of that fact.

(D) If the State Department of Social Services finds after licensure that the licensee, or any other person specified in paragraph (2) of subdivision (b), has been convicted of a crime other than a minor traffic violation, the license may be revoked, unless the director grants an exemption pursuant to subdivision (f).

(E) An applicant and any other person specified in subdivision (b) shall submit a second set of fingerprints to the Department of Justice, for the purpose of searching the records of the Federal Bureau of Investigation, in addition to the search required by subdivision (a). If an applicant meets all other conditions for licensure, except receipt of the Federal Bureau of Investigation's criminal history information for the applicant and persons listed in subdivision (b), the department may issue a license if the applicant and each person described by subdivision (b) has signed and submitted a statement that he or she has never been convicted of a crime in the United States, other than a traffic infraction as defined in paragraph (1) of subdivision (a) of Section 42001 of the Vehicle Code. If, after licensure, the department determines that the licensee or person specified in subdivision (b) has a criminal record, the license may be revoked pursuant to Section 1596.885. The department may also suspend the license pending an administrative hearing pursuant to Section 1596.886.

(b) (1) In addition to the applicant, this section shall be applicable to criminal convictions of the following persons:

(A) Adults responsible for administration or direct supervision of staff.

(B) Any person, other than a child, residing in the facility.

(C) Any person who provides care and supervision to the children.

(D) Any staff person, volunteer, or employee who has contact with the children.

(i) A volunteer providing time-limited specialized services shall be exempt from the requirements of this subdivision if this person is directly supervised by the licensee or a facility employee with a criminal record clearance or exemption, the volunteer spends no more than 16 hours per week at the facility, and the volunteer is not left alone with children in care.

(ii) A student enrolled or participating at an accredited educational institution shall be exempt from the requirements of this subdivision if the student is directly supervised by the licensee or a facility employee with a criminal record clearance or exemption, the facility has an agreement with the educational institution concerning the placement of the student, the student spends no more than 16 hours per week at the facility, and the student is not left alone with children in care.

(iii) A volunteer who is a relative, legal guardian, or foster parent of a client in the facility shall be exempt from the requirements of this subdivision.

(iv) A contracted repair person retained by the facility, if not left alone with children in care, shall be exempt from the requirements of this subdivision.

(v) Any person similar to those described in this subdivision, as defined by the department in regulations.

(E) If the applicant is a firm, partnership, association, or corporation, the chief executive officer, other person serving in like capacity, or a person designated by the chief executive officer as responsible for the operation of the facility, as designated by the applicant agency.

(F) If the applicant is a local educational agency, the president of the governing board, the school district superintendent, or a person designated to administer the operation of the facility, as designated by the local educational agency.

(G) Additional officers of the governing body of the applicant, or other persons with a financial interest in the applicant, as determined necessary by the department by regulation. The criteria used in the development of these regulations shall be based on the person's capability to exercise substantial influence over the operation of the facility.

(H) This section does not apply to employees of child care and development programs under contract with the State Department of Education who have completed a criminal records clearance as part of an application to the Commission on Teacher Credentialing, and who possess a current credential or permit issued by the commission, including employees of child care and development programs that serve both children subsidized under, and children not subsidized under, a

State Department of Education contract. The Commission on Teacher Credentialing shall notify the department upon revocation of a current credential or permit issued to an employee of a child care and development program under contract with the State Department of Education.

(I) This section does not apply to employees of a child care and development program operated by a school district, county office of education, or community college district under contract with the State Department of Education who have completed a criminal record clearance as a condition of employment. The school district, county office of education, or community college district upon receiving information that the status of an employee's criminal record clearance has changed shall submit that information to the department.

(2) Nothing in this subdivision shall prevent a licensee from requiring a criminal record clearance of any individuals exempt from the requirements under this subdivision.

(c) (1) (A) Subsequent to initial licensure, any person specified in subdivision (b) and not exempted from fingerprinting shall, as a condition to employment, residence, or presence in a child day care facility be fingerprinted and sign a declaration under penalty of perjury regarding any prior criminal conviction. The licensee shall submit these fingerprints to the Department of Justice, along with a second set of fingerprints for the purpose of searching the records of the Federal Bureau of Investigation, or to comply with paragraph (1) of subdivision (h), prior to the person's employment, residence, or initial presence in the child day care facility.

(B) These fingerprints shall be on a card provided by the State Department of Social Services for the purpose of obtaining a permanent set of fingerprints and submitted to the Department of Justice by the licensee or sent by electronic transmission in a manner approved by the State Department of Social Services. A licensee's failure to submit fingerprints to the Department of Justice, or to comply with paragraph (1) of subdivision (h), as required in this section, shall result in the citation of a deficiency, and an immediate assessment of civil penalties in the amount of one hundred dollars ($100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars ($100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1596.885 or Section 1596.886. The State Department of Social Services may assess civil penalties for continued violations permitted by Sections 1596.99 and 1597.62. The fingerprints shall then be submitted to the State Department of Social Services for processing. Within 14 calendar days of the receipt of the fingerprints, the

Department of Justice shall notify the State Department of Social Services of the criminal record information, as provided in this subdivision. If no criminal record information has been recorded, the Department of Justice shall provide the licensee and the State Department of Social Services with a statement of that fact within 14 calendar days of receipt of the fingerprints. If new fingerprints are required for processing, the Department of Justice shall, within 14 calendar days from the date of receipt of the fingerprints, notify the licensee that the fingerprints were illegible.

(C) Documentation of the individual's clearance or exemption shall be maintained by the licensee, and shall be available for inspection. When live-scan technology is operational, as defined in Section 1522.04, the Department of Justice shall notify the department, as required by that section, and notify the licensee by mail within 14 days of electronic transmission of the fingerprints to the Department of Justice, if the person has no criminal record. Any violation of the regulations adopted pursuant to Section 1522.04 shall result in the citation of a deficiency and an immediate assessment of civil penalties in the amount of one hundred dollars ($100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars ($100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1596.885 or Section 1596.886. The department may assess civil penalties for continued violations, as permitted by Sections 1596.99 and 1597.62.

(2) Except for persons specified in paragraph (2) of subdivision (b), the licensee shall endeavor to ascertain the previous employment history of persons required to be fingerprinted under this subdivision. If it is determined by the department, on the basis of fingerprints submitted to the Department of Justice, that the person has been convicted of a sex offense against a minor, an offense specified in Section 243.4, 273a, 273d, 273g, or 368 of the Penal Code, or a felony, the State Department of Social Services shall notify the licensee to act immediately to terminate the person's employment, remove the person from the child day care facility, or bar the person from entering the child day care facility. The department may subsequently grant an exemption pursuant to subdivision (f). If the conviction was for another crime except a minor traffic violation, the licensee shall, upon notification by the State Department of Social Services, act immediately to either (1) terminate the person's employment, remove the person from the child day care facility, or bar the person from entering the child day care facility; or (2) seek an exemption pursuant to subdivision (f). The department shall determine if the person shall be allowed to remain in the facility until a

decision on the exemption is rendered. A licensee's failure to comply with the department's prohibition of employment, contact with clients, or presence in the facility as required by this paragraph shall result in a citation of deficiency and an immediate assessment of civil penalties by the department against the licensee, in the amount of one hundred dollars ($100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars ($100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1596.885 or 1596.886.

(3) The department may issue an exemption on its own motion pursuant to subdivision (f) if the person's criminal history indicates that the person is of good character based on the age, seriousness, and frequency of the conviction or convictions. The department, in consultation with interested parties, shall develop regulations to establish the criteria to grant an exemption pursuant to this paragraph.

(4) Concurrently with notifying the licensee pursuant to paragraph (3), the department shall notify the affected individual of his or her right to seek an exemption pursuant to subdivision (f). The individual may seek an exemption only if the licensee terminates the person's employment or removes the person from the facility after receiving notice from the department pursuant to paragraph (3).

(d) (1) For purposes of this section or any other provision of this chapter, a conviction means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action that the department is permitted to take following the establishment of a conviction may be taken when the time for appeal has elapsed, when the judgment of conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence, notwithstanding a subsequent order pursuant to Sections 1203.4 and 1203.4a of the Penal Code permitting the person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment. For purposes of this section or any other provision of this chapter, the record of a conviction, or a copy thereof certified by the clerk of the court or by a judge of the court in which the conviction occurred, shall be conclusive evidence of the conviction. For purposes of this section or any other provision of this chapter, the arrest disposition report certified by the Department of Justice, or documents admissible in a criminal action pursuant to Section 969b of the Penal Code, shall be prima facie evidence of conviction, notwithstanding any other provision of law prohibiting the admission of these documents in a civil or administrative action.

(2) For purposes of this section or any other provision of this chapter, the department shall consider criminal convictions from another state or federal court as if the criminal offense was committed in this state.

(e) The State Department of Social Services may not use a record of arrest to deny, revoke, or terminate any application, license, employment, or residence unless the department investigates the incident and secures evidence, whether or not related to the incident of arrest, that is admissible in an administrative hearing to establish conduct by the person that may pose a risk to the health and safety of any person who is or may become a client. The State Department of Social Services is authorized to obtain any arrest or conviction records or reports from any law enforcement agency as necessary to the performance of its duties to inspect, license, and investigate community care facilities and individuals associated with a community care facility.

(f) (1) After review of the record, the director may grant an exemption from disqualification for a license or special permit as specified in paragraphs (1) and (4) of subdivision (a), or for employment, residence, or presence in a child day care facility as specified in paragraphs (3), (4), and (5) of subdivision (c) if the director has substantial and convincing evidence to support a reasonable belief that the applicant and the person convicted of the crime, if other than the applicant, are of good character so as to justify issuance of the license or special permit or granting an exemption for purposes of subdivision (c). However, an exemption may not be granted pursuant to this subdivision if the conviction was for any of the following offenses:

(A) An offense specified in Section 220, 243.4, or 264.1, subdivision (a) of Section 273a or, prior to January 1, 1994, paragraph (1) of Section 273a, Section 273d, 288, or 289, subdivision (a) of Section 290, or Section 368 of the Penal Code, or was a conviction of another crime against an individual specified in subdivision (c) of Section 667.5 of the Penal Code.

(B) A felony offense specified in Section 729 of the Business and Professions Code or Section 206 or 215, subdivision (a) of Section 347, subdivision (b) of Section 417, or subdivision (a) or (b) of Section 451 of the Penal Code.

(2) The department may not prohibit a person from being employed or having contact with clients in a facility on the basis of a denied criminal record exemption request or arrest information unless the department complies with the requirements of Section 1596.8897.

(g) Upon request of the licensee, who shall enclose a self-addressed stamped postcard for this purpose, the Department of Justice shall verify receipt of the fingerprints.

(h) (1) For the purposes of compliance with this section, the department may permit an individual to transfer a current criminal

record clearance, as defined in subdivision (a), from one facility to another, as long as the criminal record clearance has been processed through a state licensing district office, and is being transferred to another facility licensed by a state licensing district office. The request shall be in writing to the department, and shall include a copy of the person's driver's license or valid identification card issued by the Department of Motor Vehicles, or a valid photo identification issued by another state or the United States government if the person is not a California resident. Upon request of the licensee, who shall enclose a self-addressed stamped envelope for this purpose, the department shall verify whether the individual has a clearance that can be transferred.

(2) The State Department of Social Services shall hold criminal record clearances in its active files for a minimum of two years after an employee is no longer employed at a licensed facility in order for the criminal record clearances to be transferred.

(3) The following shall apply to a criminal record clearance or exemption from the department or a county office with department delegated licensing authority:

(A) A county office with department delegated licensing authority may accept a clearance or exemption from the department.

(B) The department may accept a clearance or exemption from any county office with department delegated licensing authority.

(C) A county office with department delegated licensing authority may accept a clearance or exemption from any other county office with department delegated licensing authority.

(4) With respect to notifications issued by the Department of Justice pursuant to Section 11105.2 of the Penal Code concerning an individual whose criminal record clearance was originally processed by the department or a county office with department delegated licensing authority, all of the following shall apply:

(A) The Department of Justice shall process a request from the department or a county office with department delegated licensing authority to receive the notice, only if all of the following conditions are met:

(i) The request shall be submitted to the Department of Justice by the agency to be substituted to receive the notification.

(ii) The request shall be for the same applicant type as the type for which the original clearance was obtained.

(iii) The request shall contain all prescribed data elements and format protocols pursuant to a written agreement between the department and the Department of Justice.

(B) (i) On or before January 7, 2005, the department shall notify the Department of Justice of all county offices that have department delegated licensing authority.

(ii) The department shall notify the Department of Justice within 15 calendar days of the date on which a new county office receives department delegated licensing authority or a county's delegated licensing authority is rescinded.

(C) The Department of Justice shall charge the department or a county office with department delegated licensing authority a fee for each time a request to substitute the recipient agency is received for purposes of this paragraph. This fee shall not exceed the cost of providing the service.

(i) Amendments to this section made in the 1998 calendar year shall be implemented commencing 60 days after the effective date of the act amending this section in the 1998 calendar year, except those provisions for the submission of fingerprints for searching the records of the Federal Bureau of Investigation, which shall be implemented commencing January 1, 1999.

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:

California's most vulnerable populations in community care and child day care facilities are exposed to persons who may pose an immediate risk to their health and safety because licensees currently face only minimal civil penalties for violations and are therefore undeterred from permitting persons who do not have criminal record clearances or exemptions from being present in their facilities. Thus, to reduce these risks as soon as possible by enhancing civil penalties, it is necessary that this act take effect immediately.

CHAPTER 654

An act to amend Sections 3526, 3533, 21354.3, and 21354.5 of the Government Code, relating to public employees.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 3526 of the Government Code is amended to read:

3526. The purpose of this chapter is to inform state supervisory, managerial, confidential, and employees otherwise excepted from coverage under the Ralph C. Dills Act by subdivision (c) of Section 3513 of their rights and terms and conditions of employment, and to inspire

dedicated service, to recognize their important and fundamental roles in the management of state government, and to promote harmonious personnel relations among those representing state management in the conduct of state affairs.

SEC. 2. Section 3533 of the Government Code is amended to read:

3533. Upon request, the state shall meet and confer with verified supervisory organizations representing supervisory employees on matters within the scope of representation. Prior to arriving at a determination of policy or course of action directly impacting supervisory employees, the state employer shall provide reasonable advance notice and provide the verified supervisory employee organizations an opportunity to meet and confer with the state employer to discuss alternative means of achieving objectives. Advance notice may be written, oral, or electronic. ''Meet and confer'' shall mean that the state employer shall consider as fully as it deems reasonable, such presentations as are made by the verified supervisory employee organization on behalf of its supervisory members prior to arriving at a determination of policy or course of action. The final determination of policy or course of action shall be the sole responsibility of the state employer.

When the state employer determines that, due to an emergency or other immediate operational necessity, a law, rule, resolution, or regulation must be adopted immediately without prior notice or meeting and conferring with excluded employee organizations, the state employer shall provide notice and opportunity to meet and confer at the earliest practical time following the adoption of the law, rule, resolution, or regulation.

SEC. 3. Section 21354.3 of the Government Code is amended to read:

21354.3. (a) The combined current and prior service pensions for a local miscellaneous member is a pension derived from the contributions of the employer sufficient, when added to the service retirement annuity that is derived from the accumulated normal contributions of the member at the date of retirement, to equal the fraction of one-fiftieth 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 and prior service except service in a category of membership other than that of local miscellaneous member with which the member is entitled to be credited at retirement:

Age at Retirement	Fraction
50	1.0000

50 1/4	1.0125
50 1/2	1.0250
50 3/4	1.0375
51	1.0500
51 1/4	1.0625
51 1/2	1.0750
51 3/4	1.0875
52	1.1000
52 1/4	1.1125
52 1/2	1.1250
52 3/4	1.1375
53	1.1500
53 1/4	1.1625
53 1/2	1.1750
53 3/4	1.1875
54	1.2000
54 1/4	1.2125
54 1/2	1.2250
54 3/4	1.2375
55	1.2500
55 1/4	1.2625
55 1/2	1.2750
55 3/4	1.2875
56	1.3000
56 1/4	1.3125
56 1/2	1.3250
56 3/4	1.3375
57	1.3500
57 1/4	1.3625
57 1/2	1.3750
57 3/4	1.3875
58	1.4000
58 1/4	1.4125
58 1/2	1.4250
58 3/4	1.4375
59	1.4500
59 1/4	1.4625
59 1/2	1.4750

59 3/4	1.4875
60 and over	1.5000

(b) The fraction specified in the above table shall be reduced by one-third as applied to that part of final compensation that does not exceed four hundred dollars ($400) per month for all services of a member any of whose service has been included in the federal system. This reduction shall not apply to a member employed by a contracting agency that enters into a contract after July 1, 1971, and who elects not to be subject to this subdivision or with respect to service rendered after the termination of coverage under the federal system with respect to the coverage group to which the member belongs.

(c) This section shall supersede Sections 21353, 21354, 21354.4, and 21354.5 with respect to any local miscellaneous member who is employed by a contracting agency on or after the date this section becomes applicable to the contracting agency.

(d) This section shall not apply to a contracting agency nor its employees until the contracting agency elects to make all local miscellaneous members 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 section 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 section.

SEC. 4. Section 21354.5 of the Government Code is amended to read:

21354.5. (a) The combined current and prior service pensions for a local miscellaneous member is a pension derived from the contributions of the employer sufficient, when added to the service retirement annuity that is derived from the accumulated normal contributions of the member at the date of retirement, to equal the fraction of one-fiftieth 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 and prior service, except service in a category of membership other than that of a local miscellaneous member, with which the member is entitled to be credited at retirement:

Age at Retirement	Fraction
50	1.0000
50 1/4	1.0175
50 1/2	1.0350

50 3/4	1.0525
51	1.0700
51 1/4	1.0875
51 1/2	1.1050
51 3/4	1.1225
52	1.1400
52 1/4	1.1575
52 1/2	1.1750
52 3/4	1.1925
53	1.2100
53 1/4	1.2275
53 1/2	1.2450
53 3/4	1.2625
54	1.2800
54 1/4	1.2975
54 1/2	1.3150
54 3/4	1.3325
55 and over	1.3500

(b) The fractions specified in the above table shall be reduced by one-third as applied to that part of final compensation that does not exceed four hundred dollars ($400) per month for all service of a member any of whose service has been included in the federal system. This reduction shall not apply to a member employed by a contracting agency that enters into a contract after July 1, 1971, and elects not to be subject to this subdivision or with respect to service rendered after the termination of coverage under the federal system with respect to the coverage group to which the member belongs.

(c) This section shall supersede Sections 21353, 21354, and 21354.4 with respect to any miscellaneous member who is employed by a contracting agency on or after the date this section becomes applicable to the contracting agency.

(d) This section shall not apply to a contracting agency nor its employees until the contracting agency elects to make all local miscellaneous members 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 section 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 section.

———

CHAPTER 655

An act to amend Sections 18986.86, 18986.87, and 18986.88 of the Welfare and Institutions Code, relating to health and human services.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 18986.86 of the Welfare and Institutions Code is amended to read:

18986.86. (a) Humboldt County, Mendocino County, Alameda County, and any additional county or counties, as determined by the Secretary of California Health and Human Services, with the assistance and participation of the appropriate state departments, within the existing resources of those departments, may implement a program, upon approval of the county board of supervisors for the funding and delivery of services and benefits through an integrated and comprehensive county health and human services system.

(b) In providing services through an integrated system to families and individuals, the program may, among other things, do all of the following:

(1) Implement and evaluate a system of universal intake for those seeking services.

(2) Implement and evaluate a system whereby a family or individual eligible for more than one service may be provided those services through an integrated, coordinated service plan.

(3) Implement and evaluate a system of administration that integrates and coordinates the management and support of client services.

(4) Implement and evaluate a system of reporting and accountability that provides for the combined provision of services as provided for in paragraph (2), without the loss of state or federal funds provided under current law.

(5) In consultation with the appropriate state departments, as designated by the Secretary of Health and Human Services, any participating county may develop specific goals in addition to those specified in paragraphs (1) to (4), inclusive, to achieve an integrated and comprehensive county health and human services system.

(c) The integrated system may include any or all of the following:

(1) Adoption services.

(2) Child abuse prevention services.

(3) Child welfare services.

(4) Delinquency prevention services.

(5) Drug and alcohol services.

(6) Mental health services.
(7) Eligibility determination.
(8) Employment and training services.
(9) Foster care services.
(10) Health services.
(11) Public health services.
(12) Housing services.
(13) Medically indigent program services.

(d) (1) Part 2.6 (commencing with Section 56) of Division 1 of the Civil Code shall apply to the programs or services providing integrated services.

(2) Before a program obtains an individual's medical information, including mental health and drug treatment records, his or her informed authorization shall be obtained, or the informed authorization of his or her custodial parent, or his or her guardian shall be obtained if the individual is a minor, unless the minor is authorized to give consent.

(3) Medical information shall not be disclosed to any individual who is not authorized to have that information pursuant to the authorization provided in paragraph (2).

(4) Medical information shall not be disclosed for any purpose that is not authorized by the authorization in paragraph (2).

(5) The sharing of information permitted under paragraphs (2), (3), and (4) shall be governed by memoranda of understanding among the agencies represented on the team. These memoranda shall specify the types of information that may be shared without a signed release form, and the process to be used to ensure that current confidentiality requirements, as described in subdivision (d), are met.

(6) Any client shall have access to his or her medical information and shall have the right to correct any inaccurate information contained in the medical information.

(e) Programs or services shall be included in the program only to the extent that federal funding to either the state or the county will not be reduced as a result of the inclusion of the services in the project. This program shall not generate any increased expenditures from the General Fund.

(f) Each participating county and the appropriate state departments shall jointly seek federal approval of the program, as may be needed to ensure its funding and allow for the integrated provision of services.

(g) This chapter shall not authorize each participating county to discontinue meeting its obligations under current law to provide services or to reduce its accountability for the provision of these services.

(h) This chapter shall not authorize a participating county to reduce the county's eligibility under current law for state funding for the services included in the program.

(i) A participating county shall utilize any and all state general and county funds that it is legally allocated or entitled to receive. Through the creation of integrated health and social services structures, the county shall maximize federal matching funds.

(j) The Secretary of Health and Human Services shall designate a lead department to coordinate the state's participation in the county's program.

(k) The appropriate state departments, as designated by the Secretary of Health and Human Services, that are assisting, participating, and cooperating in the implementation of the program authorized by this chapter shall have the authority to waive regulations regarding the method of providing services and the method of reporting and accountability, as may be required to meet the goals set forth in subdivision (b). However, the departments shall not waive regulations pertaining to privacy and confidentiality of records, civil service merit systems, or collective bargaining. The departments shall not waive regulations if the waiver results in a diminished amount or level of services or benefits to eligible recipients as compared to the benefits and services that would have been provided to recipients absent the waiver.

SEC. 2. Section 18986.87 of the Welfare and Institutions Code is amended to read:

18986.87. (a) A participating county shall, in consultation with the appropriate state departments, as designated by the Secretary of Health and Human Services, develop outcomes and performance measures specific to the project prior to the implementation of the pilot program. Implementation of a pilot program pursuant to this chapter shall occur no later than January 1, 2009.

(b) A participating county shall evaluate its program with the participation of the appropriate state departments, as designated by the Secretary of Health and Human Services, and prepare interim and final evaluations and submit them to the Governor or the Governor's designee and the appropriate policy committees of the Legislature. The interim report shall be submitted not later than six months following the third year of the implementation of the program. The final report shall be submitted not later than July 1, 2008.

(c) Each participating county shall provide for the evaluation of the program.

SEC. 3. Section 18986.88 of the Welfare and Institutions Code is amended to read:

18986.88. This chapter shall remain in effect only until January 1, 2009, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2009, deletes or extends that date.

———

CHAPTER 656

An act to amend Section 11462 of the Welfare and Institutions Code, relating to community care facilities.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 11462 of the Welfare and Institutions Code 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.

(3) (A) The department shall determine, consistent with the requirements of this chapter and other relevant requirements under law, the rate classification level (RCL) for each group home program on a biennial basis. Submission of the biennial rate application shall be made according to a schedule determined by the department.

(B) The department shall adopt regulations to implement this paragraph. The adoption, amendment, repeal, or readoption of a regulation authorized by this paragraph is deemed to be necessary for the immediate preservation of the public peace, health and safety, or general welfare, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the department is hereby exempted from the requirement to describe specific facts showing the need for immediate action.

(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 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, and the single rate established for each RCL.

(e) 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) (A) For new and existing providers requesting the establishment of an RCL, and for existing group home programs requesting an RCL increase, the department shall determine the RCL no later than 13 months after the effective date of the provisional rate. The determination of the RCL shall be based on a program audit of documentation and other information that verifies the level of care and supervision provided by the group home program during a period of the two full calendar months or 60 consecutive days, whichever is longer, preceding the date of the program audit, unless the group home program requests a lower RCL. The program audit shall not cover the first six months of operation under the provisional rate. Pending the department's issuance of the program audit report that determines the RCL for the group home program, the group home program shall be eligible to receive a provisional rate that shall be based on the level of care and service that the group home program proposes it will provide. The group home program shall be eligible to receive only the RCL determined by the department during the pendency of any appeal of the department's RCL determination.

(B) A group home program may apply for an increase in its RCL no earlier than two years from the date the department has determined the group home program's rate, unless the host county, the primary placing county, or a regional consortium of counties submits to the department in writing that the program is needed in that county, that the provider is capable of effectively and efficiently operating the proposed 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.

(C) To ensure efficient administration of the department's audit responsibilities, and to avoid the fraudulent creation of records, group home programs shall make records that are relevant to the RCL determination available to the department in a timely manner. Except as provided in this section, the department may refuse to consider, for purposes of determining the rate, any documents that are relevant to the determination of the RCL that are not made available by the group home provider by the date the group home provider requests a hearing on the department's RCL determination. The department may refuse to consider, for purposes of determining the rate, the following records, unless the group home provider makes the records available to the department during the fieldwork portion of the department's program audit:

(i) Records of each employee's full name, home address, occupation, and social security number.

(ii) Time records showing when the employee begins and ends each work period, meal periods, split shift intervals, and total daily hours worked.

(iii) Total wages paid each payroll period.

(iv) Records required to be maintained by licensed group home providers under Title 22 of the California Code of Regulations that are relevant to the RCL determination.

(D) To minimize financial abuse in the startup of group home programs, when the department's RCL determination is more than three levels lower than the RCL level proposed by the group home provider, and the group home provider does not appeal the department's RCL determination, the department shall terminate the rate of a group home program 45 days after issuance of its program audit report. When the group home provider requests a hearing on the department's RCL determination, and the RCL determined by the director under subparagraph (E) is more than three levels lower than the RCL level proposed by the group home provider, the department shall terminate the rate of a group home program within 30 days of issuance of the director's decision. Notwithstanding the reapplication provisions in subparagraph (B), the department shall deny any request for a new or increased RCL from a group home provider whose RCL is terminated pursuant to this subparagraph, for a period of no greater than two years from the effective date of the RCL termination.

(E) A group home provider may request a hearing of the department's RCL determination under subparagraph (A) no later than 30 days after the date the department issues its RCL determination. The department's RCL determination shall be final if the group home provider does not request a hearing within the prescribed time. Within 60 days of receipt of the request for hearing, the department shall conduct a hearing on the

RCL determination. The standard of proof shall be the preponderance of the evidence and the burden of proof shall be on the department. The hearing officer shall issue the proposed decision within 45 days of the close of the evidentiary record. The director shall adopt, reject, or modify the proposed decision, or refer the matter back to the hearing officer for additional evidence or findings within 100 days of issuance of the proposed decision. If the director takes no action on the proposed decision within the prescribed time, the proposed decision shall take effect by operation of law.

(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.

(3) The department shall not reduce the rate, establish an overpayment, or take other actions pursuant to paragraph (2) for any period that a group home program maintains the level of care and services associated with the RCL for children actually residing in the facility. Determinations of levels of care and services shall be made in the same way as modifications of overpayments are made pursuant to paragraph (2) of subdivision (b) of Section 11466.2.

(4) A group home program that substantially changes its staffing pattern from that reported in the group home program statement shall provide notification of this change to all counties that have placed children currently in care. This notification shall be provided whether or not the RCL for the program may change as a result of the change in staffing pattern.

(f) (1) The standardized schedule of rates for the 2002–03 and 2003–04 fiscal years is:

Rate Classification Level	Point Ranges	FY 2002–03 and 2003–04 Standard Rate
1	Under 60	$1,454
2	60– 89	1,835
3	90–119	2,210
4	120–149	2,589
5	150–179	2,966
6	180–209	3,344
7	210–239	3,723
8	240–269	4,102
9	270–299	4,479

10	300–329	4,858
11	330–359	5,234
12	360–389	5,613
13	390–419	5,994
14	420 & Up	6,371

(2) (A) For group home programs that receive AFDC-FC payments for services performed during the 2002–03 and 2003–04 fiscal years, the adjusted RCL point ranges below shall be used for establishing the biennial rates for existing programs, pursuant to paragraph (3) of subdivision (a) and in performing program audits and in determining any resulting rate reduction, overpayment assessment, or other actions pursuant to paragraph (2) of subdivision (e):

Rate Classification Level	Adjusted Point Ranges for the 2002–03 and 2003–04 Fiscal Years
1	Under 54
2	54– 81
3	82–110
4	111–138
5	139–167
6	168–195
7	196–224
8	225–253
9	254–281
10	282–310
11	311–338
12	339–367
13	368–395
14	396 & Up

(B) Notwithstanding subparagraph (A), foster care providers operating group homes during the 2002–03 and 2003–04 fiscal years shall remain responsible for ensuring the health and safety of the children placed in their programs in accordance with existing applicable provisions of the Health and Safety Code and community care licensing regulations, as contained in Title 22 of the Code of California Regulations.

(C) Subparagraph (A) shall not apply to program audits of group home programs with provisional rates established pursuant to paragraph (1) of subdivision (e). For those program audits, the RCL point ranges in paragraph (1) shall be used.

(g) (1) (A) For the 1999–2000 fiscal year, 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. The resultant amounts shall constitute the new standardized schedule of rates, subject to further adjustment pursuant to subparagraph (B).

(B) In addition to the adjustment in subparagraph (A), commencing January 1, 2000, the standardized rate for each RCL shall be increased by 2.36 percent, rounded to the nearest dollar. The resultant amounts shall constitute the new standardized schedule of rates.

(2) Beginning with the 2000–01 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. The resultant amounts shall constitute the new standardized schedule of rates.

(3) Effective January 1, 2001, the amount included in the standard rate for each RCL for the salaries, wages, and benefits for staff providing child care and supervision or performing social work activities, or both, shall be increased by 10 percent. This additional funding shall be used by group home programs solely to supplement staffing, salaries, wages, and benefit levels of staff specified in this paragraph. The standard rate for each RCL shall be recomputed using this adjusted amount and the resultant rates shall constitute the new standardized schedule of rates. The department may require a group home receiving this additional funding to certify that the funding was utilized in accordance with the provisions of this section.

(h) The standardized schedule of rates pursuant to subdivisions (f) and (g) shall be implemented as follows:

(1) Any group home program that received an AFDC-FC rate in the prior fiscal year at or above the standard rate for the RCL in the current fiscal year shall continue to receive that rate.

(2) Any group home program that received an AFDC-FC rate in the prior fiscal year below the standard rate for the RCL in the current fiscal year shall receive the RCL rate for the current year.

(i) (1) The department shall not establish a rate for a new program of a new or existing provider, or for an existing program at a new location of an existing provider, unless the provider submits a letter of recommendation from the host county, the primary placing county, or a regional consortium of counties that includes all of the following:

(A) That the program is needed by that county.

(B) That the provider is capable of effectively and efficiently operating the program.

(C) 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.

(D) That, if the letter of recommendation is not being issued by the host county, the primary placing county has notified the host county of its intention to issue the letter and the host county was given 30 days to respond to this notification and to discuss options with the primary placing county.

(2) 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.

(3) The department shall annually conduct a county-by-county survey to determine the unmet placement needs of children placed pursuant to Section 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) For the 1998–99, 1999–2000, and 2000–01 fiscal years, 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, 2000, and as adjusted pursuant to subparagraph (B) of paragraph (1) of subdivision (g), except as provided in paragraph (3).

(3) (A) For the 1998–99, 1999–2000, and 2000–01 fiscal years, 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 a 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 following conditions 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 both of the following conditions 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 department determines that the new program or program change will result in a reduction of referrals to state hospitals during the 1998–99 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. The donations and contributions shall not be considered in any determination of maximum expenditures made by the department.

(m) The department shall, by October 1 of 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 that 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.

SEC. 1.5. Section 11462 of the Welfare and Institutions Code 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.

(3) (A) The department shall determine, consistent with the requirements of this chapter and other relevant requirements under law, the rate classification level (RCL) for each group home program on a biennial basis. Submission of the biennial rate application shall be made according to a schedule determined by the department.

(B) The department shall adopt regulations to implement this paragraph. The adoption, amendment, repeal, or readoption of a regulation authorized by this paragraph is deemed to be necessary for the immediate preservation of the public peace, health and safety, or general welfare, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the department is hereby exempted from the requirement to describe specific facts showing the need for immediate action.

(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 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, and the single rate established for each RCL.

(e) 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) (A) For new and existing providers requesting the establishment of an RCL, and for existing group home programs requesting an RCL increase, the department shall determine the RCL no later than 13 months after the effective date of the provisional rate. The determination of the RCL shall be based on a program audit of documentation and other information that verifies the level of care and supervision provided by the group home program during a period of the two full calendar months or 60 consecutive days, whichever is longer, preceding the date of the program audit, unless the group home program requests a lower RCL. The program audit shall not cover the first six months of operation under the provisional rate. Pending the department's issuance of the program audit report that determines the RCL for the group home program, the group home program shall be eligible to receive a provisional rate that

shall be based on the level of care and service that the group home program proposes it will provide. The group home program shall be eligible to receive only the RCL determined by the department during the pendency of any appeal of the department's RCL determination.

(B) A group home program may apply for an increase in its RCL no earlier than two years from the date the department has determined the group home program's rate, unless the host county, the primary placing county, or a regional consortium of counties submits to the department in writing that the program is needed in that county, that the provider is capable of effectively and efficiently operating the proposed 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.

(C) To ensure efficient administration of the department's audit responsibilities, and to avoid the fraudulent creation of records, group home programs shall make records that are relevant to the RCL determination available to the department in a timely manner. Except as provided in this section, the department may refuse to consider, for purposes of determining the rate, any documents that are relevant to the determination of the RCL that are not made available by the group home provider by the date the group home provider requests a hearing on the department's RCL determination. The department may refuse to consider, for purposes of determining the rate, the following records, unless the group home provider makes the records available to the department during the fieldwork portion of the department's program audit:

(i) Records of each employee's full name, home address, occupation, and social security number.

(ii) Time records showing when the employee begins and ends each work period, meal periods, split shift intervals, and total daily hours worked.

(iii) Total wages paid each payroll period.

(iv) Records required to be maintained by licensed group home providers under Title 22 of the California Code of Regulations that are relevant to the RCL determination.

(D) To minimize financial abuse in the startup of group home programs, when the department's RCL determination is more than three levels lower than the RCL level proposed by the group home provider, and the group home provider does not appeal the department's RCL determination, the department shall terminate the rate of a group home program 45 days after issuance of its program audit report. When the group home provider requests a hearing on the department's RCL determination, and the RCL determined by the director under subparagraph (E) is more than three levels lower than the RCL level

proposed by the group home provider, the department shall terminate the rate of a group home program within 30 days of issuance of the director's decision. Notwithstanding the reapplication provisions in subparagraph (B), the department shall deny any request for a new or increased RCL from a group home provider whose RCL is terminated pursuant to this subparagraph, for a period of no greater than two years from the effective date of the RCL termination.

(E) A group home provider may request a hearing of the department's RCL determination under subparagraph (A) no later than 30 days after the date the department issues its RCL determination. The department's RCL determination shall be final if the group home provider does not request a hearing within the prescribed time. Within 60 days of receipt of the request for hearing, the department shall conduct a hearing on the RCL determination. The standard of proof shall be the preponderance of the evidence and the burden of proof shall be on the department. The hearing officer shall issue the proposed decision within 45 days of the close of the evidentiary record. The director shall adopt, reject, or modify the proposed decision, or refer the matter back to the hearing officer for additional evidence or findings within 100 days of issuance of the proposed decision. If the director takes no action on the proposed decision within the prescribed time, the proposed decision shall take effect by operation of law.

(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.

(3) The department shall not reduce the rate, establish an overpayment, or take other actions pursuant to paragraph (2) for any period that a group home program maintains the level of care and services associated with the RCL for children actually residing in the facility. Determinations of levels of care and services shall be made in the same way as modifications of overpayments are made pursuant to paragraph (2) of subdivision (b) of Section 11466.2.

(4) A group home program that substantially changes its staffing pattern from that reported in the group home program statement shall provide notification of this change to all counties that have placed children currently in care. This notification shall be provided whether or not the RCL for the program may change as a result of the change in staffing pattern.

(f) (1) The standardized schedule of rates for the 2002–03, 2003–04, and 2004–05 fiscal years is:

Rate Classification Level	Point Ranges	FY 2002–03, 2003–04, and 2004–05 Standard Rate
1	Under 60	$1,454
2	60– 89	1,835
3	90–119	2,210
4	120–149	2,589
5	150–179	2,966
6	180–209	3,344
7	210–239	3,723
8	240–269	4,102
9	270–299	4,479
10	300–329	4,858
11	330–359	5,234
12	360–389	5,613
13	390–419	5,994
14	420 & Up	6,371

(2) (A) For group home programs that receive AFDC-FC payments for services performed during the 2002–03, 2003–04, and 2004–05 fiscal years, the adjusted RCL point ranges below shall be used for establishing the biennial rates for existing programs, pursuant to paragraph (3) of subdivision (a) and in performing program audits and in determining any resulting rate reduction, overpayment assessment, or other actions pursuant to paragraph (2) of subdivision (e):

Rate Classification Level	Adjusted Point Ranges for the 2002–03, 2003–04, and 2004–05 Fiscal Years
1	Under 54
2	54– 81
3	82–110
4	111–138
5	139–167
6	168–195
7	196–224
8	225–253
9	254–281
10	282–310
11	311–338
12	339–367

13	368–395
14	396 & Up

(B) Notwithstanding subparagraph (A), foster care providers operating group homes during the 2002–03, 2003–04, and 2004–05 fiscal years shall remain responsible for ensuring the health and safety of the children placed in their programs in accordance with existing applicable provisions of the Health and Safety Code and community care licensing regulations, as contained in Title 22 of the Code of California Regulations.

(C) Subparagraph (A) shall not apply to program audits of group home programs with provisional rates established pursuant to paragraph (1) of subdivision (e). For those program audits, the RCL point ranges in paragraph (1) shall be used.

(g) (1) (A) For the 1999–2000 fiscal year, 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. The resultant amounts shall constitute the new standardized schedule of rates, subject to further adjustment pursuant to subparagraph (B).

(B) In addition to the adjustment in subparagraph (A), commencing January 1, 2000, the standardized rate for each RCL shall be increased by 2.36 percent, rounded to the nearest dollar. The resultant amounts shall constitute the new standardized schedule of rates.

(2) Beginning with the 2000–01 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. The resultant amounts shall constitute the new standardized schedule of rates.

(3) Effective January 1, 2001, the amount included in the standard rate for each Rate Classification Level (RCL) for the salaries, wages, and benefits for staff providing child care and supervision or performing social work activities, or both, shall be increased by 10 percent. This additional funding shall be used by group home programs solely to supplement staffing, salaries, wages, and benefit levels of staff specified in this paragraph. The standard rate for each RCL shall be recomputed using this adjusted amount and the resultant rates shall constitute the new standardized schedule of rates. The department may require a group home receiving this additional funding to certify that the funding was utilized in accordance with the provisions of this section.

(h) The standardized schedule of rates pursuant to subdivisions (f) and (g) shall be implemented as follows:

(1) Any group home program that received an AFDC-FC rate in the prior fiscal year at or above the standard rate for the RCL in the current fiscal year shall continue to receive that rate.

(2) Any group home program that received an AFDC-FC rate in the prior fiscal year below the standard rate for the RCL in the current fiscal year shall receive the RCL rate for the current year.

(i) (1) The department shall not establish a rate for a new program of a new or existing provider, or for an existing program at a new location of an existing provider, unless the provider submits a letter of recommendation from the host county, the primary placing county, or a regional consortium of counties that includes all of the following:

(A) That the program is needed by that county.

(B) That the provider is capable of effectively and efficiently operating the program.

(C) 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.

(D) That, if the letter of recommendation is not being issued by the host county, the primary placing county has notified the host county of its intention to issue the letter and the host county was given the opportunity 30 days to respond to this notification and to discuss options with the primary placing county.

(2) 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.

(3) The department shall annually conduct a county-by-county survey to determine the unmet placement needs of children placed pursuant to Section 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) For the 1998–99, 1999–2000, and 2000–01 fiscal years, 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, 2000,

and as adjusted pursuant to subparagraph (B) of paragraph (1) of subdivision (g), except as provided in paragraph (3).

(3) (A) For the 1998–99, 1999–2000, and 2000–01 fiscal years, 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 a 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 following conditions 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 both of the following conditions 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 department determines that the new program or program change will result in a reduction of referrals to state hospitals during the 1998–99 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. The donations and contributions shall not be considered in any determination of maximum expenditures made by the department.

(m) The department shall, by October 1 of 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 that 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.

SEC. 2. Section 1.5 of this bill incorporates amendments to Section 11462 of the Welfare and Institutions Code proposed by both this bill and SB 1104. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 11462 of the Welfare and Institutions Code, and (3) this bill is enacted after SB 1104, in which case Section 11462 of the Welfare and Institutions Code as amended by SB 1104, shall remain operative only

until the operative date of this bill, at which time Section 1.5 of this bill shall become operative, and Section 1 of this bill shall not become operative.

CHAPTER 657

An act to amend Sections 69522 and 69529.5 of the Education Code, relating to student financial aid, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 69522 of the Education Code, as amended by Chapter 216 of the Statutes of 2004, is amended to read:

69522. (a) (1) The commission may establish an auxiliary organization for the purpose of providing operational and administrative services for the commission's participation in the Federal Family Education Loan Program, or for other activities approved by the commission and determined by the commission to be all of the following:

(A) Related to student financial aid.

(B) Consistent with the general mission of the commission.

(C) Consistent with the purposes of the federal Higher Education Act of 1965 (Public Law 89-329) and amendments thereto.

(2) The activities approved by the commission under this subdivision shall not include either of the following:

(A) The issuance of bonds.

(B) Loan origination or loan capitalization activities. This paragraph shall not preclude the commission or the auxiliary organization from undertaking other permitted activities that are related to student financial aid in partnership with institutions that conduct loan origination or loan capitalization activities.

(b) The auxiliary organization shall be established and maintained as a nonprofit public benefit corporation subject to the Nonprofit Public Benefit Corporation Law in Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code, except that, if there is a conflict between this article and the Nonprofit Public Benefit Corporation Law, this article shall prevail.

(c) (1) The commission shall maintain its responsibility for financial aid program administration, policy leadership program evaluation, and

information development and coordination. The auxiliary organization shall provide operational and support services essential to the administration of the Federal Family Education Loan Program and other permitted activities that are related to student financial aid, if those services are determined by the commission to be consistent with the overall mission of the commission.

(2) The implementation and effectuation of the auxiliary organization shall be carried out so as to enhance the administration and delivery of commission programs and services. The commission shall conduct regular performance evaluations of the operation of auxiliary organizations in furtherance of its fiscal and fiduciary responsibilities for approved programs.

(d) (1) The operations of the auxiliary organization shall be conducted in conformity with an operating agreement approved annually by the commission. On and after January 1, 2002, the commission may approve an operating agreement for a period not to exceed five years. Prior to approval, the commission shall provide the proposed operating agreement to the Department of Finance for its review and comment. The operations of the auxiliary organization shall be limited to services prescribed in that agreement.

(2) Prior to approval of any amendment to an existing operating agreement or any new operating agreement with an auxiliary organization or subsidiary auxiliary organization for the purpose of delineating new services or activities authorized pursuant to subdivision (a), the commission shall provide the Director of Finance and the Joint Legislative Budget Committee with at least 45 days advance notice in writing that includes a description of the proposed operating agreement. If the Director of Finance or the Joint Legislative Budget Committee notifies the commission regarding issues of concern with the proposed operating agreement, the commission shall convene a meeting of appropriate representatives from the commission, the Department of Finance, and the Legislature to resolve those issues.

(e) The commission shall oversee the development and operations of the auxiliary organization in a manner that ensures broad public input and consultation with representatives of the financial aid community, colleges and universities, and state agencies.

SEC. 2. Section 69529.5 of the Education Code, as amended by Chapter 216 of the Statutes of 2004, is amended to read:

69529.5. (a) The commission shall report the following information to the Legislature on April 1 of each year, with respect to the operation of the auxiliary organization:

(1) A description of the services provided by the auxiliary organization.

(2) The auxiliary organization's annual budget, funded activities, and personnel, including the sources of revenue available to fund its operations.

(3) Descriptions of changes made in the delivery of loans to California students and enhancements to programs and activities administered by the commission. The descriptions shall reflect all changes, both positive and negative.

(4) The level of compensation of managers and executives of the auxiliary organization.

(b) Commencing on April 1, 2005, and on April 1 of each year, ending on April 1, 2010, the commission shall specifically describe the actions taken, and report the costs incurred and the revenues realized, by the auxiliary organization in disbursement services, loan servicing and repayment, secondary market, and private lender activities that the auxiliary organization undertakes pursuant to subdivision (a) of Section 69522.

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

In order to implement the provisions of the Budget Act of 2004 in a timely manner, it is necessary that this act take effect immediately.

CHAPTER 658

An act to amend Section 44468 of the Education Code, relating to teacher credentialing.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 44468 of the Education Code is amended to read:

44468. (a) An internship program, established pursuant to Article 7.5 (commencing with Section 44325) of Chapter 2 or this article, that is accredited by the commission shall provide interns who meet entrance criteria and are accepted to a multiple subject teaching credential program, a single subject teaching credential program, or a level 1 education specialist credential program that provides instruction to individuals with mild to moderate disabilities, the opportunity to choose an early program completion option, culminating in a five-year

preliminary teaching credential. The early completion option shall be made available to interns who meet the following requirements:

(1) Pass a written assessment that assesses knowledge of teaching foundations, is adopted for this purpose by the commission, and includes all of the following:

(A) Human development as it relates to teaching and learning aligned with the state content and performance standards for pupils adopted pursuant to subdivision (a) of Section 60605.

(B) Techniques to address learning differences including working with pupils with special needs.

(C) Techniques to address working with English learners to provide access to the curriculum.

(D) Reading instruction as set forth in paragraph (4) of subdivision (b) of Section 44259.

(E) The assessment of pupil progress based upon the state content and performance standards for pupils adopted pursuant to subdivision (a) of Section 60605 and planning intervention based on the assessment.

(F) Classroom management techniques.

(G) Methods of teaching the subject fields.

(2) Pass the teaching performance assessment as set forth in Section 44320.2.

(A) An intern participating in the early completion option may take the teaching performance assessment only one time as part of the early completion option. An intern who takes the teaching performance assessment but is not successful may complete his or her internship program. Scores on this assessment shall be used by the internship programs in providing the individualized professional development plan for interns that emphasizes preparation in areas where additional growth is warranted and waiving preparation in areas where the candidate has demonstrated competence. The intern must retake and pass the teaching performance assessment at the end of the internship in order to be considered for recommendation by the internship program to the commission.

(B) Pending implementation of the teaching performance assessment, an internship program shall provide for early recommendation of an intern for a preliminary multiple subject teaching credential , single subject teaching credential, or level 1 education specialist credential that authorizes instruction to individuals with mild to moderate disabilities, based upon demonstrated competence of the field experience component of the internship program.

(3) Pass the reading instruction competence assessment described in Section 44283, unless the written assessment adopted by the commission pursuant to paragraph (1) is validated as covering content equivalent to the reading assessment.

(4) Meet the requirements for teacher fitness as set forth in Sections 44339, 44340, and 44341.

(b) An intern who chooses the early completion option must first pass the assessment required pursuant to paragraph (1) of subdivision (a) in order to qualify to take the teaching performance assessment required pursuant to paragraph (2) of subdivision (a). Individuals who have passed the written assessment may receive individualized support within the cohort group of like individuals in preparation for the teaching performance assessment.

(c) An intern who challenges the teacher preparation coursework by taking the assessment described in paragraph (1) of subdivision (a) but is not successful in passing the assessment may complete his or her full internship program. Scores on this assessment shall be used by the internship program in providing the individualized professional development plan for interns that emphasizes preparation in areas where additional growth is warranted and waiving preparation areas where the intern has demonstrated competence.

(d) An intern who passes the assessments described in subdivision (a) and is recommended by the internship program to the commission is eligible for a five-year preliminary multiple subject teaching credential, single subject teaching credential, or level 1 education specialist credential that authorizes instruction to individuals with mild to moderate disabilities.

(e) The commission shall issue a professional clear multiple or single subject teaching credential to an applicant whose employing public school district documents, in a manner prescribed by the commission, that he or she has fulfilled the following requirements:

(1) Holds a preliminary five-year teaching credential issued by the commission.

(2) Completes one of the following in accordance with the determination of the employing public school district based upon the experience and individual needs of the applicant:

(A) A program of beginning teacher support and assessment established pursuant to Article 4.5 (commencing with Section 44279.1) of Chapter 2 of Part 24, including the California formative assessment and support system for teachers.

(B) An alternative program of beginning teacher induction that the commission determines, in conjunction with the Superintendent of Public Instruction, meets state standards for teacher induction and includes the California formative assessment and support system for teachers or an alternative assessment deemed to meet the standards.

(3) As an alternative to the requirements in paragraph (2), an applicant may choose to complete the California formative assessment and support system for teachers or the equivalent at a faster pace as

determined by the Beginning Teacher Support and Assessment System program.

CHAPTER 659

An act to amend Section 8875.8 of the Government Code, relating to seismic safety.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) Jennifer Lynn Myrick, known to her friends as Jenna, was killed by falling debris while fleeing a building in Paso Robles, California, during the San Simeon earthquake of December 22, 2003.

(b) The building, known as the Acorn Building or Mastagni Building, in which Jenna worked was an 1890s era unreinforced masonry building.

(c) Section 8875.2 of the Government Code requires local building departments to identify all potentially hazardous buildings within their respective jurisdictions. The Acorn Building was identified as a potentially hazardous building, but had not been retrofitted to meet widely recognized building codes for earthquake safety.

(d) The California Seismic Safety Commission reports that, as of 2003, 1,413,398 people live in jurisdictions that had not completed their inventory of potentially hazardous buildings, and 705,782 people live in jurisdictions with no program to retrofit unreinforced masonry buildings.

(e) It is the intent of the Legislature to improve the public's awareness of potentially hazardous buildings so that occupants and passers-by are better equipped to protect themselves in the event of an earthquake.

SEC. 2. Section 8875.8 of the Government Code is amended to read:

8875.8. (a) An owner who has received actual or constructive notice that a building located in seismic zone 4 is constructed of unreinforced masonry shall post in a conspicuous place at the entrance of the building, on a sign not less than 5″ × 7″ the following statement, printed in not less than 30-point bold type:

''This is an unreinforced masonry building. Unreinforced masonry buildings may be unsafe in the event of a major earthquake.''

(b) Notwithstanding subdivision (a), unless the owner of a building subject to subdivision (a) is in compliance with that subdivision on and after December 31, 2004, an owner who has received actual or

constructive notice that a building located in seismic zone 4 is constructed of unreinforced masonry and has not been retrofitted in accordance with an adopted hazardous building ordinance or mitigation program shall post in a conspicuous place at the entrance of the building, on a sign not less than 8″ × 10″ the following statement, with the first two words printed in 50-point bold type and the remaining words in at least 30-point type:

''Earthquake Warning. This is an unreinforced masonry building. You may not be safe inside or near unreinforced masonry buildings during an earthquake.''

(c) Notice of the obligation to post a sign, as required by subdivisions (a) and (b), shall be included in the Commercial Property Owner's Guide to Earthquake Safety.

(d) Every rental or lease agreement entered into after January 1, 2005, involving a building subject to the requirements of subdivision (b) shall contain the following statement: This building, which you are renting or leasing, is an unreinforced masonry building. Unreinforced masonry buildings have proven to be unsafe in the event of an earthquake. Owners of unreinforced masonry buildings are required to post in a conspicuous place at the entrance of the building, the following statement:

''Earthquake Warning. This is an unreinforced masonry building. You may not be safe inside or near an unreinforced masonry building during an earthquake.''

(e) An owner who is subject to subdivision (b) and who does not comply with subdivision (a) may be subject to an administrative fine of two hundred fifty dollars ($250) to be levied by the local building department no sooner than 15 days after the local building department notifies the owner that the owner is subject to the administrative fine. If the owner does not comply with the requirements of that subdivision within 30 days of the first administrative fine, the owner may be subject to an additional administrative fine of one thousand dollars ($1,000).

(f) If an owner who is subject to subdivision (b) does not comply with subdivision (b), any person may bring a civil action for injunctive relief if all of the following have been met:

(1) He or she has made a request to an appropriate authority for administrative enforcement of this section at least 90 days prior to the action.

(2) An administrative fine has not been levied since the request was made pursuant to paragraph (1).

(3) At least 15 days prior to the filing of the action, the person has served on each proposed defendant a notice containing the following statement:

''You are receiving this notice because you are alleged to be in violation of Section 8875.8 of the Government Code, which requires that

the owner of an unreinforced masonry building post a sign, not less than 8″ × 10″, in a conspicuous place at the entrance of the building with the following statement, with the first two words printed in 50-point boldface type and the remaining words in at least 30-point type:

'Earthquake Warning. This is an unreinforced masonry building. You may not be safe inside or near unreinforced masonry buildings during an earthquake.

Failure to post the sign in compliance with subdivision (b) of Section 8875.8 within 15 days of receipt of this notice entitles the sender of the notice to file an action against you in a court of law for injunctive relief.' ''

(4) The owner has failed to post the sign in accordance with the requirements of subdivision (b) within 15 days of receipt of the notice served pursuant to this subdivision.

(g) The prohibitions and sanctions imposed pursuant to this section are in addition to any other prohibitions and sanctions imposed by law. A civil action for injunctive relief pursuant to this section shall be independent of any other rights and remedies.

SEC. 3. This act shall be known and may be cited as the ''Jennifer Lynn Myrick Memorial Law.''

CHAPTER 660

An act to add Section 1566.75 to the Health and Safety Code, relating to community care facilities.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 1566.75 is added to the Health and Safety Code, immediately following Section 1566.7, to read:

1566.75. (a) By January 1, 2006, the department's Community Care Licensing Division shall enter into memoranda of understanding with up to 10 local mental health departments that volunteer to participate. Each memorandum of understanding shall outline a formal protocol to address shared responsibilities, monitoring responsibilities, facility closures, training, and a process for mediation of disputes between the local mental health authority and the department's local licensing office relating to adult residential facilities and social rehabilitation facilities.

(b) On or before January 31, 2006, the department shall transmit a copy of each memorandum of understanding that has been signed to the Legislature.

CHAPTER 661

An act to amend Section 1400 of, and to add Section 14019.7 to, the Welfare and Institutions Code, relating to health care services.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 1400 of the Health and Safety Code is amended to read:

1400. (a) It is unlawful for any person, association, or corporation to establish, conduct or maintain a referral agency or to refer any person for remuneration to any extended care, skilled nursing home or intermediate care facility or a distinct part of a facility providing extended care, skilled nursing home care, or intermediate care, without first having obtained a written license therefor as provided in this chapter from the director or from an inspection service approved by the director pursuant to Section 1257.

(b) It is unlawful for any person, association, or corporation to establish, conduct, or maintain a referral agency or to refer any person for remuneration to any person or agency outside a long-term health care facility, as defined in Section 1418, for professional services for which the long-term health care facility does not employ a qualified professional person to furnish a specific service, including, but not limited to, laboratory, diagnostic, or therapy services, unless the long-term health care facility complies with current federal and state laws regarding the provision of these services and all of the following conditions are met:

(1) The services will be provided in accordance with professional standards applicable to the provision of these services in a long-term health care facility.

(2) The long-term health care facility assumes responsibility for timeliness of the services.

(3) Services are provided or obtained only when ordered by the attending physician and a notation is made in the resident's medical chart reflecting that the service has been provided to the resident.

SEC. 2. Section 14019.7 is added to the Welfare and Institutions Code, to read:

14019.7. (a) Notwithstanding Section 14019.4 and if permitted by federal law, a relative of a skilled nursing facility resident who is a beneficiary under this chapter may pay an additional amount to the facility to enable the resident to obtain requested noncovered services, such as a private room, telephone, or television, or for bed hold days that exceed a period paid for under the state plan.

(b) The additional charge for requested noncovered services shall not exceed the amount charged to private pay residents. The additional charge for bed hold days shall not exceed the rate paid for by the Medi-Cal program for a covered bed hold day. The additional charge for a private room shall not exceed the difference between the private pay rate for a semiprivate room and a private room.

(c) Prior to accepting supplemental payment for holding a bed for a resident in a facility, a facility shall disclose to the relative the resident's right under federal law to be readmitted without charge upon the first availability of a bed in a semiprivate room in that facility, other state and federal laws regarding bed hold rights, the average number of bed vacancies at that facility for the past month, and the current number of bed vacancies. Written information regarding bed vacancies shall be provided to the relative at the first available opportunity.

(d) The ability of a resident's relative to pay an additional amount for noncovered services shall not be a condition of admission.

CHAPTER 662

An act to add and repeal Section 31485.11 of the Government Code, relating to county employees' retirement.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 31485.11 is added to the Government Code, to read:

31485.11. (a) Notwithstanding any other provision of law, in a county of the fourth class, as defined in Sections 28020 and 28025, or a county of the 25th class, as defined in Sections 28020 and 28046, each as amended by Chapter 1204 of the Statutes of 1971, the board of supervisors may, by resolution, ordinance, contract, or contract amendment under this chapter, provide different retirement benefits for

some safety member bargaining units within the safety member classification of a county retirement system.

(b) The resolution, ordinance, contract, or contract amendment described in subdivision (a) may provide a different formula for calculation of retirement benefits, by making any section of this chapter applicable to different safety bargaining units within the safety member classification, applicable to service credit earned on and after the date specified in the resolution, which date may be earlier than the date the resolution is adopted. The terms of an agreement or memorandum of understanding reached with a recognized employee organization, pursuant to this subdivision, may be made applicable by the board of supervisors to any unrepresented group within the same or similar membership classification as the employees represented by the recognized employee organization or bargaining unit.

(c) A resolution adopted pursuant to this section may require members to pay all or part of the contributions by a member or employer, or both, that would have been required if the section or sections specified in subdivision (b), as adopted by the board or governing body, had been in effect during the period of time designated in the resolution. The payment by a member shall become part of the accumulated contributions of the member. For those members who are represented by a bargaining unit, the payment requirement shall be approved in a memorandum of understanding executed by the board of supervisors and the employee representatives.

(d) This section shall only apply to members who retire on or after the effective date of the resolution described in subdivision (a) or (b) or on or after the date provided in the memorandum of understanding described in subdivision (c).

(e) The board of supervisors, in the resolution, ordinance, contract, or contract amendment described in subdivision (a), shall not require that a bargaining unit be divided solely for the purpose of providing different retirement benefits. However, if the members of a bargaining unit within the same or similar membership classification so elect, retirement benefits may be separately negotiated with that bargaining unit.

(f) This section shall remain in effect only until January 1, 2010, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2010, deletes or extends that date.

CHAPTER 663

An act to amend Section 8875.4 of, and to add and repeal Section 8875.10 of, the Government Code, and to repeal Section 19169 of the Health and Safety Code, relating to seismic safety.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 8875.4 of the Government Code is amended to read:

8875.4. The Seismic Safety Commission shall report annually to the Legislature on the filing of mitigation programs from local jurisdictions. The annual report required by this section shall review and assess the effectiveness of building reconstruction standards adopted by cities and counties pursuant to this article and shall, commencing on or before January 1, 2007, include an evaluation of the impact and effectiveness of Section 8875.10.

SEC. 2. Section 8875.10 is added to the Government Code, to read:

8875.10. (a) Notwithstanding any other provision of law, a city or county may not impose any additional building or site conditions including, but not limited to, parking or other onsite or offsite requirements, fees, or exactions, on or before the issuance of a building permit that is necessary for the owner of a potentially hazardous building to conduct seismic-related improvements to that building in order for that building to meet the requirements of a mitigation program established pursuant to Section 8875.1 and adopted pursuant to Section 8875.2, if the building or site conditions do not relate to, or further the purpose of, seismic improvements to the building and the improvements comply with applicable building codes and meet or exceeds the requirements of state and federal law and regulations that would otherwise apply.

(b) This section shall not apply to any changes in use, design, or other building features that are unrelated to the seismic improvements. This section shall also not apply to a request for other entitlements for the project, including, but not limited to, a general plan amendment, zone change, or approval pursuant to the Subdivision Map Act.

(c) This section shall remain in effect only until January 1, 2009, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2009, deletes or extends that date.

SEC. 3. Section 19169 of the Health and Safety Code is repealed.

CHAPTER 664

An act to amend, repeal, and add Section 1596.792 of, and to add and repeal Sections 1516 and 1526.8 of, the Health and Safety Code, and to amend, repeal, and add Sections 11400 and 11402 of, and to add and repeal Section 11462.7 of, the Welfare and Institutions Code, relating to care facilities.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. (a) The Legislature finds that there exists a class of residential care facilities outside of the traditional spectrum of community care facilities, that provide short-term nonmedical care and supervision for children of families in crisis, help parents address issues that lead them to seek assistance, and dedicate themselves to preventing the occurrence of child abuse in these families. By providing an option for direct voluntary placement by parents and legal guardians, these crisis nurseries serve to prevent the need for more serious intervention for families in need. Crisis nurseries further serve a need by providing county child welfare service agencies with temporary emergency shelter care for children in need of care and supervision.

(b) The Legislature further finds that crisis nurseries provide a service currently inadequately defined by existing law, and that it is the intent of the Legislature in enacting this act to develop policies to ensure that these facilities may successfully carry out their mission of child abuse prevention, while ensuring the quality care and safety of the children under their responsibility.

SEC. 2. Section 1516 is added to the Health and Safety Code, to read:

1516. (a) For purposes of this chapter, ''crisis nursery'' means a facility licensed by the department pursuant to subdivision (j) to provide short-term, 24-hour nonmedical residential care and supervision for children under six years of age, who are either voluntarily placed for temporary care by a parent or legal guardian due to a family crisis or a stressful situation, for no more than 30 days or, except as provided in subdivision (e), who are temporarily placed by a county child welfare service agency for no more than 14 days.

(b) Crisis nurseries shall be organized and operated on a nonprofit basis by private nonprofit corporations or nonprofit public benefit corporations.

(c) ''Voluntary placement,'' for purposes of this section, means a child, who is not receiving Aid to Families with Dependent

Children-Foster Care, placed by a parent or legal guardian who retains physical custody of, and remains responsible for, the care of his or her children who are placed for temporary emergency care, as described in subdivision (a).

(d) A crisis nursery may also provide temporary emergency care to children under six years of age who have been taken into the protective custody of, or are placed directly by, the county child welfare services system that has assumed responsibility for the care of the children.

(e) County placements, as described in subdivision (d), shall be limited to no more than one-third of a crisis nursery's licensed capacity. The length of stay for a county-placed child shall not exceed 14 days unless the State Department of Social Services issues an exception.

(f) (1) Except as provided in paragraph (2), the maximum licensed capacity for crisis nursery programs shall be 14.

(2) Any facility licensed on or before January 1, 2004, as a group home for children under the age of six years with a licensed capacity greater than 14, but less than 21, that provides crisis nursery services shall be allowed to retain its capacity if issued a crisis nursery license until the time there is a change in the licensee's program, location, or client population.

(g) Facilities licensed as crisis nurseries shall be required to submit, in a format specified by the department, a monthly report indicating the total number of children placed in the program, designating whether each child is voluntarily placed by the parents or legal guardians or placed directly by county child welfare services and the length of stay for each child.

(h) Notwithstanding Section 1596.80, a crisis nursery may provide child day care services for children under the age of six years at the same site as the crisis nursery. A child may not receive child day care services at a crisis nursery for more than 30 calendar days in a six-month period unless the department issues an exception. A child who is receiving child day care services shall be counted in the licensed capacity. A child who is receiving child day care services, and who is a county placement, as described in subdivision (d), shall be counted in the limitation on county placements specified in subdivision (e).

(i) Exceptions to group home licensing regulations pursuant to subdivision (c) of Section 84200 of Title 22 of the California Code of Regulations, in effect on August 1, 2004, for county-operated or county-contracted emergency shelter care facilities that care for children under the age of six years for no more than 30 days, shall be contained in regulations for crisis nurseries.

(j) The department may issue a license pursuant to this section only to a facility that meets one of the following conditions:

(1) The facility is operating, or has an application on file with the department to operate as of September 1, 2004, as a group home for children under six years of age in any of the following counties:

(A) Contra Costa.

(B) Nevada.

(C) Placer.

(D) Sacramento.

(E) San Joaquin.

(F) Stanislaus.

(G) Yolo.

(2) The facility, pursuant to standards developed by the department by regulation, meets an urgent, significant, and unmet need for temporary respite care of children under the age of six years.

(3) The facility offers temporary emergency shelter and services only to children under the age of six years who are voluntarily placed by a parent or guardian, as set forth in subdivision (c), and the facility does not accept county placements, as set forth in subdivision (d).

(k) This section shall remain in effect only until January 1, 2008, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2008, deletes or extends that date.

SEC. 3. Section 1526.8 is added to the Health and Safety Code, to read:

1526.8. (a) It is the intent of the Legislature that the department develop modified staffing levels and requirements for crisis nurseries, provided that the health, safety, and well-being of the children in care are protected and maintained.

(b) The department shall allow the use of fully trained and qualified volunteers as caregivers in a crisis nursery, subject to the following conditions:

(1) Volunteers shall be fingerprinted for the purpose of conducting a criminal record review as specified in subdivision (b) of Section 1522.

(2) Volunteers shall complete a child abuse central index check as specified in Section 1522.1.

(3) Volunteers shall be in good physical health and be tested for tuberculosis not more than one year prior to, or seven days after, initial presence in the facility.

(4) Prior to assuming the duties and responsibilities of a crisis caregiver or being counted in the staff-to-child ratio, volunteers shall complete at least eight hours of initial training divided as follows:

(A) Four hours of crisis nursery job shadowing.

(B) Two hours of review of community care licensing regulations.

(C) Two hours of review of the crisis nursery program, including the facility mission statement, goals and objectives, and special needs of the client population they serve.

(5) Within 90 days, volunteers who are included in the staff-to-child ratios shall complete at least 20 hours of training divided as follows:

(A) Twelve hours of pediatric first aid and pediatric cardiopulmonary resuscitation.

(B) Eight hours of child care health and safety issues.

(6) Volunteers who meet the requirements of paragraphs (1), (2), and (3), but who have not completed the training specified in paragraph (4) or (5) may assist a fully trained and qualified staff person in performing child care duties. However, these volunteers shall not be left alone with children, shall always be under the direct supervision and observation of a fully trained and qualified staff person, and shall not be counted in meeting the minimum staff-to-child ratio requirements.

(c) The department shall allow the use of fully trained and qualified volunteers to be counted in the staff-to-child ratio in a crisis nursery subject to the following conditions:

(1) The volunteers have fulfilled the requirements in paragraphs (1) to (4), inclusive, of subdivision (b).

(2) There shall be at least one fully qualified and employed staff person on site at all times.

(3) (A) There shall be at least one employed staff or volunteer caregiver for each group of three children, or fraction thereof, from 7 a.m. to 7 p.m.

(B) There shall be at least one paid caregiver or volunteer caregiver for each group of four children, or fraction thereof, from 7 p.m. to 7 a.m.

(C) There shall be at least one employed staff person present for every volunteer caregiver used by the crisis nursery for the purpose of meeting the minimum caregiver staffing requirements.

(d) There shall be at least one staff person or volunteer caregiver awake at all times from 7 p.m. to 7 a.m.

(e) This section shall remain in effect only until January 1, 2008, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2008, deletes or extends that date.

SEC. 4. Section 1596.792 of the Health and Safety Code is amended to read:

1596.792. This chapter and Chapters 3.5 (commencing with Section 1596.90) and 3.6 (commencing with Section 1597.30) do not apply to any of the following:

(a) Any health facility, as defined by Section 1250.

(b) Any clinic, as defined by Section 1202.

(c) Any community care facility, as defined by Section 1502.

(d) Any family day care home providing care for the children of only one family in addition to the operator's own children.

(e) Any cooperative arrangement between parents for the care of their children when no payment is involved and the arrangement meets all of the following conditions:

(1) In a cooperative arrangement, parents shall combine their efforts so that each parent, or set of parents, rotates as the responsible caregiver with respect to all the children in the cooperative.

(2) Any person caring for children shall be a parent, legal guardian, stepparent, grandparent, aunt, uncle, or adult sibling of at least one of the children in the cooperative.

(3) There can be no payment of money or receipt of in-kind income in exchange for the provision of care. This does not prohibit in-kind contributions of snacks, games, toys, blankets for napping, pillows, and other materials parents deem appropriate for their children. It is not the intent of this paragraph to prohibit payment for outside activities, the amount of that may not exceed the actual cost of the activity.

(4) No more than 12 children are receiving care in the same place at the same time.

(f) Any arrangement for the receiving and care of children by a relative.

(g) Any public recreation program. ''Public recreation program'' means a program operated by the state, city, county, special district, school district, community college district, chartered city, or chartered city and county that meets either of the following criteria:

(1) The program is operated only during hours other than normal school hours for grades K–12, inclusive, in the public school district where the program is located, or operated only during periods when students in grades K–12, inclusive, are normally not in session in the public school district where the program is located, for either of the following periods:

(A) For under 16 hours per week.

(B) For a total of 12 weeks or less during a 12-month period. This total applies to any 12 weeks within any 12-month period, without regard to whether the weeks are consecutive.

In determining ''normal school hours'' or periods when students are ''normally not in session,'' the State Department of Social Services shall, when appropriate, consider the normal school hours or periods when students are normally not in session for students attending a year-round school.

(2) The program is provided to children who are over the age of four years and nine months and not yet enrolled in school and the program is operated during either of the following periods:

(A) For under 16 hours per week.

(B) For a total of 12 weeks or less during a 12-month period. This total applies to any 12 weeks within any 12-month period, without regard to whether the weeks are consecutive.

(3) The program is provided to children under the age of four years and nine months with sessions that run 12 hours per week or less and are 12 weeks or less in duration. A program subject to this paragraph may permit children to be enrolled in consecutive sessions throughout the year. However, the program shall not permit children to be enrolled in a combination of sessions that total more than 12 hours per week for each child.

(h) Extended day care programs operated by public or private schools.

(i) Any school parenting program or adult education child care program that satisfies both of the following:

(1) Is operated by a public school district or operated by an individual or organization pursuant to a contract with a public school district.

(2) Is not operated by an organization specified in Section 1596.793.

(j) Any child day care program that operates only one day per week for no more than four hours on that one day.

(k) Any child day care program that offers temporary child care services to parents and that satisfies both of the following:

(1) The services are only provided to parents and guardians who are on the same premises as the site of the child day care program.

(2) The child day care program is not operated on the site of a ski facility, shopping mall, department store, or any other similar site identified by the department by regulation.

(*l*) Any program that provides activities for children of an instructional nature in a classroom-like setting and satisfies both of the following:

(1) Is operated only during periods of the year when students in grades K–12, inclusive, are normally not in session in the public school district where the program is located due to regularly scheduled vacations.

(2) Offers any number of sessions during the period specified in paragraph (1) that when added together do not exceed a total of 30 days when only schoolage children are enrolled in the program or 15 days when children younger than schoolage are enrolled in the program.

(m) A program facility administered by the Department of Corrections that (1) houses both women and their children, and (2) is specifically designated for the purpose of providing substance abuse treatment and maintaining and strengthening the family unit pursuant to Chapter 4 (commencing with Section 3410) of Title 2 of Part 3 of the Penal Code, or Chapter 4.8 (commencing with Section 1174) of Title 7 of Part 2 of that code.

(n) Any crisis nursery, as defined in subdivision (a) of Section 1516.

(o) This section shall remain in effect only until January 1, 2008, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2008, deletes or extends that date.

SEC. 5. Section 1596.792 is added to the Health and Safety Code, to read:

1596.792. This chapter and Chapters 3.5 (commencing with Section 1596.90) and 3.6 (commencing with Section 1597.30) do not apply to any of the following:

(a) Any health facility, as defined by Section 1250.

(b) Any clinic, as defined by Section 1202.

(c) Any community care facility, as defined by Section 1502.

(d) Any family day care home providing care for the children of only one family in addition to the operator's own children.

(e) Any cooperative arrangement between parents for the care of their children when no payment is involved and the arrangement meets all of the following conditions:

(1) In a cooperative arrangement, parents shall combine their efforts so that each parent, or set of parents, rotates as the responsible caregiver with respect to all the children in the cooperative.

(2) Any person caring for children shall be a parent, legal guardian, stepparent, grandparent, aunt, uncle, or adult sibling of at least one of the children in the cooperative.

(3) There can be no payment of money or receipt of in-kind income in exchange for the provision of care. This does not prohibit in-kind contributions of snacks, games, toys, blankets for napping, pillows, and other materials parents deem appropriate for their children. It is not the intent of this paragraph to prohibit payment for outside activities, the amount of that may not exceed the actual cost of the activity.

(4) No more than 12 children are receiving care in the same place at the same time.

(f) Any arrangement for the receiving and care of children by a relative.

(g) Any public recreation program. ''Public recreation program'' means a program operated by the state, city, county, special district, school district, community college district, chartered city, or chartered city and county that meets either of the following criteria:

(1) The program is operated only during hours other than normal school hours for grades K–12, inclusive, in the public school district where the program is located, or operated only during periods when students in grades K–12, inclusive, are normally not in session in the public school district where the program is located, for either of the following periods:

(A) For under 16 hours per week.

(B) For a total of 12 weeks or less during a 12-month period. This total applies to any 12 weeks within any 12-month period, without regard to whether the weeks are consecutive.

In determining ''normal school hours'' or periods when students are ''normally not in session,'' the State Department of Social Services shall, when appropriate, consider the normal school hours or periods when students are normally not in session for students attending a year-round school.

(2) The program is provided to children who are over the age of four years and nine months and not yet enrolled in school and the program is operated during either of the following periods:

(A) For under 16 hours per week.

(B) For a total of 12 weeks or less during a 12-month period. This total applies to any 12 weeks within any 12-month period, without regard to whether the weeks are consecutive.

(3) The program is provided to children under the age of four years and nine months with sessions that run 12 hours per week or less and are 12 weeks or less in duration. A program subject to this paragraph may permit children to be enrolled in consecutive sessions throughout the year. However, the program shall not permit children to be enrolled in a combination of sessions that total more than 12 hours per week for each child.

(h) Extended day care programs operated by public or private schools.

(i) Any school parenting program or adult education child care program that satisfies both of the following:

(1) Is operated by a public school district or operated by an individual or organization pursuant to a contract with a public school district.

(2) Is not operated by an organization specified in Section 1596.793.

(j) Any child day care program that operates only one day per week for no more than four hours on that one day.

(k) Any child day care program that offers temporary child care services to parents and that satisfies both of the following:

(1) The services are only provided to parents and guardians who are on the same premises as the site of the child day care program.

(2) The child day care program is not operated on the site of a ski facility, shopping mall, department store, or any other similar site identified by the department by regulation.

(*l*) Any program that provides activities for children of an instructional nature in a classroom-like setting and satisfies both of the following:

(1) Is operated only during periods of the year when students in grades K–12, inclusive, are normally not in session in the public school

district where the program is located due to regularly scheduled vacations.

(2) Offers any number of sessions during the period specified in paragraph (1) that when added together do not exceed a total of 30 days when only schoolage children are enrolled in the program or 15 days when children younger than schoolage are enrolled in the program.

(m) A program facility administered by the Department of Corrections that (1) houses both women and their children, and (2) is specifically designated for the purpose of providing substance abuse treatment and maintaining and strengthening the family unit pursuant to Chapter 4 (commencing with Section 3410) of Title 2 of Part 3 of the Penal Code, or Chapter 4.8 (commencing with Section 1174) of Title 7 of Part 2 of that code.

(n) This section shall become operative on January 1, 2008.

SEC. 6. Section 11400 of the Welfare and Institutions Code is amended to read:

11400. For the purposes of this article, the following definitions shall apply:

(a) ''Aid to Families with Dependent Children-Foster Care (AFDC-FC)'' means the aid provided on behalf of needy children in foster care under the terms of this division.

(b) ''Case plan'' means a written document that, at a minimum, specifies the type of home in which the child shall be placed, the safety of that home, and the appropriateness of that home to meet the child's needs. It shall also include the agency's plan for ensuring that the child receive proper care and protection in a safe environment, and shall set forth the appropriate services to be provided to the child, the child's family, and the foster parents, in order to meet the child's needs while in foster care, and to reunify the child with the child's family. In addition, the plan shall specify the services that will be provided or steps that will be taken to facilitate an alternate permanent plan if reunification is not possible.

(c) ''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.

(d) ''Family home'' means the family residency of a licensee in which 24-hour care and supervision are provided for children.

(e) ''Small family home'' means any residential facility, in the licensee's family residence, which 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.

(f) ''Foster care'' means the 24-hour out-of-home care provided to children whose own families are unable or unwilling to care for them, and who are in need of temporary or long-term substitute parenting.

(g) ''Foster family agency'' means any individual or organization engaged in the recruiting, certifying, and training of, and providing professional support to, foster parents, or in finding homes or other places for placement of children for temporary or permanent care 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.

(h) ''Group home'' means a nondetention privately operated residential home, organized and operated on a nonprofit basis only, of any capacity, that provides services in a group setting to children in need of care and supervision, as required by paragraph (1) of subdivision (a) of Section 1502 of the Health and Safety Code.

(i) ''Periodic review'' means review of a child's status by the juvenile court or by an administrative review panel, that shall include a consideration of the safety of the child, a determination of the continuing need for placement in foster care, evaluation of the goals for the placement and the progress toward meeting these goals, and development of a target date for the child's return home or establishment of alternative permanent placement.

(j) ''Permanency planning hearing'' means a hearing conducted by the juvenile court in which the child's future status, including whether the child shall be returned home or another permanent plan shall be developed, is determined.

(k) ''Placement and care'' refers to the responsibility for the welfare of a child vested in an agency or organization by virtue of the agency or organization having (1) been delegated care, custody, and control of a child by the juvenile court, (2) taken responsibility, pursuant to a relinquishment or termination of parental rights on a child, (3) taken the responsibility of supervising a child detained by the juvenile court pursuant to Section 319 or 636, or (4) signed a voluntary placement agreement for the child's placement; or to the responsibility designated to an individual by virtue of his or her being appointed the child's legal guardian.

(*l*) ''Preplacement preventive services'' means services that are designed to help children remain with their families by preventing or eliminating the need for removal.

(m) ''Relative'' means an adult who is related to the child by blood, adoption, or affinity within the fifth degree of kinship, including stepparents, stepsiblings, and all relatives whose status is preceded by the words ''great,'' ''great-great,'' or ''grand'' or the spouse of any of these persons even if the marriage was terminated by death or dissolution.

(n) ''Nonrelative extended family member'' means an adult caregiver who has an established familial or mentoring relationship with the child, as described in Section 362.7.

(o) ''Voluntary placement'' means an out-of-home placement of a child by (1) the county welfare department after the parents or guardians have requested the assistance of the county welfare department and have signed a voluntary placement agreement; or (2) the county welfare department licensed public or private adoption agency, or the department acting as an adoption agency, after the parents have requested the assistance of either the county welfare department, the licensed public or private adoption agency, or the department acting as an adoption agency for the purpose of adoption planning, and have signed a voluntary placement agreement.

(p) ''Voluntary placement agreement'' means a written agreement between either the county welfare department, a licensed public or private adoption agency, or the department acting as an adoption agency, and the parents or guardians of a child that specifies, at a minimum, the following:

(1) The legal status of the child.

(2) The rights and obligations of the parents or guardians, the child, and the agency in which the child is placed.

(q) ''Original placement date'' means the most recent date on which the court detained a child and ordered an agency to be responsible for supervising the child or the date on which an agency assumed responsibility for a child due to termination of parental rights, relinquishment, or voluntary placement.

(r) ''Transitional housing placement facility'' means either of the following:

(1) A community care facility licensed by the State Department of Social Services pursuant to Section 1559.110 of the Health and Safety Code to provide transitional housing opportunities to persons at least 16 years of age, and not more than 18 years of age unless they satisfy the requirements of Section 11403, who are in out-of-home placement under the supervision of the county department of social services or the county probation department, and who are participating in an independent living program.

(2) A facility certified to provide transitional housing services pursuant to subdivision (e) of Section 1559.110 of the Health and Safety Code.

(s) ''Transitional housing placement program'' means a program that provides supervised housing opportunities to eligible youth pursuant to Article 4 (commencing with Section 16522) of Chapter 5 of Part 4.

(t) ''Crisis nursery'' means a facility licensed to provide short-term, 24-hour nonmedical residential care and supervision for children under

six years of age who are either voluntarily placed for temporary care by a parent or legal guardian due to a family crisis or stressful situation for no more than 30 days or, except as provided in subdivision (e) of Section 1516 of the Health and Safety Code, who are temporarily placed by a county child welfare service agency for no more than 14 days.

(u) This section shall remain in effect only until January 1, 2008, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2008, deletes or extends that date.

SEC. 7. Section 11400 is added to the Welfare and Institutions Code, to read:

11400. For the purposes of this article, the following definitions shall apply:

(a) ''Aid to Families with Dependent Children-Foster Care (AFDC-FC)'' means the aid provided on behalf of needy children in foster care under the terms of this division.

(b) ''Case plan'' means a written document that, at a minimum, specifies the type of home in which the child shall be placed, the safety of that home, and the appropriateness of that home to meet the child's needs. It shall also include the agency's plan for ensuring that the child receive proper care and protection in a safe environment, and shall set forth the appropriate services to be provided to the child, the child's family, and the foster parents, in order to meet the child's needs while in foster care, and to reunify the child with the child's family. In addition, the plan shall specify the services that will be provided or steps that will be taken to facilitate an alternate permanent plan if reunification is not possible.

(c) ''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.

(d) ''Family home'' means the family residency of a licensee in which 24-hour care and supervision are provided for children.

(e) ''Small family home'' means any residential facility, in the licensee's family residence, which 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.

(f) ''Foster care'' means the 24-hour out-of-home care provided to children whose own families are unable or unwilling to care for them, and who are in need of temporary or long-term substitute parenting.

(g) ''Foster family agency'' means any individual or organization engaged in the recruiting, certifying, and training of, and providing professional support to, foster parents, or in finding homes or other places for placement of children for temporary or permanent care 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.

(h) ''Group home'' means a nondetention privately operated residential home, organized and operated on a nonprofit basis only, of any capacity, that provides services in a group setting to children in need of care and supervision, as required by paragraph (1) of subdivision (a) of Section 1502 of the Health and Safety Code.

(i) ''Periodic review'' means review of a child's status by the juvenile court or by an administrative review panel, that shall include a consideration of the safety of the child, a determination of the continuing need for placement in foster care, evaluation of the goals for the placement and the progress toward meeting these goals, and development of a target date for the child's return home or establishment of alternative permanent placement.

(j) ''Permanency planning hearing'' means a hearing conducted by the juvenile court in which the child's future status, including whether the child shall be returned home or another permanent plan shall be developed, is determined.

(k) ''Placement and care'' refers to the responsibility for the welfare of a child vested in an agency or organization by virtue of the agency or organization having (1) been delegated care, custody, and control of a child by the juvenile court, (2) taken responsibility, pursuant to a relinquishment or termination of parental rights on a child, (3) taken the responsibility of supervising a child detained by the juvenile court pursuant to Section 319 or 636, or (4) signed a voluntary placement agreement for the child's placement; or to the responsibility designated to an individual by virtue of his or her being appointed the child's legal guardian.

(*l*) ''Preplacement preventive services'' means services that are designed to help children remain with their families by preventing or eliminating the need for removal.

(m) ''Relative'' means an adult who is related to the child by blood, adoption, or affinity within the fifth degree of kinship, including stepparents, stepsiblings, and all relatives whose status is preceded by the words ''great,'' ''great-great,'' or ''grand'' or the spouse of any of these persons even if the marriage was terminated by death or dissolution.

(n) ''Nonrelative extended family member'' means an adult caregiver who has an established familial or mentoring relationship with the child, as described in Section 362.7.

(o) ''Voluntary placement'' means an out-of-home placement of a child by (1) the county welfare department after the parents or guardians have requested the assistance of the county welfare department and have signed a voluntary placement agreement; or (2) the county welfare

department licensed public or private adoption agency, or the department acting as an adoption agency, after the parents have requested the assistance of either the county welfare department, the licensed public or private adoption agency, or the department acting as an adoption agency for the purpose of adoption planning, and have signed a voluntary placement agreement.

(p) ''Voluntary placement agreement'' means a written agreement between either the county welfare department, a licensed public or private adoption agency, or the department acting as an adoption agency, and the parents or guardians of a child that specifies, at a minimum, the following:

(1) The legal status of the child.

(2) The rights and obligations of the parents or guardians, the child, and the agency in which the child is placed.

(q) ''Original placement date'' means the most recent date on which the court detained a child and ordered an agency to be responsible for supervising the child or the date on which an agency assumed responsibility for a child due to termination of parental rights, relinquishment, or voluntary placement.

(r) ''Transitional housing placement facility'' means either of the following:

(1) A community care facility licensed by the State Department of Social Services pursuant to Section 1559.110 of the Health and Safety Code to provide transitional housing opportunities to persons at least 16 years of age, and not more than 18 years of age unless they satisfy the requirements of Section 11403, who are in out-of-home placement under the supervision of the county department of social services or the county probation department, and who are participating in an independent living program.

(2) A facility certified to provide transitional housing services pursuant to subdivision (e) of Section 1559.110 of the Health and Safety Code.

(s) ''Transitional housing placement program'' means a program that provides supervised housing opportunities to eligible youth pursuant to Article 4 (commencing with Section 16522) of Chapter 5 of Part 4.

(t) This section shall become operative on January 1, 2008.

SEC. 8. Section 11402 of the Welfare and Institutions Code is amended to read:

11402. In order to be eligible for AFDC-FC, a child shall be placed in one of the following:

(a) The approved home of a relative, provided the child is otherwise eligible for federal financial participation in the AFDC-FC payment.

(b) (1) The licensed family home of a nonrelative.

(2) The approved home of a nonrelative extended family member as described in Section 362.7.

(c) A licensed group home, as defined in subdivision (h) of Section 11400, provided that the placement worker has documented that the placement is necessary to meet the treatment needs of the child and that the facility offers those treatment services.

(d) The home of a nonrelated legal guardian or the home of a former nonrelated legal guardian when the guardianship of a child who is otherwise eligible for AFDC-FC has been dismissed due to the child's attaining 18 years of age.

(e) An exclusive-use home.

(f) A licensed transitional housing placement facility, as described in Section 1559.110 of the Health and Safety Code, and as defined in Section 11400.

(g) An out-of-state group home, provided that the placement worker, in addition to complying with all other statutory requirements for placing a minor in an out-of-state group home, documents that the requirements of Section 7911.1 of the Family Code have been met.

(h) A licensed crisis nursery, as described in Section 1516 of the Health and Safety Code, and as defined in subdivision (t) of Section 11400.

(i) This section shall remain in effect only until January 1, 2008, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2008, deletes or extends that date.

SEC. 9. Section 11402 is added to the Welfare and Institutions Code, to read:

11402. In order to be eligible for AFDC-FC, a child shall be placed in one of the following:

(a) The approved home of a relative, provided the child is otherwise eligible for federal financial participation in the AFDC-FC payment.

(b) (1) The licensed family home of a nonrelative.

(2) The approved home of a nonrelative extended family member as described in Section 362.7.

(c) A licensed group home, as defined in subdivision (h) of Section 11400, provided that the placement worker has documented that the placement is necessary to meet the treatment needs of the child and that the facility offers those treatment services.

(d) The home of a nonrelated legal guardian or the home of a former nonrelated legal guardian when the guardianship of a child who is otherwise eligible for AFDC-FC has been dismissed due to the child's attaining 18 years of age.

(e) An exclusive-use home.

(f) A licensed transitional housing placement facility as described in Section 1559.110 of the Health and Safety Code and as defined in Section 11400.

(g) An out-of-state group home, provided that the placement worker, in addition to complying with all other statutory requirements for placing a minor in an out-of-state group home, documents that the requirements of Section 7911.1 of the Family Code have been met.

(h) This section shall become operative on January 1, 2008.

SEC. 10. Section 11462.7 is added to the Welfare and Institutions Code, to read:

11462.7. (a) To the extent federal financial participation is available, the department shall set a foster care rate for crisis nurseries, as defined in Section 1516 of the Health and Safety Code and subdivision (t) of Section 11400.

(b) The rate structure required to implement this section shall be adopted as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The adoption of these 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, emergency regulations adopted to implement this section 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.

(c) Until the department adopts emergency regulations for establishing a rate for crisis nurseries, the rates shall be established using the foster care ratesetting system for group homes and subject to all of the requirements of Article 6 (commencing with Section 11450) of Chapter 2 of Part 3 of Division 9.

(d) Volunteers shall not be included in staff-to-child ratios used in the rate level determination.

(e) This section shall remain in effect only until January 1, 2008, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2008, deletes or extends that date.

SEC. 11. The department shall adopt emergency regulations creating a new community care facility category of crisis nurseries in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The adoption of these 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, emergency regulations adopted to implement this act 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.

SEC. 12. No appropriation pursuant to Section 15200 of the Welfare and Institutions Code shall be made for purposes of implementing this act.

SEC. 13. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 665

An act to add Section 11205.4 to the Vehicle Code, relating to vehicles.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 11205.4 is added to the Vehicle Code, to read:

11205.4. (a) By June 1, 2005, the Judicial Council shall do all of the following:

(1) Collect information from each superior court regarding whether and how the court works with the following entities:

(A) Traffic violator schools licensed by the department under this chapter.

(B) Court-approved programs of traffic safety instruction operated in accordance with the procedures established under Sections 1803.5, 1808.7, 11205.1, 41501, 42005, and 42007.

(C) Court assistance programs (CAPs) that operate in accordance with the procedures established under Sections 11205 and 11205.2.

(2) Collect information from each superior court regarding whether the court contracts with a CAP, and if so, how the CAP fee is set and what specific services are funded by the CAP fee. If a court does not contract with a CAP, determine how the court provides for all services related to processing traffic violators, including both traffic violator schools licensed by the department and court-approved programs of traffic safety

instruction. This information shall include, but is not limited to, the total fees collected in the most recent prior fiscal year and the total expenditure of those fees by category, together with the total unexpended fees retained by the court.

(3) Compile the information specified in paragraphs (1) and (2) in a report that provides a clear understanding of the current system involving the collection and expenditure of traffic violator fees.

(4) Recommend one or more approaches to setting a fiscal policy for the fees charged pursuant to Section 11205 to those traffic violators who have chosen or been ordered to attend a department licensed traffic violator school or court-approved program of traffic safety instruction.

(b) The financial data and information collected by the Judicial Council pursuant to subdivision (a) shall be provided by the Judicial Council to a person upon request and payment of a fee to cover the cost of photocopying and postage.

CHAPTER 666

An act to amend Sections 647 and 647.7 of the Penal Code, relating to disorderly conduct.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 647 of the Penal Code is amended to read:

647. Every person who commits any of the following acts is guilty of disorderly conduct, a misdemeanor:

(a) Who solicits anyone to engage in or who engages in lewd or dissolute conduct in any public place or in any place open to the public or exposed to public view.

(b) Who solicits or who agrees to engage in or who engages in any act of prostitution. A person agrees to engage in an act of prostitution when, with specific intent to so engage, he or she manifests an acceptance of an offer or solicitation to so engage, regardless of whether the offer or solicitation was made by a person who also possessed the specific intent to engage in prostitution. No agreement to engage in an act of prostitution shall constitute a violation of this subdivision unless some act, in addition to the agreement, is done within this state in furtherance of the commission of an act of prostitution by the person agreeing to engage in that act. As used in this subdivision, ''prostitution'' includes any lewd act between persons for money or other consideration.

(c) Who accosts other persons in any public place or in any place open to the public for the purpose of begging or soliciting alms.

(d) Who loiters in or about any toilet open to the public for the purpose of engaging in or soliciting any lewd or lascivious or any unlawful act.

(e) Who loiters or wanders upon the streets or from place to place without apparent reason or business and who refuses to identify himself or herself and to account for his or her presence when requested by any peace officer so to do, if the surrounding circumstances would indicate to a reasonable person that the public safety demands this identification.

(f) Who is found in any public place under the influence of intoxicating liquor, any drug, controlled substance, toluene, or any combination of any intoxicating liquor, drug, controlled substance, or toluene, in a condition that he or she is unable to exercise care for his or her own safety or the safety of others, or by reason of his or her being under the influence of intoxicating liquor, any drug, controlled substance, toluene, or any combination of any intoxicating liquor, drug, or toluene, interferes with or obstructs or prevents the free use of any street, sidewalk, or other public way.

(g) When a person has violated subdivision (f), a peace officer, if he or she is reasonably able to do so, shall place the person, or cause him or her to be placed, in civil protective custody. The person shall be taken to a facility, designated pursuant to Section 5170 of the Welfare and Institutions Code, for the 72-hour treatment and evaluation of inebriates. A peace officer may place a person in civil protective custody with that kind and degree of force which would be lawful were he or she effecting an arrest for a misdemeanor without a warrant. No person who has been placed in civil protective custody shall thereafter be subject to any criminal prosecution or juvenile court proceeding based on the facts giving rise to this placement. This subdivision shall not apply to the following persons:

(1) Any person who is under the influence of any drug, or under the combined influence of intoxicating liquor and any drug.

(2) Any person who a peace officer has probable cause to believe has committed any felony, or who has committed any misdemeanor in addition to subdivision (f).

(3) Any person who a peace officer in good faith believes will attempt escape or will be unreasonably difficult for medical personnel to control.

(h) Who loiters, prowls, or wanders upon the private property of another, at any time, without visible or lawful business with the owner or occupant. As used in this subdivision, ''loiter'' means to delay or linger without a lawful purpose for being on the property and for the purpose of committing a crime as opportunity may be discovered.

(i) Who, while loitering, prowling, or wandering upon the private property of another, at any time, peeks in the door or window of any inhabited building or structure, without visible or lawful business with the owner or occupant.

(j) Who lodges in any building, structure, vehicle, or place, whether public or private, without the permission of the owner or person entitled to the possession or in control of it.

(k) (1) Any person who looks through a hole or opening, into, or otherwise views, by means of any instrumentality, including, but not limited to, a periscope, telescope, binoculars, camera, motion picture camera, or camcorder, the interior of a bedroom, bathroom, changing room, fitting room, dressing room, or tanning booth, or the interior of any other area in which the occupant has a reasonable expectation of privacy, with the intent to invade the privacy of a person or persons inside. This subdivision shall not apply to those areas of a private business used to count currency or other negotiable instruments.

(2) Any person who uses a concealed camcorder, motion picture camera, or photographic camera of any type, to secretly videotape, film, photograph, or record by electronic means, another, identifiable person under or through the clothing being worn by that other person, for the purpose of viewing the body of, or the undergarments worn by, that other person, without the consent or knowledge of that other person, with the intent to arouse, appeal to, or gratify the lust, passions, or sexual desires of that person and invade the privacy of that other person, under circumstances in which the other person has a reasonable expectation of privacy.

(3) (A) Any person who uses a concealed camcorder, motion picture camera, or photographic camera of any type, to secretly videotape, film, photograph, or record by electronic means, another, identifiable person who may be in a state of full or partial undress, for the purpose of viewing the body of, or the undergarments worn by, that other person, without the consent or knowledge of that other person, in the interior of a bedroom, bathroom, changing room, fitting room, dressing room, or tanning booth, or the interior of any other area in which that other person has a reasonable expectation of privacy, with the intent to invade the privacy of that other person.

(B) Neither of the following is a defense to the crime specified in this paragraph:

(i) The defendant was a cohabitant, landlord, tenant, cotenant, employer, employee, or business partner or associate of the victim, or an agent of any of these.

(ii) The victim was not in a state of full or partial undress.

(*l*) In any accusatory pleading charging a violation of subdivision (b), if the defendant has been once previously convicted of a violation of that

subdivision, the previous conviction shall be charged in the accusatory pleading. If the previous conviction is found to be true by the jury, upon a jury trial, or by the court, upon a court trial, or is admitted by the defendant, the defendant shall be imprisoned in a county jail for a period of not less than 45 days and shall not be eligible for release upon completion of sentence, on probation, on parole, on work furlough or work release, or on any other basis until he or she has served a period of not less than 45 days in a county jail. In all cases in which probation is granted, the court shall require as a condition thereof that the person be confined in a county jail for at least 45 days. In no event does the court have the power to absolve a person who violates this subdivision from the obligation of spending at least 45 days in confinement in a county jail.

In any accusatory pleading charging a violation of subdivision (b), if the defendant has been previously convicted two or more times of a violation of that subdivision, each of these previous convictions shall be charged in the accusatory pleading. If two or more of these previous convictions are found to be true by the jury, upon a jury trial, or by the court, upon a court trial, or are admitted by the defendant, the defendant shall be imprisoned in a county jail for a period of not less than 90 days and shall not be eligible for release upon completion of sentence, on probation, on parole, on work furlough or work release, or on any other basis until he or she has served a period of not less than 90 days in a county jail. In all cases in which probation is granted, the court shall require as a condition thereof that the person be confined in a county jail for at least 90 days. In no event does the court have the power to absolve a person who violates this subdivision from the obligation of spending at least 90 days in confinement in a county jail.

In addition to any punishment prescribed by this section, a court may suspend, for not more than 30 days, the privilege of the person to operate a motor vehicle pursuant to Section 13201.5 of the Vehicle Code for any violation of subdivision (b) that was committed within 1,000 feet of a private residence and with the use of a vehicle. In lieu of the suspension, the court may order a person's privilege to operate a motor vehicle restricted, for not more than six months, to necessary travel to and from the person's place of employment or education. If driving a motor vehicle is necessary to perform the duties of the person's employment, the court may also allow the person to drive in that person's scope of employment.

SEC. 2. Section 647.7 of the Penal Code is amended to read:

647.7. (a) In any case in which a person is convicted of violating subdivision (i) or (k) of Section 647, the court may require counseling as a condition of probation. Any defendant so ordered to be placed in a counseling program shall be responsible for paying the expense of his

or her participation in the counseling program as determined by the court. The court shall take into consideration the ability of the defendant to pay, and no defendant shall be denied probation because of his or her inability to pay.

(b) Every person who, having been convicted of violating subdivision (i) or (k) of Section 647, commits a second or subsequent violation of subdivision (i) or (k) of Section 647, shall be punished by imprisonment in a county jail not exceeding one year, by a fine not exceeding one thousand dollars ($1,000), or by both that fine and imprisonment, except as provided in subdivision (c).

(c) Every person who, having been previously convicted of violating subdivision (i) or (k) of Section 647, commits a violation of paragraph (3) of subdivision (k) of Section 647 regardless of whether it is a first, second, or subsequent violation of that paragraph, shall be punished by imprisonment in a county jail not exceeding one year, by a fine not exceeding five thousand dollars ($5,000), or by both that fine and imprisonment.

SEC. 2.5. Section 647.7 of the Penal Code is amended to read:

647.7. (a) In any case in which a person is convicted of violating subdivision (i) or (k) of Section 647 or Section 647.05, the court may require counseling as a condition of probation. Any defendant so ordered to be placed in a counseling program shall be responsible for paying the expense of his or her participation in the counseling program as determined by the court. The court shall take into consideration the ability of the defendant to pay, and no defendant shall be denied probation because of his or her inability to pay.

(b) Every person who, having been convicted of violating subdivision (i) or (k) of Section 647, commits a second or subsequent violation of subdivision (i) or (k) of Section 647, shall be punished by imprisonment in a county jail not exceeding one year, by a fine not exceeding one thousand dollars ($1,000), or by both that fine and imprisonment, except as provided in subdivision (c).

(c) Every person who, having been previously convicted of violating subdivision (i) or (k) of Section 647, commits a violation of paragraph (3) of subdivision (k) of Section 647 regardless of whether it is a first, second, or subsequent violation of that paragraph, shall be punished by imprisonment in a county jail not exceeding one year, by a fine not exceeding five thousand dollars ($5,000), or by both that fine and imprisonment.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction,

within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 4. Section 2.5 of this bill incorporates amendments to Section 647.7 of the Penal Code proposed by both this bill and AB 2403. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 647.7 of the Penal Code, and (3) this bill is enacted after AB 2403, in which case Section 2 of this bill shall not become operative.

CHAPTER 667

An act to amend Sections 853, 1601.1, 1616.5, and 1742 of, to amend and repeal Sections 1753.5, 1754, and 1756 of, to amend, repeal, and add Sections 1750, 1751, 1752, 1753, and 1770 of, to add Sections 1750.1, 1750.2, 1750.3, 1752.5, 1753.1, and 1777 to, and to repeal and add Section 1757 of, the Business and Professions Code, relating to healing arts, and making an appropriation therefor.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 853 of the Business and Professions Code is amended to read:

853. (a) The Licensed Physicians and Dentists from Mexico Pilot Program is hereby created. This program shall allow up to 30 licensed physicians specializing in family practice, internal medicine, pediatrics, and obstetrics and gynecology, and up to 30 licensed dentists from Mexico to practice medicine or dentistry in California for a period not to exceed three years. The program shall also maintain an alternate list of program participants.

(b) The Medical Board of California shall issue three-year nonrenewable licenses to practice medicine to licensed Mexican physicians and the Dental Board of California shall issue three-year nonrenewable permits to practice dentistry to licensed Mexican dentists.

(c) Physicians from Mexico eligible to participate in this program shall comply with the following:

(1) Be licensed, certified or recertified, and in good standing in their medical specialty in Mexico. This certification or recertification shall be performed, as appropriate, by the Consejo Mexicano de Ginocologia y Obstetricia, A.C., the Consejo Mexicano de Certificacion en Medicina

Familiar, A.C., the Consejo Mexicano de Medicina Interna, A.C., or the Consejo Mexicano de Certificacion en Pediatria, A.C.

(2) Prior to leaving Mexico, each physician shall have completed the following requirements:

(A) Passed the board review course with a score equivalent to that registered by United States applicants when passing a board review course for the United States certification examination in each of his or her specialty areas and passed an interview examination developed by the National Autonomous University of Mexico (UNAM) for each specialty area. Family practitioners who shall include obstetrics and gynecology in their practice shall also be required to have appropriately documented, as specified by United States standards, 50 live births. Mexican obstetricians and gynecologists shall be fellows in good standing of the American College of Obstetricians and Gynecologists.

(B) (i) Satisfactorily completed a six-month orientation program that addressed medical protocol, community clinic history and operations, medical administration, hospital operations and protocol, medical ethics, the California medical delivery system, health maintenance organizations and managed care practices, and pharmacology differences. This orientation program shall be approved by the Medical Board of California to ensure that it contains the requisite subject matter and meets appropriate California law and medical standards where applicable.

(ii) Additionally, Mexican physicians participating in the program shall be required to be enrolled in adult English-as-a-second-language (ESL) classes that focus on both verbal and written subject matter. Each physician participating in the program shall have transcripts sent to the Medical Board of California from the appropriate Mexican university showing enrollment and satisfactory completion of these classes.

(C) Representatives from the National Autonomous University of Mexico (UNAM) in Mexico and a medical school in good standing or a facility conducting an approved medical residency training program in California shall confer to develop a mutually agreed upon distant learning program for the six-month orientation program required pursuant to subparagraph (B).

(3) Upon satisfactory completion of the requirements in paragraphs (1) and (2), and after having received their three-year nonrenewable medical license, the Mexican physicians shall be required to obtain continuing education pursuant to Section 2190 of the Business and Professions Code. Each physician shall obtain an average of 25 continuing education units per year for a total of 75 units for a full three years of program participation.

(4) Upon satisfactory completion of the requirements in paragraphs (1) and (2), the applicant shall receive a three-year nonrenewable license

to work in nonprofit community health centers and shall also be required to participate in a six-month externship at his or her place of employment. This externship shall be undertaken after the participant has received a license and is able to practice medicine. The externship shall ensure that the participant is complying with the established standards for quality assurance of nonprofit community health centers and medical practices. The externship shall be affiliated with a medical school in good standing in California. Complaints against program participants shall follow the same procedures contained in the Medical Practice Act (Chapter 5 (commencing with Section 2000)).

(5) After arriving in California, Mexican physicians participating in the program shall be required to be enrolled in adult English-as-a-second-language (ESL) classes at institutions approved by the Bureau of Private Post Secondary and Vocational Education or accredited by the Western Association of Schools and Colleges. These classes shall focus on verbal and written subject matter to assist a physician in obtaining a level of proficiency in English that is commensurate with the level of English spoken at community clinics where he or she will practice. The community clinic employing a physician shall submit documentation confirming approval of an ESL program to the Medical Board of California for verification. Transcripts of satisfactory completion of the ESL classes shall be submitted to the Medical Board of California as proof of compliance with this provision.

(6) (A) Nonprofit community health centers employing Mexican physicians in the program shall be required to have medical quality assurance protocols and either be accredited by the Joint Commission on Accreditation of Health Care Organizations or have protocols similar to those required by the Joint Commission on Accreditation of Health Care Organizations. These protocols shall be submitted to the Medical Board of California prior to the hiring of Mexican physicians.

(B) In addition, after the program participant successfully completes the six-month externship program, a free standing health care organization that has authority to provide medical quality certification, including, but not limited to, health plans, hospitals, and the Integrated Physician Association, shall be responsible for ensuring and overseeing the compliance of nonprofit community health centers medical quality assurance protocols, conducting site visits when necessary, and developing any additional protocols, surveys, or assessment tools to ensure that quality of care standards through quality assurance protocols are being appropriately followed by physicians participating in the program.

(7) Participating hospitals shall have the authority to establish criteria necessary to allow individuals participating in this three-year pilot program to be granted hospital privileges in their facilities.

(8) The Medical Board of California shall provide oversight review of both the implementation of this program and the evaluation required pursuant to subdivision (j). The board shall consult with the medical schools applying for funding to implement and evaluate this program, executive and medical directors of nonprofit community health centers wanting to employ program participants, and hospital administrators who will have these participants practicing in their hospital, as it conducts its oversight responsibilities of this program and evaluation. Any funding necessary for the implementation of this program, including the evaluation and oversight functions, shall be secured from nonprofit philanthropic entities. Implementation of this program may not proceed unless appropriate funding is secured from nonprofit philanthropic entities. The Medical Board of California shall report to the Legislature every January during which the program is operational regarding the status of the program and the ability of the program to secure the funding necessary to carry out its required provisions. Notwithstanding Section 11005 of the Government Code, the board may accept funds from nonprofit philanthropic entities. The board shall, upon appropriation in the annual Budget Act, expend funds received from nonprofit philanthropic entities for this program.

(d) (1) Dentists from Mexico eligible to participate in this program shall comply with the following requirements or the requirements contained in paragraph (2):

(A) Be graduates from the National Autonomous University of Mexico School of Faculty Dentistry (Facultad de Odontologia).

(B) Meet all criteria required for licensure in Mexico that is required and being applied by the National Autonomous University of Mexico School of Faculty Dentistry (Facultad de Odontologia), including, but not limited to:

(i) A minimum grade point average.

(ii) A specified English language comprehension and conversational level.

(iii) Passage of a general examination.

(iv) Passage of an oral interview.

(C) Enroll and complete an orientation program that focuses on the following:

(i) Practical issues in pharmacology that shall be taught by an instructor who is affiliated with a California dental school approved by the Dental Board of California.

(ii) Practical issues and diagnosis in oral pathology that shall be taught by an instructor who is affiliated with a California dental school approved by the Dental Board of California.

(iii) Clinical applications that shall be taught by an instructor who is affiliated with a California dental school approved by the Dental Board of California.

(iv) Biomedical sciences that shall be taught by an instructor who is affiliated with a California dental school approved by the Dental Board of California.

(v) Clinical history management that shall be taught by an instructor who is affiliated with a California dental school approved by the Dental Board of California.

(vi) Special patient care that shall be taught by an instructor who is affiliated with a California dental school approved by the Dental Board of California.

(vii) Sedation techniques that shall be taught by an instructor who is affiliated with a California dental school approved by the Dental Board of California.

(viii) Infection control guidelines which shall be taught by an instructor who is affiliated with a California dental school approved by the Dental Board of California.

(ix) Introduction to health care systems in California.

(x) Introduction to community clinic operations.

(2) (A) Graduate within the three-year period prior to enrollment in the program, from a foreign dental school that has received provisional approval or certification by November of 2003 from the Dental Board of California under the Foreign Dental School Approval Program.

(B) Enroll and satisfactorily complete an orientation program that focuses on the health care system and community clinic operations in California.

(C) Enroll and satisfactorily complete a course taught by an approved foreign dental school on infection control approved by the Dental Board of California.

(3) Upon satisfactory completion to a competency level of the requirements in paragraph (1) or (2), dentists participating in the program shall be eligible to obtain employment in a nonprofit community health center pursuant to subdivision (f) within the structure of an extramural dental program for a period not to exceed three years.

(4) Dentists participating in the program shall be required to complete the necessary continuing education units required by the Dental Practice Act (Chapter 4 (commencing with Section 1600)).

(5) The program shall accept 30 participating dentists. The program shall also maintain an alternate list of program applicants. If an active program participant leaves the program for any reason, a participating dentist from the alternate list shall be chosen to fill the vacancy. Only active program participants shall be required to complete the orientation program specified in subparagraph (C) of paragraph (1).

(6) (A) Additionally, an extramural dental facility may be identified, qualified, and approved by the board as an adjunct to, and an extension of, the clinical and laboratory departments of an approved dental school.

(B) As used in this subdivision, ''extramural dental facility'' includes, but is not limited to, any clinical facility linked to an approved dental school for the purposes of monitoring or overseeing the work of a dentist licensed in Mexico participating in this program and that is employed by an approved dental school for instruction in dentistry that exists outside or beyond the walls, boundaries, or precincts of the primary campus of the approved dental school, and in which dental services are rendered. These facilities shall include nonprofit community health centers.

(C) Dental services provided to the public in these facilities shall constitute a part of the dental education program.

(D) Approved dental schools shall register extramural dental facilities with the board. This registration shall be accompanied by information supplied by the dental school pertaining to faculty supervision, scope of treatment to be rendered, arrangements for postoperative care, the name and location of the facility, the date operations shall commence at the facility, and a description of the equipment and facilities available. This information shall be supplemented with a copy of the agreement between the approved dental school and the affiliated institution establishing the contractual relationship. Any change in the information initially provided to the board shall be communicated to the board.

(7) The program shall also include issues dealing with program operations, and shall be developed in consultation by representatives of community clinics, approved dental schools, or the National Autonomous University of Mexico School of Faculty Dentistry (Facultad de Odontologia).

(8) The Dental Board of California shall provide oversight review of the implementation of this program and the evaluation required pursuant to subdivision (j). The dental board shall consult with dental schools in California that have applied for funding to implement and evaluate this program and executive and dental directors of nonprofit community health centers wanting to employ program participants, as it conducts its oversight responsibilities of this program and evaluation. Implementation of this program may not proceed unless appropriate funding is secured from nonprofit philanthropic entities. The Dental Board of California shall report to the Legislature every January during which the program is operational regarding the status of the program and the ability of the program to secure the funding necessary to carry out its required provisions. Notwithstanding Section 11005 of the Government Code, the board may accept funds from nonprofit philanthropic entities.

(e) Nonprofit community health centers that employ participants shall be responsible for ensuring that participants are enrolled in local English-language instruction programs and that the participants attain English-language fluency at a level that would allow the participants to serve the English-speaking patient population when necessary and have the literacy level to communicate with appropriate hospital staff when necessary.

(f) Physicians and dentists from Mexico having met the applicable requirements set forth in subdivisions (c) and (d) shall be placed in a pool of candidates who are eligible to be recruited for employment by nonprofit community health centers in California, including, but not limited to, those located in the Counties of Ventura, Los Angeles, San Bernardino, Imperial, Monterey, San Benito, Sacramento, San Joaquin, Santa Cruz, Yuba, Orange, Colusa, Glenn, Sutter, Kern, Tulare, Fresno, Stanislaus, San Luis Obispo, and San Diego. The Medical Board of California shall ensure that all Mexican physicians participating in this program have satisfactorily met the requirements set forth in subdivision (c) prior to placement at a nonprofit community health center.

(g) Nonprofit community health centers in the counties listed in subdivision (f) shall apply to the Medical Board of California and the Dental Board of California to hire eligible applicants who shall then be required to complete a six-month externship that includes working in the nonprofit community health center and a corresponding hospital. Once enrolled in this externship, and upon payment of the required fees, the Medical Board of California shall issue a three-year nonrenewable license to practice medicine and the Dental Board of California shall issue a three-year nonrenewable dental special permit to practice dentistry. For purposes of this program, the fee for a three-year nonrenewable license to practice medicine shall be nine hundred dollars ($900) and the fee for a three-year nonrenewable dental permit shall be five hundred forty-eight dollars ($548). A licensee or permitholder shall practice only in the nonprofit community health center that offered him or her employment and the corresponding hospital. This three-year nonrenewable license or permit shall be deemed to be a license or permit in good standing pursuant to the provisions of this chapter for the purpose of participation and reimbursement in all federal, state, and local health programs, including managed care organizations and health maintenance organizations.

(h) The three-year nonrenewable license or permit shall terminate upon notice by certified mail, return receipt requested, to the licensee's or permitholder's address of record, if, in the Medical Board of California or Dental Board of California's sole discretion, it has determined that either:

(1) The license or permit was issued by mistake.

(2) A complaint has been received by either board against the licensee or permitholder that warrants terminating the license or permit pending an investigation and resolution of the complaint.

(i) All applicable employment benefits, salary, and policies provided by nonprofit community health centers to their current employees shall be provided to medical and dental practitioners from Mexico participating in this pilot program. This shall include nonprofit community health centers providing malpractice insurance coverage.

(j) Beginning 12 months after this pilot program has commenced, an evaluation of the program shall be undertaken with funds provided from philanthropic foundations. The evaluation shall be conducted jointly by one medical school and one dental school in California and either the National Autonomous University of Mexico or a foreign dental school approved by the board, in consultation with the Medical Board of California and the Dental Board of California. If the evaluation required pursuant to this section does not begin within 15 months after the pilot project has commenced, the evaluation may be performed by an independent consultant selected by the Director of the Department of Consumer Affairs. This evaluation shall include, but not be limited to, the following issues and concerns:

(1) Quality of care provided by doctors and dentists licensed under this pilot program.

(2) Adaptability of these licensed practitioners to California medical and dental standards.

(3) Impact on working and administrative environment in nonprofit community health centers and impact on interpersonal relations with medical licensed counterparts in health centers.

(4) Response and approval by patients.

(5) Impact on cultural and linguistic services.

(6) Increases in medical encounters provided by participating practitioners to limited-English-speaking patient populations and increases in the number of limited-English-speaking patients seeking health care services from nonprofit community health centers.

(7) Recommendations on whether the program should be continued, expanded, altered, or terminated.

(8) Progress reports on available data listed shall be provided to the Legislature on achievable time intervals beginning the second year of implementation of this pilot program. An interim final report shall be issued three months before termination of this pilot program. A final report shall be submitted to the Legislature at the time of termination of this pilot program on all of the above data. The final report shall reflect and include how other initiatives concerning the development of culturally and linguistically competent medical and dental providers

within California and the United States are impacting communities in need of these health care providers.

(k) Costs for administering this pilot program shall be secured from philanthropic entities.

(*l*) Program applicants shall be responsible for working with the governments of Mexico and the United States in order to obtain the necessary three-year visa required for program participation.

SEC. 2. Section 1601.1 of the Business and Professions Code is amended to read:

1601.1. (a) There shall be in the Department of Consumer Affairs the Dental Board of California in which the administration of this chapter is vested. The board shall consist of eight practicing dentists, one registered dental hygienist, one registered dental assistant, and four public members. Of the eight practicing dentists, one shall be a member of a faculty of any California dental college and one shall be a dentist practicing in a nonprofit community clinic. The appointing powers, described in Section 1603, may appoint to the board a person who was a member of the prior board. The board shall be organized into standing committees dealing with examinations, enforcement, and other subjects as the board deems appropriate.

(b) For purposes of this chapter, any reference in this chapter to the Board of Dental Examiners shall be deemed to refer to the Dental Board of California.

(c) The board shall have all authority previously vested in the existing board under this chapter. The board may enforce all disciplinary actions undertaken by the previous board.

(d) This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed. The repeal of this section renders the board subject to the review required by Division 1.2 (commencing with Section 473).

SEC. 3. Section 1616.5 of the Business and Professions Code is amended to read:

1616.5. (a) The board, by and with the approval of the director, may appoint a person exempt from civil service who shall be designated as an executive officer and who shall exercise the powers and perform the duties delegated by the board and vested in him or her by this chapter.

(b) This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 4. Section 1742 of the Business and Professions Code is amended to read:

1742. (a) There is within the jurisdiction of the board a Committee on Dental Auxiliaries.

(b) The Committee on Dental Auxiliaries shall have the following areas of responsibility and duties:

(1) The committee shall have the following duties and authority related to education programs and curriculum:

(A) Shall evaluate all dental auxiliary programs applying for board approval in accordance with board rules governing the programs.

(B) May appoint board members to any evaluation committee. Board members so appointed shall not make a final decision on the issue of program or course approval.

(C) Shall report and make recommendations to the board as to whether a program or course qualifies for approval. The board retains the final authority to grant or deny approval to a program or course.

(D) Shall review and document any alleged deficiencies that might warrant board action to withdraw or revoke approval of a program or course, at the request of the board.

(E) May review and document any alleged deficiencies that might warrant board action to withdraw or revoke approval of a program or course, at its own initiation.

(2) The committee shall have the following duties and authority related to applications:

(A) Shall review and evaluate all applications for licensure in the various dental auxiliary categories to ascertain whether a candidate meets the appropriate licensing requirements specified by statute and board regulations.

(B) Shall maintain application records, cashier application fees, and perform any other ministerial tasks as are incidental to the application process.

(C) May delegate any or all of the functions in this paragraph to its staff.

(D) Shall issue auxiliary licenses in all cases, except where there is a question as to a licensing requirement. The board retains final authority to interpret any licensing requirement. If a question arises in the area of interpreting any licensing requirement, it shall be presented by the committee to the board for resolution.

(3) The committee shall have the following duties and authority regarding examinations:

(A) Shall advise the board as to the type of license examination it deems appropriate for the various dental auxiliary license categories.

(B) Shall, at the direction of the board, develop or cause to be developed, administer, or both, examinations in accordance with the board's instructions and periodically report to the board on the progress

of those examinations. The following shall apply to the examination procedure:

(i) The examination shall be submitted to the board for its approval prior to its initial administration.

(ii) Once an examination has been approved by the board, no further approval is required unless a major modification is made to the examination.

(iii) The committee shall report to the board on the results of each examination and shall, where appropriate, recommend pass points.

(iv) The board shall set pass points for all dental auxiliary licensing examinations.

(C) May appoint board members to any examination committee established pursuant to subparagraph (B).

(4) The committee shall periodically report and make recommendations to the board concerning the level of fees for dental auxiliaries and the need for any legislative fee increase. However, the board retains final authority to set all fees.

(5) The committee shall be responsible for all aspects of the license renewal process, which shall be accomplished in accordance with this chapter and board regulations. The committee may delegate any or all of its functions under this paragraph to its staff.

(6) The committee shall have no authority with respect to the approval of continuing education providers; the board retains all of this authority.

(7) The committee shall advise the board as to appropriate standards of conduct for auxiliaries, the proper ordering of enforcement priorities, and any other enforcement-related matters that the board may, in the future, delegate to the committee. The board shall retain all authority with respect to the enforcement actions, including, but not limited to, complaint resolution, investigation, and disciplinary action against auxiliaries.

(8) The committee shall have the following duties regarding regulations:

(A) To review and evaluate all suggestions or requests for regulatory changes related to dental auxiliaries.

(B) To report and make recommendations to the board, after consultation with departmental legal counsel and the board's executive officer.

(C) To include in any report regarding a proposed regulatory change, at a minimum, the specific language of the proposed changes and the reasons for and facts supporting the need for the change. The board has the final rulemaking authority.

(c) This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute which

becomes effective on or before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed. The repeal of this section renders the committee subject to the review required by Division 1.2 (commencing with Section 473).

SEC. 5. Section 1750 of the Business and Professions Code is amended to read:

1750. (a) A dental assistant is a person who may perform basic supportive dental procedures as authorized by this article under the supervision of a licensed dentist and who may perform basic supportive procedures as authorized pursuant to subdivision (b) of Section 1751 under the supervision of a registered dental hygienist in alternative practice.

(b) This section shall become inoperative on December 31, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 6. Section 1750 is added to the Business and Professions Code, to read:

1750. (a) A dental assistant is an individual who, without a license, may perform basic supportive dental procedures, as authorized by this article and by regulations adopted by the board, under the supervision of a licensed dentist. ''Basic supportive dental procedures'' are those procedures that have technically elementary characteristics, are completely reversible, and are unlikely to precipitate potentially hazardous conditions for the patient being treated. These basic supportive dental procedures may be performed under general supervision. These basic supportive dental procedures do not include those procedures authorized in Section 1750.3 or Section 1753.1, or by the board pursuant to Section 1751 for registered assistants.

(b) The supervising licensed dentist shall be responsible for determining the competency of the dental assistant to perform the basic supportive dental procedures authorized pursuant to subdivision (a).

(c) The supervising licensed dentist shall be responsible for assuring that each dental assistant, registered orthodontic assistant, registered surgery assistant, registered restorative assistant, registered restorative assistant in extended functions, registered dental assistant, and registered dental assistant in extended functions, who is in his or her continuous employ for 120 days or more, has completed both of the following within a year of the date of employment:

(1) Board-approved courses in infection control and California law.

(2) A course in basic life support offered by the American Red Cross, the American Heart Association, or any other course approved by the board as equivalent.

(d) Prior to operating radiographic equipment or applying for licensure as a registered dental assistant under Section 1752.5, an auxiliary described in subdivision (c) shall successfully complete a radiation safety course approved by the board.

(e) This section shall become operative on January 1, 2007.

SEC. 7. Section 1750.1 is added to the Business and Professions Code, to read:

1750.1. (a) The practice of dental assisting does not include any of the following procedures:

(1) Diagnosis and comprehensive treatment planning.

(2) Placing, finishing, or removing permanent restorations, except as provided in Section 1753.1.

(3) Surgery or cutting on hard and soft tissue including, but not limited to, the removal of teeth and the cutting and suturing of soft tissue.

(4) Prescribing medication.

(5) Starting or adjusting local or general anesthesia or oral or parenteral conscious sedation, except for the administration of nitrous oxide and oxygen, whether administered alone or in combination with each other and except as otherwise provided in this article.

(b) This section shall become operative on January 1, 2007.

SEC. 8. Section 1750.2 is added to the Business and Professions Code, to read:

1750.2. (a) The board shall license as a ''registered orthodontic assistant,'' ''registered surgery assistant,'' or ''registered restorative assistant'' any person who submits written evidence of satisfactory completion of a course or courses approved by the board pursuant to subdivision (b) that qualifies him or her in one of these specialty areas of practice.

(b) The board shall adopt regulations for the approval of postsecondary specialty registration programs in the specialty areas specified in this section.

The regulations shall define the minimum education and training requirements necessary to achieve proficiency in the procedures authorized for each specialty registration, taking into account the combinations of classroom and practical instruction, clinical training, and supervised work experience that are most likely to provide the greatest number of opportunities for improving dental assisting skills efficiently.

(c) A person who holds a specialty registration pursuant to this section shall be subject to the continuing education requirements established by the board pursuant to Section 1645 and the renewal requirements of Article 6 (commencing with Section 1900).

(d) This section shall become operative on January 1, 2007.

SEC. 9. Section 1750.3 is added to the Business and Professions Code, to read:

1750.3. (a) A registered orthodontic assistant may perform all of the following dental procedures, as well as those authorized by board regulations adopted pursuant to Section 1751:

(1) Any duties that a dental assistant may perform.

(2) Placing and removing orthodontic separators.

(3) Placing and removing ligatures and arch wires.

(4) Taking orthodontic impressions.

(5) Sizing, fitting, adjusting, prepositioning, curing in a position approved by the supervising dentist, and removal of orthodontic bands and brackets.

(6) Coronal polishing.

(7) Removing excess cement from supragingival surfaces of teeth.

(8) Preparing teeth for bonding.

(9) Activating bleaching agents with nonlaser, light-curing devices.

(10) Removal of excess cement from coronal surfaces of teeth under orthodontic treatment by means of an ultrasonic scaler.

(b) A registered surgery assistant may perform the following dental procedures, as well as those authorized by board regulations adopted pursuant to Section 1751:

(1) Any duties that a dental assistant may perform.

(2) Monitoring of patients during the preoperative, intraoperative, and postoperative phases, using noninvasive instrumentation such as pulse oximeters, electrocardiograms, and capnography.

(3) Taking impressions for surgical splints and occlusal guards.

(4) Placement and removal of surgical dressings and removal of sutures.

(5) Adding medications to intravenous lines, in the presence of a licensed dentist.

(6) Removal of intravenous lines.

(c) A registered restorative assistant may perform all of the following dental procedures, as well as those authorized by board regulations adopted pursuant to Section 1751:

(1) Any duties that a dental assistant may perform.

(2) Sizing, fitting, adjusting, intraorally fabricating, temporarily cementing, and removing temporary crowns.

(3) Placing bases and liners on sound dentin.

(4) Removing excess cement from supragingival surfaces of teeth.

(5) Taking facebow transfers and bite registrations for diagnostic models for case study only.

(6) Taking impressions for space-maintaining appliances and occlusal guards.

(7) Coronal polishing.

(8) Applying pit and fissure sealants.

(9) Placing and removing temporary restorations.

(10) Activating bleaching agents with nonlaser, light-curing devices.

(d) The supervising dentist shall be responsible for determining the level of supervision required for assistants registered pursuant to this section.

(e) This section shall become operative on January 1, 2007.

SEC. 10. Section 1751 of the Business and Professions Code is amended to read:

1751. (a) By September 15, 1993, the board, upon recommendation of the committee, consistent with this article, standards of good dental practice, and the health and welfare of patients, shall adopt regulations relating to the functions that may be performed by dental assistants under direct or general supervision, and the settings within which dental assistants may work. At least once every seven years thereafter, the board shall review the list of functions performable by dental assistants, the supervision level, and settings under which they may be performed, and shall update the regulations as needed to keep them current with the state of the practice.

(b) Under the supervision of a registered dental hygienist in alternative practice, a dental assistant may perform intraoral retraction and suctioning.

(c) This section shall become inoperative on December 31, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 11. Section 1751 is added to the Business and Professions Code, to read:

1751. (a) The board, upon recommendation of the committee, shall adopt regulations governing the procedures that dental assistants, registered orthodontic assistants, registered surgery assistants, registered restorative assistants, registered dental assistants, registered restorative assistants in extended functions, and registered dental assistants in extended functions are authorized to perform consistent with and necessary to implement the provisions of this article, and the settings within which each may practice.

(b) The board shall conduct an initial review of the procedures, supervision level, settings under which they may be performed, and utilization of extended functions dental auxiliaries by January 1, 2011. The board shall submit the results of its review to the Joint Committee on Boards, Commissions, and Consumer Protection. After the initial review, a review shall be conducted at least once every five to seven years thereafter and the board shall update regulations as necessary to keep them current with the state of dental practice.

(c) This section shall become operative on January 1, 2007.

SEC. 12. Section 1752 of the Business and Professions Code is amended to read:

1752. (a) The supervising licensed dentist shall be responsible for determining the competency of the dental assistant to perform allowable functions.

(b) This section shall become inoperative on December 31, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 13. Section 1752 is added to the Business and Professions Code, to read:

1752. (a) A ''registered dental assistant in extended functions'' is an individual licensed pursuant to this article who may perform basic restorative services and direct patient care, as authorized by Sections 1750, 1750.3, and 1753.1, and by the board regulations adopted pursuant to Section 1751 under the supervision of a licensed dentist.

(b) A ''registered restorative assistant in extended functions'' is an individual licensed pursuant to this article who may perform basic restorative services and direct patient care, as authorized by Section 1750, subdivision (c) of Section 1750.3, and Section 1753.1, and by board regulations adopted pursuant to Section 1751 under the supervision of a licensed dentist.

(c) This section shall become operative on January 1, 2007.

SEC. 14. Section 1752.5 is added to the Business and Professions Code, to read:

1752.5. (a) A person may apply for and be issued a license as a Registered Dental Assistant upon providing evidence to the board of one of the following:

(1) Successful completion of a board-approved educational program in registered dental assisting.

(2) Successful completion of:

(A) Twelve months of satisfactory work experience as a dental assistant in California or another state. The board shall give credit toward the 12 months of work experience to persons who have graduated from a dental assisting program in a postsecondary institution, secondary institution, regional occupational center, or regional occupation program that are not approved by the board. The credit shall equal the total weeks spent in classroom training and internship on a week-for-week basis not to exceed 16 weeks.

(B) The three board-approved specialty registration programs, as defined in Section 1750.2, for registration as a registered orthodontic assistant, registered surgery assistant, and registered restorative assistant.

(C) A board-approved radiation safety program.

(b) A registered dental assistant may perform all duties and procedures that a dental assistant, registered orthodontic assistant, registered surgery assistant, and a registered restorative assistant are allowed to perform, as well as those procedures authorized by regulations adopted pursuant to Section 1751, except that a registered dental assistant licensed on or before December 31, 2006, may only apply pit and fissure sealants if he or she has provided evidence to the board of having completed a board-approved course in the application of pit and fissure sealants.

(c) The supervising dentist shall be responsible for determining the level of supervision required for authorized procedures performed by registered dental assistants.

(d) This section shall become operative on January 1, 2007.

SEC. 15. Section 1753 of the Business and Professions Code is amended to read:

1753. (a) The board shall license as a registered dental assistant a person who submits written evidence, satisfactory to the board, of either one of the following requirements:

(1) Graduation from an educational program in dental assisting approved by the board, and satisfactory performance on a written examination required by the board. On and after January 1, 1984, an applicant seeking licensure as a registered dental assistant pursuant to this subdivision shall provide evidence of his or her satisfactory performance on a written and practical examination required by the board.

(2) Satisfactory work experience of more than 12 months as a dental assistant in California or another state and satisfactory performance on a written and practical examination required by the board. The board shall give credit toward the 12 months work experience referred to in this subdivision to persons who have graduated from a dental assisting program in a postsecondary institution approved by the Department of Education or in a secondary institution, regional occupational center, or regional occupational program, that are not, however, approved by the board pursuant to subdivision (a). The credit shall equal the total weeks spent in classroom training and internship on a week-for-week basis not to exceed 16 weeks. The board, in cooperation with the Superintendent of Public Instruction, shall establish the minimum criteria for the curriculum of nonboard-approved programs. Additionally, the board shall notify those programs only if the program's curriculum does not meet established minimum criteria, as established for board-approved registered dental assistant programs, except any requirement that the program be given in a postsecondary institution. Graduates of programs

not meeting established minimum criteria shall not qualify for satisfactory work experience as defined by this section.

(b) This section shall become inoperative on December 31, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 16. Section 1753 is added to the Business and Professions Code, to read:

1753. (a) The board shall license as a registered dental assistant in extended functions a person who submits written evidence, satisfactory to the board, of all of the following:

(1) Current licensure as a registered dental assistant, or completion of the requirements for licensure as a registered dental assistant, as provided in Section 1752.5.

(2) Successful completion of an extended functions postsecondary program approved by the board in all of the procedures specified in Section 1753.1.

(3) Successful completion of board-approved courses in radiation safety and, within the last two years, courses in infection control, California dental law, and basic life support.

(4) Satisfactory performance on a written examination and a clinical or practical examination specified by the board.

(b) The board shall license as a registered restorative assistant in extended functions a person who submits written evidence, satisfactory to the board, of all of the following:

(1) Completion of 12 months of satisfactory work experience as a dental assistant in California or another state. The board shall give credit toward the 12 months of work experience to persons who have graduated from a dental assisting program in a postsecondary institution, secondary institution, regional occupational center, or regional occupation program that are not approved by the board. The credit shall equal the total weeks spent in classroom training and internship on a week-for-week basis, not to exceed 16 weeks.

(2) Successful completion of a board-approved course in radiation safety, and, within the last two years, courses in infection control, California dental law, and basic life support.

(3) Successful completion of a postsecondary program approved by the board for restorative dental assisting specialty registration specified in subdivision (c) of Section 1750.3.

(4) Successful completion of an extended functions postsecondary program approved by the board in all of the procedures specified in Section 1753.1.

(5) Satisfactory performance on a written examination and a clinical or practical examination specified by the board.

(c) In approving extended functions postsecondary programs required to be completed for licensure pursuant to this section, the board shall require that the programs be taught by persons having prior experience teaching the applicable procedures specified in Section 1753.1, or procedures otherwise authorized by the board pursuant to Section 1751, in a dental school approved either by the Commission on Dental Accreditation or a comparable organization approved by the board. Approved programs shall include didactic, laboratory, and clinical modalities.

(d) This section shall become operative on January 1, 2007.

SEC. 17. Section 1753.1 is added to the Business and Professions Code, to read:

1753.1. (a) A registered dental assistant in extended functions is authorized to perform the following procedures under direct supervision and pursuant to the order, control, and full professional responsibility of a licensed dentist:

(1) Cord retraction of gingivae for impression procedures.

(2) Taking impressions for cast restorations.

(3) Formulating indirect patterns for endodontic post and core castings.

(4) Fitting trial endodontic filling points.

(5) Drying canals previously opened by the supervising dentist, with absorbent points.

(6) Testing pulp vitality.

(7) Removing excess cement from subgingival tooth surfaces with a hand instrument.

(8) Fitting and cementing stainless steel crowns.

(9) Placing, condensing, and carving amalgam restorations.

(10) Placing class I, III, and V composite restorations.

(11) Taking facebow transfers and bite registrations for fixed prostheses.

(12) Taking final impressions for tooth-borne, removable prostheses.

(13) Placing and adjusting permanent crowns for cementation by the dentist.

(14) Applying etchants for bonding restorative materials.

(15) Other procedures authorized by regulations adopted by the board pursuant to Section 1751.

(b) All procedures required to be performed under direct supervision shall be checked and approved by the supervising dentist prior to the patient's dismissal from the office.

(c) This section shall become operative on January 1, 2007.

SEC. 18. Section 1753.5 of the Business and Professions Code is amended to read:

1753.5. (a) In addition to the requirements of Section 1753, an applicant for registered dental assistant licensure on or after July 1, 2002, shall provide evidence of having successfully completed board-approved courses in radiation safety and coronal polishing as a condition of licensure. The length and content of the courses shall be governed by applicable board regulations.

(b) This section shall become inoperative on December 31, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 19. Section 1754 of the Business and Professions Code is amended to read:

1754. (a) By September 15, 1993, the board, upon recommendation of the committee and consistent with this article, standards of good dental practice, and the health and welfare of patients, shall adopt regulations relating to the functions which may be performed by registered dental assistants under direct or general supervision, and the settings within which registered dental assistants may work. At least once every seven years thereafter, the board shall review the list of functions performable by registered dental assistants, the supervision level, and settings under which they may be performed, and shall update the regulations as needed to keep them current with the state of the practice.

(b) This section shall become inoperative on December 31, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 20. Section 1756 of the Business and Professions Code is amended to read:

1756. (a) The board shall license as a registered dental assistant in extended functions a person who satisfies all of the following requirements:

(1) Status as a registered dental assistant.

(2) Completion of clinical training approved by the board in a facility affiliated with a dental school under the direct supervision of the dental school faculty.

(3) Satisfactory performance on an examination required by the board.

(b) This section shall become inoperative on December 31, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 21. Section 1757 of the Business and Professions Code is repealed.

SEC. 22. Section 1757 is added to the Business and Professions Code, to read:

1757. (a) Each person who holds a license as a registered dental assistant in extended functions on the effective date of this section may only perform those procedures that a registered dental assistant is allowed to perform, and the procedures listed in paragraphs (1), (2), (3), (4), (7), and (14) of subdivision (a) of Section 1753.1, until he or she provides evidence of having completed a board-approved course or courses in the additional functions specified in Section 1753.1, and an examination in the additional functions as specified by the board.

(b) This section shall become operative on January 1, 2007.

SEC. 23. Section 1770 of the Business and Professions Code is amended to read:

1770. (a) A licensed dentist may simultaneously utilize in his or her practice no more than two dental auxiliaries in extended functions licensed pursuant to Sections 1756 and 1768.

(b) This section shall become inoperative on December 31, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 24. Section 1770 is added to the Business and Professions Code, to read:

1770. (a) A licensed dentist may simultaneously utilize in his or her practice no more than three dental auxiliaries in extended functions licensed pursuant to Sections 1753 and 1768.

(b) This section shall become operative on January 1, 2007.

SEC. 25. Section 1777 is added to the Business and Professions Code, to read:

1777. While employed by or practicing in a primary care clinic or specialty clinic licensed pursuant to Section 1204 of the Health and Safety Code, in a primary care clinic exempt from licensure pursuant to subdivision (c) of Section 1206 of the Health and Safety Code, or a clinic owned and operated by a hospital that maintains the primary contract with a county government to fill the county's role under Section 17000 of the Welfare and Institutions Code, a registered dental assistant or a registered dental assistant in extended functions may perform the following procedures under the direct supervision of a registered dental hygienist, pursuant to subdivision (b) of Section 1763:

(a) Coronal polishing, after providing evidence to the board of having completed a board-approved course in that procedure.

(b) Application of topical fluoride.

(c) Application of sealants, after providing evidence to the board of having completed a board-approved course in that procedure.

CHAPTER 668

An act to amend Sections 79202 and 79203 of, and to add Section 66019.3 to, the Education Code, and to amend Section 16001.9 of the Welfare and Institutions Code, relating to CalWORKs.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) Education breaks the cycle of poverty. Individuals who receive a bachelor's degree reduce their chances of living in poverty by 80 percent. Further, research indicates that postsecondary education and training, including career technical, Vocational ESL (VESL), and adult basic education, are the most reliable routes to self-sufficiency for underserved populations, in particular low-income parents and foster youth.

(2) Postsecondary education and job training lead to higher earnings in the long run and greater success in the labor market, particularly for low-income adults with children. Studies show that low-income adults with children and without a high school diploma can increase their future earnings by 94 percent if they enroll in a California community college and complete an associate degree.

(3) High-quality, language-accessible training and education increase employment rates and earnings for low-income, immigrant parents. Studies show that immigrant parents who are English proficient are employed at three times the rate of parents who do not speak English well, with earnings that are 46 percent higher than that of parents with limited English proficiency.

(4) Children whose parents have completed postsecondary education and training are more likely to succeed in school and to attend college themselves. Supporting parents' access to postsecondary education and training, including VESL programs and associate degrees, promotes intergenerational achievement, and enables poor families to break the cycle of poverty.

(5) Low-income parents and foster youth face numerous barriers in accessing quality education and training opportunities, including lack of

information about postsecondary education preparation and lack of access to adequate student financial aid information. In the absence of quality postsecondary education and training opportunities, many parents are relegated to unskilled, low-wage jobs that offer little hope for advancement and little chance for economic stability. Sixty-eight percent of adults in California who are working poor have a high school diploma or less.

(6) Likewise, while more than half of high school graduates go on to college, less than 25 percent of foster youth in California enroll in college. Consequently, a disproportionate number of foster youth are homeless, dependent on public assistance, unemployed and living in poverty.

(b) It is, therefore, the intent of the Legislature to accomplish all of the following:

(1) Enable residents to reach self-sufficiency and to develop a state Student Parent Scholar grant program to provide support to low-income parents who are engaged in postsecondary education and training programs.

(2) Increase access to higher education and training for foster care students by reducing informational barriers.

(3) Ensure that programs operated with federal Temporary Aid to Needy Families (TANF) block grant funds promote education and training for jobs that offer self-sufficient wages, integrate English as a Second Language (ESL) and VESL into job training programs, and provide opportunities for intensive English language immersion courses.

SEC. 2. Section 66019.3 is added to the Education Code, to read:

66019.3. (a) It is the intent of the Legislature to encourage the California Community Colleges, the California State University, and the University of California to disseminate information to foster care agencies regarding admissions requirements and financial aid.

(b) The Legislature requests the Regents of the University of California and the Trustees of the California State University to explore methods of using the admissions-by-exemption category to assist the transition of students in foster care into four-year public institutions of higher education.

SEC. 3. Section 79202 of the Education Code is amended to read:

79202. To the extent that funding is provided in the annual Budget Act, a community college shall receive funding for educational services provided to CalWORKs recipients based on the number of CalWORKs recipients that are enrolled at the community college and the scope and number of programs that the college plans to offer to assist CalWORKs recipients obtain employment. Prior to receiving funding, a community college shall submit to the chancellor a Request for Application which

contains a plan for curriculum development or redesign. The plan shall include all of the following:

(a) Evidence that the curriculum will prepare students for an occupation that is in demand in the local labor market or that is in an emerging field that has documented employment potential.

(b) Participation by the county welfare department to establish that the programs being developed or redesigned will provide CalWORKs recipients with the training and experience necessary to secure employment, including intensive English language proficiency.

(c) Evidence of collaboration with local partners, such as employers, private industry councils, regional occupational programs, adult education providers, and affected counties in the development and design of the curriculum.

(d) Procedures to monitor CalWORKs recipients who complete the new curricula and transition into employment.

(e) A description of new courses for CalWORKs recipients that are designed to aid recipients with job-related advancement.

SEC. 4. Section 79203 of the Education Code is amended to read:

79203. To the extent that funding is provided in the annual Budget Act, funds received by a community college for curriculum development or redesign for CalWORKs recipients may be expended for all of the following purposes:

(a) To develop or redesign vocational curricula for CalWORKs recipients so that courses may be offered as part of a short-term intensive program, including Open Entry and Open Exit programs, and including intensive English language immersion.

(b) To link CalWORKs courses to job placement through work experience and internships.

(c) To redesign basic education and ESL classes so that they may be integrated with vocational training programs.

(d) To expand the use of telecommunications in providing the new curricula to CalWORKs recipients.

SEC. 5. Section 16001.9 of the Welfare and Institutions Code is amended to read:

16001.9. (a) It is the policy of the state that all children in foster care shall have the following rights:

(1) To live in a safe, healthy, and comfortable home where he or she is treated with respect.

(2) To be free from physical, sexual, emotional, or other abuse, or corporal punishment.

(3) To receive adequate and healthy food, adequate clothing, and, for youth in group homes, an allowance.

(4) To receive medical, dental, vision, and mental health services.

(5) To be free of the administration of medication or chemical substances, unless authorized by a physician.

(6) To contact family members, unless prohibited by court order, and social workers, attorneys, foster youth advocates and supporters, Court Appointed Special Advocates (CASA), and probation officers.

(7) To visit and contact brothers and sisters, unless prohibited by court order.

(8) To contact the Community Care Licensing Division of the State Department of Social Services or the State Foster Care Ombudsperson regarding violations of rights, to speak to representatives of these offices confidentially, and to be free from threats or punishment for making complaints.

(9) To make and receive confidential telephone calls and send and receive unopened mail, unless prohibited by court order.

(10) To attend religious services and activities of his or her choice.

(11) To maintain an emancipation bank account and manage personal income, consistent with the child's age and developmental level, unless prohibited by the case plan.

(12) To not be locked in any room, building, or facility premises, unless placed in a community treatment facility.

(13) To attend school and participate in extracurricular, cultural, and personal enrichment activities, consistent with the child's age and developmental level.

(14) To work and develop job skills at an age-appropriate level that is consistent with state law.

(15) To have social contacts with people outside of the foster care system, such as teachers, church members, mentors, and friends.

(16) To attend Independent Living Program classes and activities if he or she meets age requirements.

(17) To attend court hearings and speak to the judge.

(18) To have storage space for private use.

(19) To review his or her own case plan if he or she is over 12 years of age and to receive information about his or her out-of-home placement and case plan, including being told of changes to the plan.

(20) To be free from unreasonable searches of personal belongings.

(21) To confidentiality of all juvenile court records consistent with existing law.

(22) To have fair and equal access to all available services, placement, care, treatment, and benefits, and to not be subjected to discrimination or harassment on the basis of actual or perceived race, ethnic group identification, ancestry, national origin, color, religion, sex, sexual orientation, gender identity, mental or physical disability, or HIV status.

(23) At 16 years of age or older, to have access to existing information regarding the educational options available, including, but not limited

to, the coursework necessary for vocational and postsecondary educational programs, and information regarding financial aid for postsecondary education.

(b) Nothing in this section shall be interpreted to require a foster care provider to take any action that would impair the health and safety of children in out-of-home placement.

(c) The State Department of Social Services and each county welfare department are encouraged to work with the Student Aid Commission, the University of California, the California State University, and the California Community Colleges to receive information pursuant to paragraph (23) of subdivision (a).

CHAPTER 669

An act to amend Sections 8592.1, 8592.2, 8592.3, 8592.4, and 8592.5 of, to add Section 8592.6 to, and to repeal Article 6.3 (commencing with Section 8592.9) of Chapter 7 of Division 1 of Title 2 of, the Government Code, relating to public safety.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 8592.1 of the Government Code is amended to read:

8592.1. For purposes of this article, the following terms have the following meanings:

(a) ''Public safety spectrum'' means the spectrum allocated by the Federal Communications Commission for operation of interoperable and general use radio communication systems for public safety purposes within the state.

(b) ''Committee'' means the Public Safety Radio Strategic Planning Committee, which was established in December 1994 in recognition of the need to improve existing public radio systems and to develop interoperability among public safety departments, and between state public safety departments and local or federal entities and which consists of representatives of the following state entities:

(1) The California Highway Patrol.
(2) The Department of Transportation.
(3) The Department of Corrections.
(4) The Department of Parks and Recreation.
(5) The Department of Fish and Game.

(6) The Department of Forestry and Fire Protection.
(7) The Department of Justice.
(8) The Department of Water Resources.
(9) The Office of Emergency Services.
(10) The Emergency Medical Services Authority.
(11) The Department of the Youth Authority.
(12) The Department of General Services.
(13) The Office of Homeland Security.

SEC. 2. Section 8592.2 of the Government Code is amended to read:

8592.2. (a) The committee shall have primary responsibility in state government for developing and implementing a statewide integrated public safety communication system that facilitates interoperability among state public safety departments listed in subdivision (b) of Section 8592.1 and coordinates other shared uses of the public safety spectrum consistent with decisions and regulations of the Federal Communications Commission. In order to facilitate effective use of the public safety spectrum, the committee shall consult with any regional planning committee or other federal, state, or local entity with responsibility for developing, operating, or monitoring interoperability of the public safety spectrum.

(b) The committee shall elect from among its members a chair with responsibility for leadership in implementing this article.

SEC. 3. Section 8592.3 of the Government Code is amended to read:

8592.3. (a) The committee shall consult with the following organizations and entities:
(1) California State Peace Officers Association.
(2) California Police Chiefs Association.
(3) California State Sheriffs' Association.
(4) California Professional Firefighters.
(5) California Fire Chiefs Association.
(6) California State Association of Counties.
(7) League of California Cities.
(8) California State Firefighters Association.
(9) California Coalition of Law Enforcement Associations.
(10) California Correctional Peace Officers Association.
(11) CDF Firefighters.
(12) California Union of Safety Employees.
(13) The Military Department.

(b) Each organization or entity listed in subdivision (a) may designate a representative to work with the committee to develop agreements for interoperability or other shared use of the public safety spectrum between the state public safety departments listed in subdivision (b) of Section 8592.1 and local or federal agencies that operate a

communication system on the public safety spectrum and that have capacity and technical ability for interoperability or other shared use.

(c) The committee shall develop a model memorandum of understanding that sets forth general terms for interoperability or other shared uses among jurisdictions, which may be modified as necessary for a particular agreement entered into pursuant to subdivision (b).

(d) A local agency may not be required to adopt the model memorandum of understanding developed pursuant to subdivision (c).

SEC. 4. Section 8592.4 of the Government Code is amended to read:

8592.4. (a) The committee shall determine which state public safety departments listed in subdivision (b) of Section 8592.1 need new or upgraded communication equipment and shall establish a program for equipment purchase. In establishing this program, the committee shall recommend the purchase of, equipment that will enable state agencies to commence conforming to accepted industry standards for interoperability specified in subdivision (a) of Section 8592.5.

(b) This section may not be construed to mandate that a state or local governmental agency affected thereby is required to compromise its immediate mission or ability to function and carry out its existing responsibilities.

SEC. 5. Section 8592.5 of the Government Code is amended to read:

8592.5. (a) Except as provided in subdivision (b), a state department that purchases public safety radio communication equipment shall ensure that the equipment purchased complies with applicable provisions of the following:

(1) The common system standards for digital public safety radio communications commonly referred to as the ''Project 25 Standard,'' as that standard may be amended, revised, or added to in the future jointly by the Associated Public–Safety Communications Officials, Inc., National Association of State Telecommunications Directors and agencies of the Federal Government, commonly referred to as ''APCO/NASTD/FED.''

(2) The operational and functional requirements delineated in the Statement of Requirements for Public Safety Wireless Communications and Interoperability developed by the SAFECOM Program under the United States Department of Homeland Security.

(b) Subdivision (a) shall not apply to either of the following:

(1) Purchases of equipment to operate with existing state or local communications systems where the latest applicable standard will not be compatible, as verified by the Telecommunications Division of the Department of General Services.

(2) Purchases of equipment for existing statewide low-band public safety communications systems.

(c) This section may not be construed to require an affected state governmental agency to compromise its immediate mission or ability to function and carry out its existing responsibilities.

SEC. 6. Section 8592.6 is added to the Government Code, to read:

8592.6. (a) The committee shall report to the Legislature by January 1 of each year on the committee's progress in implementing this article.

(b) The report will include a complete listing of purchases by state departments of public safety radio communications equipment, for which a waiver of subdivision (a) of Section 8592.5 was granted by the committee.

SEC. 7. Article 6.3 (commencing with Section 8592.9) of Chapter 7 of Division 1 of Title 2 of the Government Code is repealed.

CHAPTER 670

An act to amend Sections 1628, 1628.2, 1631, and 1632 of, to amend, renumber, and add Section 1632.5 of, and to repeal Sections 1633 and 1633.5 of, the Business and Professions Code, relating to dentistry, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 1628 of the Business and Professions Code is amended to read:

1628. Any person over 18 years of age is eligible to take an examination before the board upon making application therefor and meeting all of the following requirements:

(a) Paying the fee for applicants for examination provided by this chapter.

(b) Furnishing satisfactory evidence of having graduated from a reputable dental college approved by the board; provided, also, that applicants furnishing evidence of having graduated after 1921 shall also present satisfactory evidence of having completed at dental school or schools the full number of academic years of undergraduate courses required for graduation. For purposes of this article, ''reputable dental college approved by the board'' or ''approved dental school'' include a foreign dental school accredited by a body that has a reciprocal

accreditation agreement with any commission or accreditation organization whose findings are accepted by the board.

(c) Furnishing the satisfactory evidence of financial responsibility or liability insurance for injuries sustained or claimed to be sustained by a dental patient in the course of the examination as a result of the applicant's actions.

(d) If the applicant has been issued a degree of doctor of dental medicine or doctor of dental surgery by a foreign dental school, he or she shall furnish all of the following documentary evidence to the board:

(1) That he or she has completed, in a dental school or schools approved by the board pursuant to Section 1636.4, a resident course of professional instruction in dentistry for the full number of academic years of undergraduate courses required for graduation.

(2) Subsequent thereto, he or she has been issued by the dental school a dental diploma or a dental degree, as evidence of the successful completion of the course of dental instruction required for graduation.

(e) Any applicant who has been issued a dental diploma from a foreign dental school that has not, at the time of his or her graduation from the school, been approved by the board pursuant to Section 1636.4 shall not be eligible for examination until the applicant has successfully completed a minimum of two academic years of education at a dental college approved by the board pursuant to Article 1 (commencing with Section 1024) of Chapter 2 of Division 10 of Title 16 of the California Code of Regulations and has been issued a degree of doctor of dental medicine or doctor of dental surgery or its equivalent. This subdivision shall not apply to applicants who have successfully completed the requirements of Section 1636 as it read before it was repealed on January 1, 2004, on or before December 31, 2003, or who have successfully completed the requirements of Section 1628.2 on or before December 31, 2008. An applicant who has successfully completed the requirements of Section 1636 as it read before it was repealed on January 1, 2004, on or before December 31, 2003, or who has successfully completed the requirements of Section 1628.2 on or before December 31, 2008, shall be eligible to take the examination required by Section 1632, subject to the limitations set forth in subdivisions (b) and (c) of Section 1633.

(f) Subdivisions (d) and (e) do not apply to a person who has been issued a degree of doctor of dental medicine or doctor of dental surgery by a foreign dental school accredited by a body that has a reciprocal accreditation agreement with any commission or accreditation organization whose findings are accepted by the board.

SEC. 2. Section 1628.2 of the Business and Professions Code is amended to read:

1628.2. (a) A person who has been issued a degree of doctor of dental medicine or doctor of dental surgery by a foreign dental school that is not approved by the board pursuant to Section 1636.4 shall be exempt from the requirements of subdivision (e) of Section 1628 if he or she meets all of the following requirements:

(1) He or she furnishes documentary evidence satisfactory to the board of both of the following:

(A) That he or she has completed in a dental school or schools a resident course of professional instruction in dentistry for the full number of academic years of undergraduate courses required for graduation.

(B) That subsequent thereto, he or she has been issued by the dental school a dental diploma or a dental degree, as evidence of successful completion of the course of dental instruction required for graduation.

(2) He or she passed Parts I and II of the written examination of the National Board Dental Examination of the Joint Commission on National Dental Examinations or its predecessor on or before December 31, 2003.

(3) He or she has passed an examination, on or before December 31, 2008, in which the applicant is required to demonstrate his or her skill in restorative technique, subject to the following:

(A) An applicant who obtains an overall average grade of 75 percent in the restorative technique examination and a grade of 75 percent or more in two of the three subsections shall be deemed to have passed the examination. An applicant who obtains a grade of 85 percent in any subsection of the examination but does not pass the examination is exempt from retaking that subsection for two years following the date of the examination in which the grade of 85 percent was obtained.

(B) Applications for this examination shall be submitted by mail only. An applicant for the examination shall submit to the board a mailing address for the applicant that is located within the United States. That mailing address shall be the sole address that the board is required to use to communicate with the applicant.

(C) An applicant shall provide to the board copies of their passing scores on Parts I and II of the written examination of the National Board Dental Examination of the Joint Commission on National Dental Examinations or its predecessor within 90 days after April 13, 2004, which is the date of the enactment of Chapter 33 of the Statutes of 2004. An applicant who has previously taken the restorative technique examination or who has previously provided his or her passing scores on Parts I and II of the written examination of the National Board Dental Examination of the Joint Commission on National Dental Examinations or its predecessor shall not be subject to the requirement of this subparagraph.

(D) (i) Notwithstanding Section 135, an applicant who fails to pass the examination under this section or Section 1636, as repealed on January 1, 2004, after four attempts or who fails to pass the examination on or before December 31, 2008, shall not be eligible for further reexamination under this paragraph, and shall not be eligible for the exemption from the requirements of subdivision (e) of Section 1628. Failure by an applicant to appear for the examination without good cause, as determined by the board, constitutes a failure to pass the examination for purposes of this paragraph.

(ii) In order to be eligible to reapply to take the examination, an applicant who fails to pass the examination or fails to appear for the examination, and who has not used all four examination attempts, shall submit to the board a letter of intent stating his or her intent to reapply to take the examination. The applicant shall submit this letter to the board within 45 days of the board mailing notification to him or her of failure to pass the examination, or, if the applicant failed to appear for the examination, within 45 days of the examination date for which he or she failed to appear.

The requirements of this clause shall not be construed to require the applicant to take the next examination offered by the board, however, it is the intent of the Legislature that applicants apply for reexaminations in a timely manner.

(iii) An applicant who believes he or she has good cause for failing to appear at a scheduled examination shall state the grounds supporting the good cause in a letter to the board. If the board accepts those grounds as good cause, the applicant may reapply for a future examination in the usual manner used by the board for scheduling applicants for an examination, and the examination for which the applicant failed to appear shall not count against the maximum four attempts permitted by clause (i). If the board does not accept those grounds as good cause, the examination for which the applicant failed to appear shall be counted as one of those four attempts.

(iv) If the applicant fails to comply with the requirements of clause (ii), he or she shall no longer qualify to take any future examination required by this paragraph, and shall be subject to the requirements of subdivision (e) of Section 1628.

(E) If all qualified applicants have exhausted the four examination attempts permitted by subparagraph (D), or become ineligible to take the examination, the board may, prior to January 1, 2009, cease to offer administration of that examination at any time thereafter.

(4) Failure to meet any of the requirements of paragraphs (1) to (3), inclusive, including, but not limited to, the requirement of subparagraph (C) of paragraph (3) that an applicant provide to the board copies of his or her passing scores on Parts I and II of the written examination within

the specified time period, shall make an applicant ineligible for the exemption from the requirements of subdivision (e) of Section 1628 provided by this section.

(b) It is the intent of the Legislature that the restorative technique examination provided for by this section, including the eligibility provisions, be a continuation of the restorative technique examination provided for in Section 1636, as repealed on January 1, 2004, and that an applicant for the examination have no more than a total of four attempts to take the restorative technique examination.

(c) This section shall remain in effect only until January 1, 2009, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2009, deletes or extends that date.

SEC. 3. Section 1631 of the Business and Professions Code is amended to read:

1631. The subjects in which the applicant shall be examined shall be those subjects as the board may from time to time prescribe. However, the subjects of examination shall be selected in accordance with the trend of dental education in California as that trend is determined, from time to time by the curricula of the dental colleges in California approved by the Dental Board of California, and no examination shall be given on any subject which is not then, at the time of the determination, being currently taught in those approved dental colleges. In the event of any changes in the list of examination subjects, all approved dental schools in the United States shall be notified, by the executive officer of the board, at least two years in advance of the effective date of any change or changes in subjects. Each applicant, at the time of filing an application to take any examination hereunder, shall be given a list of the subjects of the examination for which he or she is making application.

SEC. 4. Section 1632 of the Business and Professions Code is amended to read:

1632. (a) The board shall require each applicant to successfully complete the written examinations of the National Board Dental Examination of the Joint Commission on National Dental Examinations.

(b) The board shall require each applicant to successfully complete an examination in California law and ethics developed and administered by the board.

(c) Except as otherwise provided in Section 1632.5, the board shall require each applicant to have taken and received a passing score on one of the following:

(1) A clinical and written examination developed and administered by the board.

(2) A clinical and written examination administered by the Western Regional Examining Board, which board shall determine the passing score for that examination.

(d) Notwithstanding subdivision (b) of Section 1628, the board is authorized to do either of the following:

(1) Approve an application for examination from and to examine an applicant who is enrolled in but has not yet graduated from a reputable dental school approved by the board.

(2) Accept the results of an examination described in paragraph (2) of subdivision (c) submitted by an applicant who was enrolled in but had not graduated from a reputable dental school approved by the board at the time the examination was administered.

In either case, the board shall require the dean of that school or his or her delegate to furnish satisfactory proof that the applicant will graduate within one year of the date the examination was administered.

SEC. 5. Section 1632.5 of the Business and Professions Code is amended and renumbered to read:

1633. (a) When an applicant for a license has received a grading of 85 percent or above in any given subject, he or she shall be exempt from reexamination on that subject in subsequent examinations before the board within two years after the examination on which the applicant received the exemption.

(b) Notwithstanding Section 135, an applicant who fails to pass the examination required by Section 1632 after three attempts shall not be eligible for further reexamination until the applicant has successfully completed a minimum of 50 hours of education for each subject which the applicant failed in the applicant's last unsuccessful examination. The coursework shall be taken at a dental school approved by either the Commission on Dental Accreditation or a comparable organization approved by the board, and shall be completed within a period of one year from the date of notification of the applicant's third failure.

(c) The coursework described in subdivision (b) shall be required once for every three unsuccessful examination attempts. When the applicant applies for reexamination, he or she shall furnish proof satisfactory to the board that he or she has successfully completed the requirements of this section.

SEC. 6. Section 1632.5 is added to the Business and Professions Code, to read:

1632.5. (a) Prior to implementation of paragraph (2) of subdivision (c) of Section 1632, the department's Office of Examination Resources shall review the Western Regional Examining Board examination to assure compliance with the requirements of Section 139 and to certify that the examination process meets those standards. If the department determines that the examination process fails to meet those standards,

paragraph (2) of subdivision (c) of Section 1632 shall not be implemented. The review of the Western Regional Examining Board examination shall be conducted during or after the Dental Board of California's occupational analysis scheduled for the 2004–05 fiscal year, but not later than September 30, 2005. However, an applicant who successfully completes the Western Regional Examining Board examination on or after January 1, 2005, shall be deemed to have met the requirements of subdivision (c) of Section 1632 if the department certifies that the Western Regional Examining Board examination meets the standards set forth in this subdivision.

(b) The Western Regional Examining Board examination process shall be regularly reviewed by the department pursuant to Section 139.

(c) The Western Regional Examining Board examination shall meet the mandates of subdivision (a) of Section 12944 of the Government Code.

(d) As part of its next scheduled review by the Joint Committee on Boards, Commissions, and Consumer Protection, the Dental Board of California shall report to that committee and the department on the pass rates of applicants who sat for the Western Regional Examining Board examination, compared with the pass rates of applicants who sat for the state clinical and written examination administered by the Dental Board of California. This report shall be a component of the evaluation of the examination process that is based on psychometrically sound principles for establishing minimum qualifications and levels of competency.

SEC. 7. Section 1633 of the Business and Professions Code is repealed.

SEC. 8. Section 1633.5 of the Business and Professions Code is repealed.

SEC. 9. The sum of one hundred fifty thousand dollars ($150,000) is hereby appropriated from the State Dentistry Fund to the Department of Consumer Affairs for the purpose of Section 1632.5 of the Business and Professions Code, in accordance with the following schedule:

(a) For the 2004–05 fiscal year, the sum of one hundred thousand dollars ($100,000).

(b) For the 2005–06 fiscal year, the sum of fifty thousand dollars ($50,000).

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

In order to make necessary changes to the examination requirements for an applicant for licensure as a dentist and to make funding available

for that purpose at the earliest possible opportunity, it is necessary that this act take effect immediately.

CHAPTER 671

An act to amend Sections 50710.1 and 50712.5 of the Health and Safety Code, relating to migrant farm labor centers.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. It is the intent of the Legislature to do all of the following:

(a) Provide a method of improving, upgrading, and increasing the seasonal utilization of migrant farm labor centers while recognizing the variety of different conditions that prevail at the centers and the fiscal constraints currently on the state.

(b) Give greater flexibility to the local entities that operate the migrant farm labor centers to increase seasonal utilization as appropriate.

(c) Increase the ability to access funding for improvements.

(d) Improve the housing conditions for farmworkers in the area served by the migrant farm labor centers.

SEC. 2. Section 50710.1 of the Health and Safety Code is amended to read:

50710.1. (a) If all the development costs of any migrant farm labor center assisted pursuant to this chapter are provided by federal, state, or local grants, and if inadequate funds are available from any federal, state, or local service to write-down operating costs, the department may approve rents for that center that are in excess of rents charged in other centers assisted by the Office of Migrant Services. However, prior to approving these rents, the department shall consider the adequacy of evidence presented by the entity operating the center that the rents reimburse actual, reasonable, and necessary costs of operation. The department may not increase any rent charged at a migrant farm labor center during the 2003–04 fiscal year.

(b) At the end of each fiscal year, any entity operating a migrant farm labor center pursuant to this chapter may establish a reserve account comprised of the excess funds provided through the annual operating contract received from the department, if the department certifies there is no need to address reasonable general maintenance requirements or

repairs, rehabilitation, and replacement needs of the requesting migrant farm labor center which affect the immediate health and safety of residents. The cumulative balance of the reserve account shall not exceed 10 percent of the annual operating funds annually committed to the entity by the department. Funds in the reserve account shall be used only for capital improvements such as replacing or repairing structural elements, furniture, fixtures, or equipment of the migrant farm labor center, the replacement or repair of which are reasonably required to preserve the migrant farm labor center. Withdrawals from the reserve account shall be made only upon the written approval of the department of the amount and nature of expenditures.

(c) A migrant farm labor center governed by this chapter may be operated for an extended period prior to or beyond the standard 180-day period after approval by the department, provided that all of the following conditions are satisfied:

(1) No additional subsidies provided by the department are used for the operation or administration of the migrant farm center during the extended occupancy period except to the extent that state funds are appropriated or authorized for the purpose of funding all or part of the cost of subsidizing extended occupancy periods during the first 14 days only.

(2) Rents are not to be increased above the rents charged during the standard 180-day occupancy period unless the department finds that an increase is necessary to cover the difference between reasonable operating costs necessary to keep the center open during the extended occupancy period and the amount of state funds available pursuant to paragraph (1) and any contributions from agricultural employers or other federal, local, or private sources. These contributions shall not be used to reduce the amount of state funds that otherwise would be made available to the center to subsidize rents during an extended occupancy period.

(3) In no event shall the rent during the extended occupancy period exceed the average daily operating cost of the center, less any subsidy funds available pursuant to paragraph (1) or (2). With respect to an extended occupancy beyond the standard 180-day period, households representing at least 25 percent of the units in the center shall have indicated their desire and intention to remain in residency by signing a petition to the local entity to keep the center open for an extended period at rents that are the same or higher than rents during the regular period of occupancy. Each household shall receive a clear bilingual notice describing the extended occupancy options attached to the lease.

The Legislature finds and declares that because the number of residents may be substantially reduced during the extended occupancy period, a rent increase may be necessary to cover operating costs. It is

the intent of the Legislature that the public sector, private sector, and farmworkers should each play an important role in ensuring the financial viability of this important source of needed housing.

(4) An extended occupancy period is requested by an entity operating the migrant farm labor center and received by the department no earlier than 30 days and no later than 15 days prior to the center's scheduled opening or closing date. The department shall notify the entity and petitioning residents of the final decision no later than seven days prior to the center's scheduled opening or closing date. During the extended occupancy period, occupancy shall be limited to migrant farmworkers and their families who resided or intended to reside at a migrant center during the regular period of occupancy.

(5) Before approving or denying an early opening or an extension and establishing the rents for the extended occupancy period, both of which shall be within the sole discretion of the department, the department shall take into consideration all of the following factors:

(A) The structural and physical condition of the center, including water and sewer pond capacity and the capacity and willingness of the local entity to operate the center during the extended occupancy period.

(B) Whether local approvals are required, and whether there are competing demands for the use of the center's facilities.

(C) Whether there is adequate documentation that there is a need for residents of the migrant center to continue work in the area, as confirmed by the local entity.

(D) The climate during the extended occupancy period.

(E) The amount of subsidy funds available that can be allocated to each center to subsidize rents below the operating costs and the cost of operating each center during the extended occupancy period.

(F) The extended occupancy period is deemed necessary for the health and safety of the migrant farmworkers and their families.

(G) Other relevant factors affecting the migrant farmworkers and their families and the operation of the centers.

(6) The rents collected during the extended occupancy period shall be remitted to the department. However, based on financial records to the satisfaction of the department, the department may reduce the amount to be remitted by an amount it determines the local entity has expended during the extended occupancy period that is not being reimbursed by department funds.

(7) The occupancy during the extended occupancy period represents a new tenancy and is not subject to existing and statutory and regulatory limitations governing rents. Prior to the beginning of the extended occupancy period, residents shall be provided at least two days' advance written notice of any rent increase and of the expected length of the extended occupancy period, including the scheduled date of the

beginning of the extended occupancy period and closure of the center. Prior to being eligible for residency during the extended occupancy period, residents shall sign rental documents deemed necessary by the department.

(d) The Legislature finds and declares that variable annual climates and changing agricultural techniques create an inability to accurately predict the end of a harvest season for the purposes of housing migrant farmworkers and their families. Because of these factors, in any part of this state, and in any specific year, one or more migrant farmworker housing centers governed by this chapter need to open early or remain open for up to two additional weeks to allow the residents to provide critical assistance to growers in harvesting crops while also fulfilling work expectations that encouraged them to migrate to the areas of the centers. In addition, if the centers close prematurely or open late, the migrant farmworkers often must remain or reside in the areas to work for up to two weeks. During this time they will not be able to obtain decent, safe, and affordable housing and the health and safety of their families and the surrounding community will be threatened.

The Legislature therefore finds and declares that, for the purposes of any public or private right, obligation, or authorization related to the use of property and improvements thereon as a 180-day migrant center, an extended use of any housing center governed by this chapter pursuant to this section is deemed to be the same as the 180-day use generally authorized by this chapter.

(e) Because of the presumed income levels of the occupants of migrant farm labor centers, an entity operating a migrant farm labor center shall be deemed eligible for the California Alternative Rates for Energy program established pursuant to Sections 382 and 739.1 of the Public Utilities Code. Any savings from a reduction in energy rates shall be passed on to the occupants of the migrant farm labor center.

SEC. 3. Section 50712.5 of the Health and Safety Code is amended to read:

50712.5. (a) The Department of Housing and Community Development, through its Office of Migrant Services, pursuant to the authority granted in subdivision (n) of Section 50406 and this chapter shall assist in the development, construction, reconstruction, rehabilitation, or operation of migrant farm labor centers. The department shall encourage and assist in the development of family units, or dormitory-style units, as may be appropriate, in migrant farm labor centers in any county or counties where there is a substantial unmet need for migrant farmworker housing. It is the intent of the Legislature in permitting the development of dormitory-style housing that family households not be mixed with single person households unless the contractor or sponsor can make reasonable accommodations to provide

separate living and sleeping areas in the dormitory to those family households.

(b) The department may use funds appropriated for the purposes of the Office of Migrant Services to maximize the utility of any other local, federal, state, or private funds or other assistance made available for the purposes of this section. These appropriated funds may be used for costs including, but not limited to, the following items:

(1) Predevelopment costs incurred in the process of securing construction or long-term financing site acquisition development, architectural, engineering, or legal expenses, or construction costs, including construction interest, or both. These costs shall not be subject to reimbursement from construction or permanent financing, as the case may be, if the reimbursement would contribute to, or result in, rents substantially in excess of those in other migrant farm labor centers assisted by the Office of Migrant Services, as determined by the department.

(2) A grant or deferred payment loan for acquisition, development, and related infrastructure costs, including construction, reconstruction, rehabilitation, or operation, which may be forgiven, matching or supplementing the permanent financing or grant made available by a federal, state, or local housing assistance program.

(3) Operating cost reductions to the extent necessary to ensure that the rents in the migrant farm center are not substantially in excess of those in other migrant farm labor centers operated by the Office of Migrant Services.

(c) The department shall seek the maximum possible contribution of funds, land, and other incentives from local, federal, state, and private sources for all the purposes described in subdivision (b). Funds transferred pursuant to Part 8 (commencing with Section 53130) shall not be used in a manner inconsistent with this part. Migrant farm labor centers shall be eligible for energy conservation assistance, including the assistance provided in programs established pursuant to Section 381 of the Public Utilities Code and administered either by a utility or a local or other entity. In the funding and evaluation of energy conservation assistance pursuant to this section, the California Public Utilities Commission shall consider improvements in habitability and the need to bring migrant housing up to adequate standards of comfort through energy efficient mechanical and lighting systems.

(d) To the extent that any migrant farm labor center assisted pursuant to this section is financed or otherwise assisted by the United States Farmers Home Administration, and to the extent the Farmers Home Administration requires compliance with construction, operating, term of use, or residency standards which differ from those required by the department pursuant to regulations adopted to implement and interpret

this chapter, those Farmers Home Administration standards shall supersede the department's regulations.

(e) The Office of Migrant Services may authorize the use of dormitory-style housing in a migrant farm labor center.

CHAPTER 672

An act to amend Sections 50517.5 and 50650.3 of the Health and Safety Code, relating to housing.

[Approved by Governor September 21, 2004. Filed with Secretary of State September 21, 2004.]

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

SECTION 1. Section 50517.5 of the Health and Safety Code is amended to read:

50517.5. (a) (1) The department shall establish the Joe Serna, Jr. Farmworker Housing Grant Program under which, subject to the availability of funds therefor, grants or loans, or both, shall be made to local public entities, nonprofit corporations, and limited partnerships, for the construction or rehabilitation of housing for agricultural employees and their families or for the acquisition of manufactured housing as part of a program to address and remedy the impacts of current and potential displacement of farmworker families from existing labor camps, mobilehome parks, or other housing. Under this program, grants or loans, or both, may also be made for the cost of acquiring the land and any building thereon in connection with housing assisted pursuant to this section and for the construction and rehabilitation of related support facilities necessary to the housing. In its administration of this program, the department shall disburse grants or loans, or both, to the local public entities, nonprofit corporations, or limited partnerships or may, at the request of the local public entity, nonprofit corporation, or limited partnership that sponsors and supervises the rehabilitation or construction program, disburse grant funds to agricultural employees who are participants in a rehabilitation or construction program sponsored and supervised by the local public entity, nonprofit corporation, or limited partnership. No part of a grant or loan made pursuant to this section may be used for project organization or planning.

(2) Notwithstanding any other provision of this chapter, upon the request of a grantee the program also may loan funds to a grantee at no more than 3 percent simple interest. Principal and accumulated interest

is due and payable upon completion of the term of the loan. For any loan made pursuant to this subdivision, the performance requirements of the lien shall remain in effect for a period of no less than the original term of the loan.

(3) The program shall be administered by the Director of Housing and Community Development and officers and employees of the department as he or she may designate.

(b) (1) The Joe Serna, Jr. Farmworker Housing Grant Fund is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, all money in the fund is continuously appropriated to the department for making grants or loans, or both, pursuant to this section and Section 50517.10, for purposes of Chapter 8.5 (commencing with Section 50710), and for costs incurred by the department in administering these programs.

(2) There shall be paid into the fund the following:

(A) Any moneys appropriated and made available by the Legislature for purposes of the fund.

(B) Any moneys that the department receives in repayment or return of grants or loans from the fund, including any interest therefrom.

(C) Any other moneys that may be made available to the department for the purposes of this chapter from any other source or sources.

(D) All moneys appropriated to the department for the purposes of Chapter 8.5 (commencing with Section 50710) and any moneys received by the department from the occupants of housing or shelter provided pursuant to Chapter 8.5 (commencing with Section 50710). These moneys shall be separately accounted for from the other moneys deposited in the fund.

(c) (1) Grants and loans made pursuant to this section shall be matched by grantees with at least equal amounts of federal moneys, other cash investments, or in-kind contributions.

(2) For grant or loan requests of not more than five hundred thousand dollars ($500,000), the department may waive a part of the matching fund requirement in this subdivision if the grantee demonstrates an inability, as may be established by the department in ''Notices of Funding Availability,'' to secure adequate financing from other sources. Not more than 5 percent of the total amount appropriated to the department for the purposes of this section may be used to meet grant or loan requests in which a part of the matching fund requirement has been waived pursuant to this paragraph.

(d) With respect to the supervision of grantees, the department shall do the following:

(1) Establish minimum capital reserves to be maintained by grantees.

(2) Fix and alter from time to time a schedule of rents that may be necessary to provide residents of housing assisted pursuant to this

section with affordable rents to the extent consistent with the maintenance of the financial integrity of the housing project. No grantee shall increase the rent on any unit constructed or rehabilitated with the assistance of funds provided pursuant to this section without the prior permission of the department, which shall be given only if the grantee affirmatively demonstrates that the increase is required to defray necessary operating costs or avoid jeopardizing the fiscal integrity of the housing project.

(3) Determine standards for, and control selection by grantees of, tenants and subsequent purchasers of housing constructed or rehabilitated with the assistance of funds provided pursuant to this section.

(4) (A) Require as a condition precedent to a grant or loan, or both, of funds that the applicant have site control that is satisfactory to the department; that the grantee be record owner in fee of the assisted real property or provide other security including a lien on the manufactured home that is satisfactory to the department to ensure compliance with the construction, financial, and program obligations; and that the grantee shall have entered into a written agreement with the department binding upon the grantee and successors in interest to the grantee. The agreement shall include the conditions under which the funds advanced may be repaid. The agreement shall include provisions for a lien on the assisted real property or manufactured home in favor of the State of California for the purpose of securing performance of the agreement. The agreement shall also provide that the lien shall endure until released by the Director of Housing and Community Development.

(B) In the event that funds granted or loaned pursuant to this section constitute less than 25 percent of the total development cost or value, whichever is applicable, of a project assisted under this section, the department may adopt, by regulation, criteria for determining the number of units in a project to which the restrictions on occupancy contained in the agreement apply. In no event may these regulations provide for the application of the agreement to a percentage of units in a project that is less than the percentage of total development costs that funds granted or loaned pursuant to this section represent.

(C) Contemporaneously with the disbursement of the initial funds to a grantee, the department shall cause to be recorded, in the office of the county recorder of the county in which the assisted real property is located, a notice of lien executed by the Director of Housing and Community Development. The notice of lien shall refer to the agreement required by this paragraph for which it secures and it shall include a legal description of the assisted real property that is subject to the lien. The notice of lien shall be indexed by the recorder in the Grantor Index to the name of the grantee and in the Grantee Index to the name of the State of

California, Department of Housing and Community Development. For manufactured housing, the liens shall be recorded by the department in the same manner as other manufactured housing liens are recorded. The department shall adopt by regulation criteria for the determination of the lien period. This regulation shall take into account whether the property is held by multifamily rental, single-family ownership, or cooperative ownership and whether it is new construction or rehabilitative construction. The lien period for manufactured housing liens for manufactured homes shall not exceed 10 years.

(D) Pursuant to regulations adopted by the department, the department may execute and cause to be recorded in the office of the recorder of the county in which a notice of lien has been recorded, or the department, as appropriate, a subordination of the lien. The regulations adopted by the department shall provide that any subordination of the lien shall not jeopardize the security interest of the state and shall further the interest of farmworker housing. The recitals contained in the subordination shall be conclusive in favor of any bona fide purchaser or lender relying thereon.

(E) Prior to funds granted pursuant to this section being used to finance the acquisition of a manufactured home, the grantee shall ensure that the home either is already installed in a location where it will be occupied by the eligible household or that a location has been leased or otherwise made available for the manufactured home to be occupied by the eligible household.

(5) Regulate the terms of occupancy agreements or resale controls, to be used in housing assisted pursuant to this section.

(6) Provide linguistically appropriate services and publications, or require grantees to do so, as necessary to implement the purposes of this section.

(7) The agreement between the department and the grantee shall provide, among other things, that both of the following occur:

(A) Upon the sale or conveyance of the real property, or any part thereof, for use other than for agricultural employee occupancy, the grantee or its successors shall, as a condition for the release of the lien provided pursuant to paragraph (4), repay to the fund the department's grant and loan funds.

(B) Upon the sale or conveyance of the real property or any part thereof for continued agricultural employee occupancy, the transferee shall assume the obligation of the transferor and the real property shall be transferred to the new owner; provided that the transferee agrees to abide by the agreement entered into between the transferor and the department and that the new owner takes the property subject to the lien provided pursuant to paragraph (4), except that this lien shall, at the time of the transfer of the property to the new owner, be extended for an

additional lien period determined by the department pursuant to paragraph (4), and the new owner shall not be credited with the lien period that had run from the time the transferor had acquired the property to the time of transfer to the new owner, unless the department determines that it is in the best interest of the state and consistent with the intent of this section to so credit the lien period to the new owner. However, the lien shall have priority as of the recording date of the lien for the original grantee, pursuant to paragraph (4).

(e) The department may do any of the following with respect to grantees:

(1) Through its agents or employees enter upon and inspect the lands, buildings, and equipment of a grantee, including books and records, at any time before, during, or after construction or rehabilitation of units assisted pursuant to this section. However, there shall be no entry or inspection of any unit that is occupied, whether or not any occupant is actually present, without the consent of the occupant.

(2) Supervise the operation and maintenance of any housing assisted pursuant to this section and order repairs as may be necessary to protect the public interest or the health, safety, or welfare of occupants of the housing.

(f) The department shall include in its annual report required by Section 50408, a current report of the Joe Serna, Jr. Farmworker Housing Grant Program. The report shall include, but need not be limited to, (1) the number of households assisted, (2) the average income of households assisted and the distribution of annual incomes among assisted households, (3) the rents paid by households assisted, (4) the number and amount of grants or loans, or both, made to each grantee in the preceding year, (5) the dollar value of funding derived from sources other than the state for each project receiving a grant or loan, or both, under this section, and an identification of each source, (6) recommendations, as needed, to improve operations of the program and respecting the desirability of extending its application to other groups in rural areas identified by the department as having special need for state housing assistance, and (7) the number of manufactured housing units assisted under this section.

(g) As used in this section:

(1) ''Agricultural employee'' has the same meaning as specified in subdivision (b) of Section 1140.4 of the Labor Code, but also includes any person who works at a packing shed for a labor contractor or other entity that contracts with an agricultural employer in order to perform services in connection with handling, drying, packing, or storing any agricultural commodity in its raw or natural state, whether or not this person is encompassed within the definition specified in subdivision (b) of Section 1140.4 of the Labor Code.

(2) ''Grantee'' means the local public entity, nonprofit corporation, or limited partnership that is awarded the grant or loan, or both, under this section, and, at the request thereof, may include an agricultural employee receiving direct payment of a grant for rehabilitation under this section who occupies the assisted housing both before and after the rehabilitation and may include an agricultural employee receiving direct payment of a grant for construction under this section who will occupy the assisted housing and who is a participant in a rehabilitation or construction program sponsored and supervised by a local public entity, nonprofit corporation, or limited partnership.

(3) ''Housing'' may include, but is not necessarily limited to, conventionally constructed units and manufactured housing installed pursuant to either Section 18551 or 18613.

(4) ''Limited partnership'' means a limited partnership where all of the general partners are nonprofit mutual or public benefit corporations.

(h) The department may provide the assistance offered pursuant to this chapter in any area where there is a substantial unmet need for farmworker housing.

SEC. 2. Section 50650.3 of the Health and Safety Code is amended to read:

50650.3. (a) Funds appropriated for purposes of this chapter shall be used to enable low- and very low income households to become or remain homeowners. Funds shall be provided by the department to local public agencies or nonprofit corporations as either of the following:

(1) Grants for programs that assist individual households.

(2) Loans that assist development projects involving multiple homeownership units, including single-family subdivisions.

(b) Grant funds may be used for first-time homebuyer downpayment assistance, home rehabilitation, homebuyer counseling, home acquisition and rehabilitation, or self-help mortgage assistance programs, or for technical assistance for self-help and shared housing homeownership. Loan funds may be used for purchase of real property, site development, predevelopment, and construction period expenses incurred on homeownership development projects, and permanent financing for mutual housing or cooperative developments. Upon completion of construction, the department may convert project loans into grants for programs of assistance to individual homeowners. Financial assistance provided to individual households shall be in the form of deferred payment loans, repayable upon sale or transfer of the homes, when they cease to be owner-occupied, or upon the loan maturity date. Financial assistance may be provided in the form of a secured forgivable loan to an individual household to rehabilitate, repair, or replace manufactured housing located in a mobilehome park and not permanently affixed to a foundation. The loan shall be due and payable

in 20 years, with 10 percent of the original principle to be forgiven annually for each additional year beyond the 10th year that the home is owned and continuously occupied by the borrower. Not more than 10 percent of the funds available for the purposes of this chapter in a fiscal year shall be used for financial assistance in the form of secured forgivable loans.

(c) All loan repayments shall be used for activities allowed under this section, and shall be governed by a reuse plan approved by the department. Those reuse plans may provide for loan servicing by the grant recipient or a third-party local government agency or nonprofit corporation.

CHAPTER 673

An act to amend Section 44512 of the Education Code, relating to teachers.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Section 44512 of the Education Code is amended to read:

44512. (a) To receive incentive funding for the purpose of this article, a local education agency, individually or in partnership with one or more institutions of higher education or other education entities, shall submit a program proposal to the State Board of Education. The program proposal shall contain an expenditure plan and shall specify how the training program for which funding is being requested addresses the program goals specified in paragraphs (1) to (6), inclusive, of subdivision (a) of Section 44511 and how the local education agency plans to continue ongoing schoolsite administrator professional development.

(b) The State Board of Education shall approve or disapprove a local education agency's plan.

(c) Training programs offered pursuant to this article shall have a duration of no fewer than 80 hours and shall involve a minimum of 80 hours of intensive individualized support and professional development in the areas specified in subdivision (a) of Section 44511. The additional 80 hours of intensive individualized support and professional development may be completed over a period of up to two years once the initial 80 hours of training commences.

(d) For high schools, training plans may include professional development activities that include coaching, mentorship, assistance, and intensive support customized to meet the individual needs of high school administrators. This subdivision does not preclude elementary or middle schools from including these types of activities in their training plans.

CHAPTER 674

An act to amend Section 51504 of the Health and Safety Code, relating to affordable housing, and making an appropriation therefor.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Section 51504 of the Health and Safety Code is amended to read:

51504. The agency shall administer a downpayment assistance program that includes, but is not limited to, all of the following:

(a) Downpayment assistance shall include, but not be limited to, a deferred-payment, low-interest, junior mortgage loan to reduce the principal and interest payments and make financing affordable to first-time low- and moderate-income homebuyers.

(b) (1) Except as provided in paragraph (2), the amount of downpayment assistance shall not exceed 3 percent of the home sales price.

(2) The amount of downpayment assistance for a new home within an infill opportunity zone, as defined in Section 65088.1 of the Government Code, a transit village development district, as defined in Section 65460.4 of the Government Code, or a transit-oriented development specific plan area shall not exceed 5 percent of the purchase price or the appraised value, whichever amount is less, of the new home. The borrower of the downpayment assistance shall provide the lender originating the loan with a certification from the local government agency administering the infill opportunity zone, the transit village development district, or the transit-oriented development specific plan area that states that the property involved in the loan transaction is within the boundaries of either the infill opportunity zone, the transit village development district, or the transit-oriented development specific plan area.

(c) The amount of the downpayment assistance shall be secured by a deed of trust in a junior position to the primary financing provided. The term of the loan for the downpayment assistance shall not exceed the term of the primary loan.

(d) The amount of the downpayment assistance shall be due and payable at the end of the term or upon sale of or refinancing of the home. The borrower may refinance the mortgages on the home provided that the principal and accrued interest on the junior mortgage loan securing the downpayment assistance are repaid in full. All repayments shall be made to the agency to be reallocated for the purposes of this chapter.

(e) The agency may use up to 5 percent of the funds appropriated by the Legislature for purposes of this chapter to administer this program.

(f) For the purposes of this section, ''transit-oriented development specific plan area'' means a specific plan that meets the criteria set forth in Section 65451 of the Government Code, is centered around a rail or light-rail station, ferry terminal, bus hub, or bus transfer station, and is intended to achieve a higher-density use of land that facilitates use of the transit station.

SEC. 2. Section 51504 of the Health and Safety Code is amended to read:

51504. The agency shall administer a downpayment assistance program that includes, but is not limited to, all of the following:

(a) Downpayment assistance shall include, but not be limited to, a deferred-payment, low-interest, junior mortgage loan to reduce the principal and interest payments and make financing affordable to first-time low- and moderate-income homebuyers.

(b) (1) Except as provided in paragraph (2) or (3), the amount of downpayment assistance shall not exceed 3 percent of the home sales price.

(2) The amount of downpayment assistance for a new home within an infill opportunity zone, as defined in Section 65088.1 of the Government Code, a transit village development district, as defined in Section 65460.4 of the Government Code, or a transit-oriented development specific plan area shall not exceed 5 percent of the purchase price or the appraised value, whichever amount is less, of the new home. The borrower of the downpayment assistance shall provide the lender originating the loan with a certification from the local government agency administering the infill opportunity zone, the transit village development district, or the transit-oriented development specific plan area that states that the property involved in the loan transaction is within the boundaries of either the infill opportunity zone, the transit village development district, or the transit-oriented development specific plan area.

(3) Notwithstanding paragraph (1), the agency may, but is not required to, provide downpayment assistance that does not exceed 6 percent of the home sales price to first-time low-income homebuyers who, as documented to the agency by a nonprofit organization that is certified and funded to provide homeownership counseling by a federally funded national nonprofit corporation, are purchasing a residence in a community revitalization area targeted by the nonprofit organization as a neighborhood in need of economic stimulation, renovation, and rehabilitation through efforts that include increased homeownership opportunities for low-income families. The agency shall not use more than six million dollars ($6,000,000) in funds made available pursuant to Section 53533 for the purposes of this paragraph.

(c) The amount of the downpayment assistance shall be secured by a deed of trust in a junior position to the primary financing provided. The term of the loan for the downpayment assistance shall not exceed the term of the primary loan.

(d) The amount of the downpayment assistance shall be due and payable at the end of the term or upon sale of or refinancing of the home. The borrower may refinance the mortgages on the home provided that the principal and accrued interest on the junior mortgage loan securing the downpayment assistance are repaid in full. All repayments shall be made to the agency to be reallocated for the purposes of this chapter.

(e) The agency may use up to 5 percent of the funds appropriated by the Legislature for purposes of this chapter to administer this program.

(f) For the purposes of this section, ''transit-oriented development specific plan area'' means a specific plan that meets the criteria set forth in Section 65451 of the Government Code, is centered around a rail or light-rail station, ferry terminal, bus hub, or bus transfer station, and is intended to achieve a higher-density use of land that facilitates use of the transit station.

SEC. 3. Section 2 of this bill incorporates amendments to Section 51504 of the Health and Safety Code proposed by both this bill and Assembly Bill 2838. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 51504 of the Health and Safety Code, and (3) this bill is enacted after Assembly Bill 2838 in which case Section 1 of this bill shall not become operative.

CHAPTER 675

An act to amend Section 379.6 of the Public Utilities Code, relating to energy resources, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Section 379.6 of the Public Utilities Code is amended to read:

379.6. (a) The commission, in consultation with the State Energy Resources Conservation and Development Commission, shall administer, until January 1, 2008, the self-generation incentive program for distributed generation resources originally established pursuant to Chapter 329 of the Statutes of 2000. Except as provided in subdivision (b), the program shall be administered in the same form as it existed on January 1, 2004.

(b) Eligibility for the self-generation incentive program's level 3 incentive category shall be subject to the following conditions:

(1) Commencing January 1, 2005, all combustion-operated distributed generation projects using fossil fuel shall meet an oxides of nitrogen (NO_x) emissions rate standard of 0.14 pounds per megawatthour.

(2) Commencing January 1, 2007, all combustion-operated distributed generation projects using fossil fuel shall meet a NO_x emissions rate standard of 0.07 pounds per megawatthour and a minimum efficiency of 60 percent. A minimum efficiency of 60 percent shall be measured as useful energy output divided by fuel input. The efficiency determination shall be based on 100 percent load.

(3) Combined heat and power units that meet the 60 percent efficiency standard may take a credit to meet the applicable NO_x emissions standard of 0.14 pounds per megawatthour or 0.07 pounds per megawatthour. Credit shall be at the rate of one megawatthour for each 3.4 million British thermal units (Btus) of heat recovered.

(4) Notwithstanding paragraphs (1) and (2), a project that does not meet the applicable NO_x emission standard is eligible if it meets both of the following requirements:

(A) The project operates solely on waste gas. The commission shall require a customer that applies for an incentive pursuant to this paragraph to provide an affidavit or other form of proof, that specifies that the project shall be operated solely on waste gas. Incentives awarded pursuant to this paragraph shall be subject to refund and shall be

refunded by the recipient to the extent the project does not operate on waste gas. As used in this paragraph, ''waste gas'' means natural gas that is generated as a byproduct of petroleum production operations and is not eligible for delivery to the utility pipeline system.

(B) The air quality management district or air pollution control district, in issuing a permit to operate the project, determines that operation of the project will produce an onsite net air emissions benefit, compared to permitted onsite emissions if the project does not operate. The commission shall require the customer to secure the permit prior to receiving incentives.

(c) In administering the self-generation incentive program, the commission may adjust the amount of rebates, include other ultraclean and low-emission distributed generation technologies, as defined in Section 353.2, and evaluate other public policy interests, including, but not limited to, ratepayers, and energy efficiency and environmental interests.

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

Chapter 894 of the Statutes of 2003, through an inadvertent omission, rendered waste gas electric generation units ineligible for participation in the Public Utility Commission's self-generation incentive program. As a result, solid waste gas is currently being burned into the atmosphere instead of producing much needed electric power. In order to increase the state's electric energy supply and reduce emissions from flared waste gas without delay, it is necessary that this act go into immediate effect.

CHAPTER 676

An act to amend Sections 10150, 10151, 10153.3, 10210, 10215, 10226, 10226.5, and 12028 of the Business and Professions Code, relating to business, and making an appropriation therefor.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Section 10150 of the Business and Professions Code is amended to read:

10150. (a) Application for the real estate broker license examination shall be made in writing to the commissioner. The

commissioner may prescribe the format and content of the broker examination application. The application for the broker examination shall be accompanied by the real estate broker license examination fee.

(b) Persons who have been notified by the commissioner that they passed the real estate broker license examination may apply for a real estate broker license. A person applying for the broker examination may also apply for a real estate broker license. However, a license shall not be issued until the applicant passes the real estate broker license examination. If there is any change to the information contained in a real estate broker license application after the application has been submitted and before the license has been issued, the commissioner may require the applicant to submit a supplement to the application listing the changed information.

(c) Application for the real estate broker license shall be made in writing to the commissioner. The commissioner may prescribe the format and content of the broker license application. The application for the real estate broker license shall be accompanied by the appropriate fee.

SEC. 2. Section 10151 of the Business and Professions Code is amended to read:

10151. (a) Application for the real estate salesperson license examination shall be made in writing to the commissioner. The commissioner may prescribe the format and content of the salesperson examination application. The application for the salesperson examination shall be accompanied by the real estate salesperson license examination fee.

(b) Persons who have been notified by the commissioner that they passed the real estate salesperson license examination may apply for a real estate salesperson license. A person applying for the salesperson examination may also apply for a real estate salesperson license. However, a license shall not be issued until the applicant passes the real estate salesperson license examination. If there is any change to the information contained in a real estate salesperson license application after the application has been submitted and before the license has been issued, the commissioner may require the applicant to submit a supplement to the application listing the changed information.

(c) Application for the real estate salesperson license examination shall be made in writing to the commissioner. The commissioner may prescribe the format and content of the salesperson license application. The application for the real estate salesperson license shall be accompanied by the appropriate fee.

SEC. 3. Section 10153.3 of the Business and Professions Code is amended to read:

10153.3. (a) In order to take an examination for a real estate salesperson license, an applicant shall submit evidence or certification, satisfactory to the commissioner, of enrollment in, or successful completion at, an accredited institution, of a three-semester unit course, or the quarter equivalent thereof, in real estate principles. Evidence of enrollment satisfactory to the commissioner may include a statement from the applicant made under penalty of perjury.

(b) An applicant for an original real estate salesperson license, including an applicant who has filed a salesperson license application contemporaneously with an application to take an examination for a real estate salesperson license, shall, prior to the issuance of the license, submit evidence satisfactory to the commissioner of successful completion, at an accredited institution, of a three-semester unit course, or the quarter equivalent thereof, in real estate principles.

(c) The commissioner shall waive the requirements of this section for an applicant who is a member of the State Bar of California, or who has completed an equivalent course of study, as determined under Section 10153.5, or who has qualified to take the examination for an original real estate broker license by satisfying the requirements of Section 10153.2.

(d) This section shall become operative on July 1, 2004.

SEC. 4. Section 10210 of the Business and Professions Code is amended to read:

10210. (a) The fee for a real estate broker license shall not exceed three hundred dollars ($300).

In the case of an original applicant, the fee is payable upon filing the real estate broker license application.

(b) If an applicant fails to pass the real estate broker license examination within two years from the date of filing his or her broker license application, his or her broker license application shall lapse and no further proceedings thereon shall be taken.

(c) This section shall remain in effect unless it is superseded pursuant to Section 10226 or subdivision (a) of Section 10226.5, whichever is applicable.

SEC. 5. Section 10215 of the Business and Professions Code is amended to read:

10215. (a) The fee for a real estate salesperson license shall not exceed two hundred forty-five dollars ($245), except that for an applicant qualifying pursuant to Section 10153.4 who has not satisfied all of the educational requirements prior to issuance of the license, the fee shall not exceed two hundred seventy-five dollars ($275).

In the case of an original applicant, the fee is payable upon filing the real estate salesperson license application.

(b) If an applicant fails to pass the real estate salesperson license examination within two years from the date of filing his or her

salesperson license application, his or her salesperson license application shall lapse and no further proceedings thereon shall be taken.

(c) This section shall remain in effect unless it is superseded pursuant to Section 10226 or subdivision (a) of Section 10226.5, whichever is applicable.

SEC. 6. Section 10226 of the Business and Professions Code is amended to read:

10226. (a) The commissioner may periodically by regulation prescribe fees lower than the maximum fees provided in Sections 10209.5, 10210, 10214.5, 10215, and 10250.3 whenever he or she determines those lower fees are sufficient to offset the costs and expenses incurred in the administration of Part 1 (commencing with Section 10000) of this division. The commissioner shall hold at least one regulation hearing each calendar year, to determine if lower fees should be prescribed.

(b) If, as of June 30 of any fiscal year, the balance of funds in the Real Estate Fund exceeds an amount equal to 150 percent of the department's authorized budget for the following year, then within 30 days thereafter the commissioner shall, notwithstanding the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), issue regulations reducing real estate license and subdivision fees so that as of June 30 of the next fiscal year the balance of funds in the Real Estate Fund shall not exceed an amount equal to 150 percent of the department's authorized budget for that year.

(c) If the commissioner fails to reduce these fees within the timeframe specified in subdivision (b), then fees shall automatically be reduced to the levels as indicated in subdivision (b) of Section 10226.5. That reduction shall be effective no later than September 1 of the fiscal year wherein the commissioner is obliged to issue regulations pursuant to subdivision (b).

SEC. 7. Section 10226.5 of the Business and Professions Code is amended to read:

10226.5. (a) If at any time funds are transferred or loaned from the Real Estate Fund to the General Fund by the Budget Act, then 30 days from and after the date of the transfer or loan, fees shall be reduced as indicated in subdivision (b), irrespective of any provisions of the Budget Act precluding that reduction.

(b) Fees shall be reduced pursuant to paragraph (a) to the following maximum amounts:

(1) Real estate broker examination or reexamination: Fifty dollars ($50).

(2) First reschedule of broker examination: Fifteen dollars ($15); subsequent reschedules: Twenty-five dollars ($25).

(3) Real estate broker license, original or renewal: One hundred sixty-five dollars ($165).

(4) Real estate salesperson examination or reexamination: Twenty-five dollars ($25).

(5) First reschedule of salesperson examination: Ten dollars ($10); subsequent reschedules: Twenty-five dollars ($25).

(6) Real estate salesperson license, original or renewal: One hundred twenty dollars ($120).

(7) Real estate salesperson license without all educational requirements: One hundred forty-five dollars ($145).

(8) A notice of intention without a completed questionnaire: One hundred fifty dollars ($150).

(9) An original public report for subdivision interests described in Section 11004.5: One thousand six hundred dollars ($1,600) plus ten dollars ($10) for each subdivision interest to be offered.

(10) An original public report for subdivision interests other than those described in Section 11004.5: Five hundred dollars ($500) plus ten dollars ($10) for each interest to be offered.

(11) A conditional public report for subdivision interests described in Section 11004.5: Five hundred dollars ($500).

(12) A conditional public report for subdivision interests other than those described in Section 11004.5: Five hundred dollars ($500).

(13) A preliminary public report for subdivision interests described in Section 11004.5: Five hundred dollars ($500).

(14) A preliminary public report for subdivision interests other than those described in Section 11004.5: Five hundred dollars ($500).

(15) A renewal public report for subdivision interests described in Section 11004.5: Five hundred dollars ($500).

(16) A renewal public report for subdivision interests other than those described in Section 11004.5: Five hundred dollars ($500).

(17) An amended public report for subdivision interests described in Section 11004.5: Three hundred dollars ($300) plus ten dollars ($10) for each subdivision interest to be offered under the amended public report for which a fee has not previously been paid.

(18) An amended public report to offer subdivision interests other than those described in Section 11004.5: Three hundred dollars ($300) plus ten dollars ($10) for each subdivision interest to be offered under the amended public report for which a fee has not previously been paid.

(19) An application for an original, renewal, or amended registration as required by Section 10249: One hundred dollars ($100).

(20) The filing fee for an application for a permit to be issued pursuant to Article 8.5 (commencing with Section 10250) for each subdivision or phase of the subdivision in which interests are to be offered for sale or lease shall be as follows:

(A) One thousand six hundred dollars ($1,600) plus ten dollars ($10) for each subdivision interest to be offered for an original permit application.

(B) Five hundred dollars ($500) plus ten dollars ($10) for each subdivision interest to be offered that was not permitted to be offered under the permit to be renewed for a renewal permit application.

(C) Three hundred dollars ($300) plus ten dollars ($10) for each subdivision interest to be offered under the amended permit for which a fee has not previously been paid for an amended permit application.

(D) Five hundred dollars ($500) for a conditional permit application.

SEC. 8. Section 12028 of the Business and Professions Code is amended to read:

12028. On or before July 1, 1995, the secretary shall adopt regulations pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code that specify the types of violations for which civil penalties may be imposed pursuant to Section 12015.3, the amount of the penalty for each violation, and a procedure for providing notice to the person charged with a violation of that section. The amount of the penalty shall be based upon the seriousness of the violation and the potential for harm. No investigative costs shall be imposed pursuant to Section 12015.5 for violations for which civil penalties are imposed pursuant to Section 12015.3.

CHAPTER 677

An act to amend Section 170042 of the Public Utilities Code, relating to the San Diego County Regional Airport Authority.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Section 170042 of the Public Utilities Code is amended to read:

170042. (a) The board may act only by ordinance or resolution for the regulation of the authority and undertaking all acts necessary and convenient for the exercise of the authority's powers.

(b) The authority may adopt and enforce rules and regulations for the administration, maintenance, operation, and use of its facilities and services.

(c) (1) A person who violates a rule, regulation, or ordinance adopted by the board is guilty of a misdemeanor punishable pursuant to Section

19 of the Penal Code, or an infraction under the circumstances set forth in paragraph (1) or (2) of subdivision (d) of Section 1 of the Penal Code.

(2) The authority may employ necessary personnel to enforce this section.

(d) A majority of the membership of the board shall constitute a quorum for the transaction of business.

SEC. 2. The amendment of Section 170042 of the Public Utilities Code made by Section 2 of this act does not constitute a change in, but is declaratory of, existing law.

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 that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 678

An act to add Section 116365.2 to the Health and Safety Code, relating to drinking water.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Section 116365.2 is added to the Health and Safety Code, to read:

116365.2. (a) In conducting the periodic review and revision of public health goals pursuant to paragraph (1) of subdivision (e) of Section 116365, the Office of Environmental Health Hazard Assessment may give special consideration to those contaminants that, on the basis of currently available data or scientific evidence, cause or contribute to adverse health effects in members of subgroups that comprise a meaningful portion of the general population, including, but not limited to, infants, children, pregnant women, the elderly, individuals with a history of serious illness, or other subgroups that are identifiable as being at greater risk of adverse health effects than the general population when exposed to the contaminant in drinking water.

(b) In preparing and publishing risk assessments pursuant to subparagraph (C) of paragraph (1) of subdivision (c) of Section 116365

that involve infants and children, the office shall assess all of the following, to the extent information is available:

(1) Exposure patterns, including, but not limited to, patterns determined by relevant data, among bottle-fed infants and children that are likely to result in disproportionately high exposure to contaminants in comparison to the general population.

(2) Special susceptibility of infants and children to contaminants in comparison to the general population.

(3) The effects on infants and children of exposure to contaminants and other substances that have a common mechanism of toxicity.

(4) The interaction of multiple contaminants on infants and children.

CHAPTER 679

An act to repeal and add Section 116455 of the Health and Safety Code, relating to public water systems.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Section 116455 of the Health and Safety Code is repealed.

SEC. 2. Section 116455 is added to the Health and Safety Code, to read:

116455. (a) A public water system shall comply with the requirements of this section within 30 days after it is first informed of a confirmed detection of a contaminant found in drinking water delivered by the public water system for human consumption that is in excess of a maximum contaminant level, a notification level, or a response level established by the department.

(1) If the public water system is a wholesale water system, then the person operating the wholesale water system shall notify the wholesale water system's governing body and the water systems that are directly supplied with that drinking water. If the wholesale water system is a water company regulated by the California Public Utilities Commission, then the wholesale water system shall also notify the commission. The commission in the exercise of its general and specific powers to ensure the health, safety, and availability of drinking water served by the utilities subject to its jurisdiction, may order further action that is not inconsistent with the standards and regulations of the department to ensure a potable water supply.

(2) If the public water system is a retail water system, then the person operating the retail water system shall notify the retail water system's governing body and the governing body of any local agency whose jurisdiction includes areas supplied with drinking water by the retail water system. If the retail water system is a water company regulated by the California Public Utilities Commission, then the retail water system shall also notify the commission. The commission, in the exercise of its general and specific powers to ensure the health, safety, and availability of drinking water served by the utilities subject to its jurisdiction, may order further action that is not inconsistent with the standards and regulations of the department to ensure a potable water supply.

(b) The notification required by subdivision (a) shall identify the drinking water source, the origin of the contaminant, if known, the maximum contaminant level, response level, or notification level, as appropriate, the concentration of the detected contaminant, and the operational status of the drinking water source, and shall provide a brief and plainly worded statement of health concerns.

(c) For purposes of this section, the following terms have the following meanings:

(1) ''Drinking water source'' means an individual groundwater well, an individual surface water intake, or in the case of water purchased from another water system, the water at the service connection.

(2) ''Local agency'' means a city or county, or a city and county.

(3) ''Notification level'' means the concentration level of a contaminant in drinking water delivered for human consumption that the department has determined, based on available scientific information, does not pose a significant health risk but warrants notification pursuant to this section. Notification levels are nonregulatory, health-based advisory levels established by the department for contaminants in drinking water for which maximum contaminant levels have not been established. Notification levels are established as precautionary measures for contaminants that may be considered candidates for establishment of maximum contaminant levels, but have not yet undergone or completed the regulatory standard setting process prescribed for the development of maximum contaminant levels and are not drinking water standards.

(4) ''Response level'' means the concentration of a contaminant in drinking water delivered for human consumption at which the department recommends that additional steps, beyond notification pursuant to this section, be taken to reduce public exposure to the contaminant. Response levels are established in conjunction with notification levels for contaminants that may be considered candidates for establishment of maximum contaminant levels, but have not yet undergone or completed the regulatory standard setting process

prescribed for the development of maximum contaminant levels and are not drinking water standards.

(5) ''Retail water system'' means a public water system that supplies water directly to the end user.

(6) ''Wholesale water system'' means a public water system that supplies water to other public water systems for resale.

CHAPTER 680

An act to amend Section 65863.7 of the Government Code, relating to mobilehome parks.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Section 65863.7 of the Government Code is amended to read:

65863.7. (a) Prior to the conversion of a mobilehome park to another use, except pursuant to the Subdivision Map Act (Division 2 (commencing with Section 66410) of Title 7), or prior to closure of a mobilehome park or cessation of use of the land as a mobilehome park, the person or entity proposing the change in use shall file a report on the impact of the conversion, closure, or cessation of use upon the displaced residents of the mobilehome park to be converted or closed. In determining the impact of the conversion, closure, or cessation of use on displaced mobilehome park residents, the report shall address the availability of adequate replacement housing in mobilehome parks and relocation costs.

(b) The person proposing the change in use shall provide a copy of the report to a resident of each mobilehome in the mobilehome park at least 15 days prior to the hearing, if any, on the impact report by the advisory agency, or if there is no advisory agency, by the legislative body.

(c) When the impact report is filed prior to the closure or cessation of use, the person or entity proposing the change shall provide a copy of the report to a resident of each mobilehome in the mobilehome park at the same time as the notice of the change is provided to the residents pursuant to paragraph (2) of subdivision (f) of Section 798.56 of the Civil Code.

(d) When the impact report is filed prior to the closure or cessation of use, the person or entity filing the report or park resident may request,

and shall have a right to, a hearing before the legislative body on the sufficiency of the report.

(e) The legislative body, or its delegated advisory agency, shall review the report, prior to any change of use, and may require, as a condition of the change, the person or entity to take steps to mitigate any adverse impact of the conversion, closure, or cessation of use on the ability of displaced mobilehome park residents to find adequate housing in a mobilehome park. The steps required to be taken to mitigate shall not exceed the reasonable costs of relocation.

(f) If the closure or cessation of use of a mobilehome park results from an adjudication of bankruptcy, the provisions of this section shall not be applicable.

(g) The legislative body may establish reasonable fees pursuant to Section 66016 to cover any costs incurred by the local agency in implementing this section and Section 65863.8. Those fees shall be paid by the person or entity proposing the change in use.

(h) This section is applicable to charter cities.

(i) This section is applicable when the closure, cessation, or change of use is the result of a decision by a local governmental entity or planning agency not to renew a conditional use permit or zoning variance under which the mobilehome park has operated, or as a result of any other zoning or planning decision, action, or inaction. In this case, the local governmental agency is the person proposing the change in use for the purposes of preparing the impact report required by this section and is required to take steps to mitigate the adverse impact of the change as may be required in subdivision (e).

(j) This section is applicable when the closure, cessation, or change of use is the result of a decision by an enforcement agency, as defined in Section 18207 of the Health and Safety Code, to suspend the permit to operate the mobilehome park. In this case, the mobilehome park owner is the person proposing the change in use for purposes of preparing the impact report required by this section and is required to take steps to mitigate the adverse impact of the change as may be required in subdivision (e).

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a 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, within the meaning of Section 17556 of the Government Code.

CHAPTER 681

An act to amend Sections 51870, 51871.5, 52295.20, 52295.25, and 52295.30 of, to add Section 52295.36 to, to amend, repeal, and add Section 52295.35 of, to repeal Sections 51871.3 and 51871.4 of, the Education Code, relating to education technology.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Section 51870 of the Education Code is amended to read:

51870. For the purposes of this article, ''technology'' means technology-based materials, equipment, systems, and networks.

SEC. 2. Section 51871.3 of the Education Code is repealed.

SEC. 3. Section 51871.4 of the Education Code is repealed.

SEC. 4. Section 51871.5 of the Education Code is amended to read:

51871.5. (a) It is the intent of the Legislature that education technology planning be accomplished in the most comprehensive manner possible. To that end, the current practice of developing education technology plans for each funding program should be replaced with a comprehensive local planning process that will enable school districts to apply for grants on an ongoing basis and assist in utilizing available education technology programs.

(b) On or after January 1, 2005, as a precondition to receiving a technology grant administered by the State Department of Education, a school district shall have a current three to five year education technology plan. The State Board of Education may waive this requirement if it determines that the applicant school district made a good faith effort to develop a plan, but for reasons beyond its control, the district cannot develop the plan before receipt of the technology grant.

(c) On or after January 1, 2005, the Superintendent of Public Instruction shall ensure that each school district has access to technical assistance and an approved online technology plan builder that the department determines is in compliance with state and federal requirements.

(d) The State Department of Education shall maintain a record of school districts that have a three to five year education technology plan and shall make that information available to interested public agencies.

SEC. 5. Section 52295.20 of the Education Code is amended to read:

52295.20. (a) The Education Technology Grant Program of 2002 is hereby established to provide grants to eligible school districts, county

offices of education, or charter schools for purposes of implementing and supporting a comprehensive system that effectively uses technology to improve pupil academic achievement.

(b) As used in this chapter, ''using technology to improve pupil academic achievement'' means using technology and technology-based resources that are aligned with state adopted instructional materials, curriculum frameworks, and academic content standards adopted by the State Board of Education as a fundamental tool for both teaching and learning throughout the curriculum to help pupils meet or exceed the state academic content standards adopted by the State Board of Education.

(c) For purposes of Part D of Title II of the federal No Child Left Behind Act of 2001 (Public Law 107-110), a formula grant of insufficient size is a formula grant of six thousand dollars ($6,000) or less in any fiscal year.

SEC. 6. Section 52295.25 of the Education Code is amended to read:

52295.25. (a) Eligibility for a grant pursuant to this chapter shall be limited to a school district or a consortium of school districts that meets all of the following criteria:

(1) The school district, or the school districts in the consortium, are among the school districts in the state with the highest number or percentage of children from families with an income below the poverty line established by the federal Director of the Office of Management and Budget, as annually revised by the Secretary of Health and Human Services. The Superintendent of Public Instruction shall seek a waiver to allow eligibility for small and rural school districts to be based on income information used for free and reduced cost meals and not on federal census data.

(2) The school district, consortium of school districts, county office of education, or direct-funded charter school meets either of the following criteria:

(A) The school district or consortium of school districts operates one or more schools identified under Section 1116 of the federal No Child Left Behind Act of 2001 (Public Law 107-110).

(B) The school district or consortium of school districts have a substantial need for assistance in acquiring and using technology.

(b) The grant awarded may only be used to serve pupils in grades 4 to 8, inclusive.

(c) For purposes of paragraph (2) of subdivision (a), ''direct-funded charter school'' means a charter school for which a state warrant is drawn in favor of the county superintendent of schools who has jurisdiction over the local educational agency that granted the school's charter and deposited in the appropriate fund or account of the charter school.

SEC. 7. Section 52295.30 of the Education Code is amended to read:

52295.30. (a) The Superintendent of Public Instruction shall administer this program and the application process for the award of grants. The Superintendent of Public Instruction, with the approval of the State Board of Education, shall award grants on a competitive basis. All grants funded pursuant to this chapter shall comply with the requirements of Part D of Title II of the federal No Child Left Behind Act of 2001 (Public Law 107-110). The amount of each grant shall be calculated as described in Section 52295.35.

(b) The department shall develop a process to provide priority scoring to small school districts in reviewing grant applications. This process shall address unique issues related to small school districts including, but not limited to, the size of the school district, its current access to technology, and the pupil population served by the district.

(c) The Superintendent of Public Instruction may adopt emergency regulations in order to administer the Education Technology Grant Program of 2002 and allocate program funds.

(d) This chapter shall be implemented only to the extent of the amount of moneys from federal funds appropriated for the purposes of this chapter in the annual Budget Act or other legislation.

SEC. 8. Section 52295.35 of the Education Code is amended to read:

52295.35. (a) Applicants within each of the 11 California Technology Assistance Project regions shall compete against other applicants from that region. The amount of funding for grants available to each region shall be determined based upon the proportionate enrollment of pupils in grades 4 to 8, inclusive, in eligible schools from that region.

(b) Grants shall be awarded to a school district for a school or schools specified in the program application. All grant funds shall be spent in a manner consistent with the local educational agency technology plan, pursuant to subdivision (a) of Section 51871.5 and subdivision (a) of Section 2414 of Part D of Title II of the No Child Left Behind Act of 2001 (Public Law 107-110), and program application and shall be used for the specific school or schools included in the approved application.

(c) The initial one-time implementation grant for a school selected to receive a grant shall be calculated based upon three hundred dollars ($300) per pupil for pupils in grades 4 to 8, inclusive. An additional three hundred dollars ($300) per pupil for pupils in grade 9 may be allocated if the school includes grade 9 pupils and the school did not receive funding for these pupils under the Digital High School Education Technology Grant Act of 1997 (Chapter 8.5 (commencing with Section 52250)). Upon recommendation from the department, the State Board

of Education may adopt criteria that establish fixed minimum grant levels for a small school.

(d) Subject to availability of federal funding appropriated for competitive grants under Part D of Title II of the federal No Child Left Behind Act of 2001 (Public Law 107-110), any grant recipient that successfully completes the initial grant shall receive an additional one-time grant of forty-five dollars ($45) per pupil in grades 4 to 8, inclusive, at the school or schools selected for funding. The purpose of this funding shall be to continue implementation of the grant recipients' approved technology plan in a manner consistent with the requirements of Part D of Title II of the federal No Child Left Behind Act of 2001 (Public Law 107-110), including plans to sustain the use of technology as a tool in improving teaching and pupil academic achievement once the grant period ends.

(e) This section shall become inoperative on July 1, 2005, and, as of January 1, 2006, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2006, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 9. Section 52295.35 is added to the Education Code, to read:

52295.35. (a) Applicants within each of the 11 California Technology Assistance Project regions shall compete against other applicants from that region. The amount of funding for grants available to each region shall be determined based upon the proportionate enrollment of pupils in grades 4 to 8, inclusive, in eligible schools from that region, but a region shall not be allocated less than one million dollars ($1,000,000) or 2 percent of available grant funds, whichever amount is greater.

(b) If a region is allocated more funding than is needed for its eligible applicants, the Superintendent of Public Instruction may develop a policy to ensure that all funding is distributed to other regions for their eligible but unfunded applicants.

(c) Grants shall be awarded to an eligible school district for the eligible school or schools specified in the program application. All grant funds shall be spent in a manner consistent with the local educational agency technology plan, pursuant to subdivision (a) of Section 51871.5 and subdivision (a) of Section 2414 of Part D of Title II of the No Child Left Behind Act of 2001 (Public Law 107-110), and the program application and shall be used for the eligible school or schools specified in the approved application.

(d) The initial one-time implementation grant for a school selected to receive a grant shall be calculated based upon three hundred dollars ($300) per pupil for pupils in grades 4 to 8, inclusive. Upon recommendation from the department, the State Board of Education may

adopt criteria that establish fixed minimum grant levels for a small school.

(e) Subject to availability of federal funding appropriated for competitive grants under Part D of Title II of the federal No Child Left Behind Act of 2001 (Public Law 107-110), any grant recipient that successfully completes the initial grant shall receive an additional one-time grant of forty-five dollars ($45) per pupil in grades 4 to 8, inclusive, at the school or schools selected for funding. The purpose of this funding shall be to continue implementation of the grant recipients' approved technology plan in a manner consistent with the requirements of Part D of Title II of the federal No Child Left Behind Act of 2001 (Public Law 107-110), including plans to sustain the use of technology as a tool in improving teaching and pupil academic achievement once the grant period ends.

(f) This section shall become operative July 1, 2005.

SEC. 10. Section 52295.36 is added to the Education Code, to read:

52295.36. (a) The amount of a grant may not be less than twenty-five thousand dollars ($25,000), nor more than sixty percent of the funds available in the region.

(b) Subject to availability of federal funding appropriated for competitive grants under Part D of Title II of the federal No Child Left Behind Act of 2001 (Public Law 107-110), the duration of the grant shall be consistent with the federal requirements.

(c) This section is operative on July 1, 2005.

CHAPTER 682

An act relating to water conservation.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. It is the intent of the Legislature that all of the following occur:

(a) Not later than January 1, 2005, the California Urban Water Conservation Council (CUWCC) is hereby requested to convene a stakeholders workgroup to develop, evaluate and recommend proposals for improving the efficiency of water use in new and existing urban irrigated landscapes in the state. The CUWCC may designate a chair for the stakeholder workgroup.

(b) Representatives of the Department of Water Resources, State Water Resources Control Board, California Bay-Delta Authority, United States Bureau of Reclamation, California Landscape Contractors Association, manufacturers or designers of irrigation equipment, Green Industry Council, building and construction industry, urban water suppliers, recognized environmental advocacy groups, the League of California Cities, the California State Association of Counties, and the University of California may be invited to participate in the stakeholder workgroup.

(c) The stakeholder workgroup may examine and report to the Governor and the Legislature by December 31, 2005, on all of the following matters:

(1) Review and make recommendations for improving the Model Local Water Efficient Landscape Ordinance.

(2) Review and make comments on the following additional matters:

(A) Potential labeling requirements and performance standards for landscape irrigation equipment sold or installed in California.

(B) Potential use and application of water budgets for irrigated landscaped areas.

(C) Potential standardized training and certification requirements for personnel engaged in the business of design, installation, operation, or maintenance of irrigated landscapes, including water budgets.

(D) Potential use of incentives and disincentives to encourage the adoption and implementation of landscaping efficiency measures.

(E) Other measures for improving the water efficiency of existing irrigated landscapes.

(F) Areas for further research and development regarding water efficient plant varieties, water efficient irrigation equipment, and remote monitoring of landscape water consumption, together with plans for organizing, funding, and conducting the research.

(d) All expenses for the stakeholder workgroup shall be the responsibility of the nonstate agency stakeholders. Financial contributions by the nonstate agency stakeholders to pay the expenses of the stakeholder workgroup shall be made on a voluntary basis, and no state agency stakeholder shall be required to pay any of the expenses.

CHAPTER 683

An act to amend Section 17464 of the Education Code, and to amend Section 51504 of the Health and Safety Code, relating to real property, and making an appropriation therefor.

[Approved by Governor September 22, 2004. Filed with
Secretary of State September 22, 2004.]

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

SECTION 1. Section 17464 of the Education Code is amended to read:

17464. Except as provided for in Article 2 (commencing with Section 17230) of Chapter 1, the sale or lease with an option to purchase of real property by a school district shall be in accordance with the following priorities and procedures:

(a) First, the property shall be offered for park or recreational purposes pursuant to Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5 of the Government Code, in any instance in which that article is applicable.

(b) Second, the property shall be offered for sale or lease with an option to purchase, at fair market value in each of the following ways:

(1) In writing, to the Director of General Services, the Regents of the University of California, the Trustees of the California State University, the county and city in which the property is situated, to any public housing authority in the county in which the property is situated, and to any entity referenced in paragraph (2) that has submitted a written request to the school district to be directly notified of the offer for sale or lease with an option to purchase the real property by the district.

(2) By public notice to any public district, public authority, public agency, public corporation, or any other political subdivision in this state, to the federal government, and to nonprofit charitable corporations existing on December 31, 1979, and organized pursuant to Part 3 (commencing with Section 10200) of Division 2 of Title 1 of the Corporations Code then in effect or organized on or after January 1, 1980, as a public benefit corporation under Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code. Public notice shall consist of at least publishing its intention to dispose of the real property in a newspaper of general circulation within the district, or if there is no newspaper of general circulation in the district, then in any newspaper of general circulation that is regularly circulated in the district. The notice shall specify that the property is being made available to all public districts, public authorities, public agencies, and other political subdivisions or public corporations in this state, and to other nonprofit charitable or nonprofit public benefit corporations.

Publication of notice pursuant to this section shall be once each week for three successive weeks. Three publications in a newspaper regularly published once a week or more often, with at least five days intervening between the respective publication dates not counting the publication

dates, are sufficient. The written notice required by paragraph (1) shall be mailed no later than the date of the second published notice.

The entity desiring to purchase or lease the property shall, within 60 days after the third publication of notice, notify the school district of its intent to purchase or lease the property. If the entity desiring to purchase or lease the property and the district are unable to arrive at a mutually satisfactory price or lease payment during the 60-day period, the property may be disposed of as otherwise provided in this section. In the event the district receives offers from more than one entity pursuant to this subdivision, the school district governing board may determine which of these offers to accept.

(c) Third, the property may be disposed of in any other manner authorized by law.

This section shall become operative January 1, 1988.

SEC. 2. Section 51504 of the Health and Safety Code is amended to read:

51504. (a) The agency shall administer a downpayment assistance program that includes, but is not limited to, all of the following:

(b) Downpayment assistance shall include, but not be limited to, a deferred-payment, low-interest, junior mortgage loan to reduce the principal and interest payments and make financing affordable to first-time low- and moderate-income home buyers.

(c) (1) The amount of downpayment assistance shall not exceed 3 percent of the home sales price.

(2) Notwithstanding paragraph (1), the agency may, but is not required to, provide downpayment assistance that does not exceed 6 percent of the home sales price to first-time low-income home buyers who, as documented to the agency by a nonprofit organization that is certified and funded to provide home ownership counseling by a federally funded national nonprofit corporation, are purchasing a residence in a community revitalization area targeted by the nonprofit organization as a neighborhood in need of economic stimulation, renovation, and rehabilitation through efforts that include increased home ownership opportunities for low-income families. The agency shall not use more than six million dollars ($6,000,000) in funds made available pursuant to Section 53533 for the purposes of this paragraph.

(d) The amount of downpayment assistance shall be secured by a deed of trust in a junior position to the primary financing provided. The term of the loan for the downpayment assistance shall not exceed the term of the primary loan.

(e) The amount of the downpayment assistance shall be due and payable at the end of the term or upon sale of or refinancing of the home. The borrower may refinance the mortgages on the home provided the principal and accrued interest on the junior mortgage loan securing the

downpayment assistance are repaid in full. All repayments shall be made to the agency to be reallocated for the purposes of this chapter.

(f) The agency may use up to 5 percent of the funds appropriated by the Legislature for purposes of this chapter to administer this program.

SEC. 3. Section 51504 of the Health and Safety Code is amended to read:

51504. The agency shall administer a downpayment assistance program that includes, but is not limited to, all of the following:

(a) Downpayment assistance shall include, but not be limited to, a deferred-payment, low-interest, junior mortgage loan to reduce the principal and interest payments and make financing affordable to first-time low- and moderate-income home buyers.

(b) (1) Except as provided in paragraph (2) or (3), the amount of downpayment assistance shall not exceed 3 percent of the home sales price.

(2) The amount of downpayment assistance for a new home within an infill opportunity zone, as defined in Section 65088.1 of the Government Code, a transit village development district, as defined in Section 65460.4 of the Government Code, or a transit-oriented development specific plan area shall not exceed 5 percent of the purchase price or the appraised value, whichever amount is less, of the new home. The borrower of the downpayment assistance shall provide the lender originating the loan with a certification from the local government agency administering the infill opportunity zone, the transit village development district, or the transit-oriented development specific plan area that states that the property involved in the loan transaction is within the boundaries of either the infill opportunity zone, the transit village development district, or the transit-oriented development specific plan area.

(3) Notwithstanding paragraph (1), the agency may, but is not required to, provide downpayment assistance that does not exceed 6 percent of the home sales price to first-time low-income home buyers who, as documented to the agency by a nonprofit organization that is certified and funded to provide home ownership counseling by a federally funded national nonprofit corporation, are purchasing a residence in a community revitalization area targeted by the nonprofit organization as a neighborhood in need of economic stimulation, renovation, and rehabilitation through efforts that include increased home ownership opportunities for low-income families. The agency shall not use more than six million dollars ($6,000,000) in funds made available pursuant to Section 53533 for the purposes of this paragraph.

(c) The amount of the downpayment assistance shall be secured by a deed of trust in a junior position to the primary financing provided. The

term of the loan for the downpayment assistance shall not exceed the term of the primary loan.

(d) The amount of the downpayment assistance shall be due and payable at the end of the term or upon sale of or refinancing of the home. The borrower may refinance the mortgages on the home provided that the principal and accrued interest on the junior mortgage loan securing the downpayment assistance are repaid in full. All repayments shall be made to the agency to be reallocated for the purposes of this chapter.

(e) The agency may use up to 5 percent of the funds appropriated by the Legislature for purposes of this chapter to administer this program.

(f) For the purposes of this section, ''transit-oriented development specific plan area'' means a specific plan that meets the criteria set forth in Section 65451 of the Government Code, is centered around a rail or light-rail station, ferry terminal, bus hub, or bus transfer station, and is intended to achieve a higher-density use of land that facilitates use of the transit station.

SEC. 4. Section 3 of this bill incorporates amendments to Section 51504 of the Health and Safety Code proposed by both this bill and Assembly Bill 672. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 51504 of the Health and Safety Code, and (3) this bill is enacted after Assembly Bill 672 in which case Section 2 of this bill shall not become operative.

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.

CHAPTER 684

An act to amend Sections 21157.6 and 21159.24 of the Public Resources Code, relating to environmental quality.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Section 21157.6 of the Public Resources Code is amended to read:

21157.6. (a) The master environmental impact report shall not be used for the purposes of this chapter if either of the following has occurred:

(1) The certification of the master environmental impact report occurred more than five years prior to the filing of an application for the subsequent project.

(2) The filing of an application for the subsequent project occurs following the certification of the master environmental impact report, and the approval of a project that was not described in the master environmental impact report, may affect the adequacy of the environmental review in the master environmental impact report for any subsequent project.

(b) A master environmental impact report that was certified more than five years prior to the filing of an application for the subsequent project may be used for purposes of this chapter to review a subsequent project that was described in the master environmental impact report if the lead agency reviews the adequacy of the master environmental impact report and does either of the following:

(1) Finds that no substantial changes have occurred with respect to the circumstances under which the master environmental impact report was certified or that no new information, which was not known and could not have been known at the time that the master environmental impact report was certified as complete, has become available.

(2) Prepares an initial study and, pursuant to the findings of the initial study, does either of the following:

(A) Certifies a subsequent or supplemental environmental impact report that has been either incorporated into the previously certified master environmental impact report or references any deletions, additions, or any other modifications to the previously certified master environmental impact report.

(B) Approves a mitigated negative declaration that addresses substantial changes that have occurred with respect to the circumstances under which the master environmental impact report was certified or the new information that was not known and could not have been known at the time the master environmental impact report was certified.

SEC. 2. Section 21159.24 of the Public Resources Code is amended to read:

21159.24. (a) Except as provided in subdivision (b), this division does not apply to a project if all of the following criteria are met:

(1) The project is a residential project on an infill site.

(2) The project is located within an urbanized area.

(3) The project satisfies the criteria of Section 21159.21.

(4) Within five years of the date that the application for the project is deemed complete pursuant to Section 65943 of the Government Code, community-level environmental review was certified or adopted.

(5) The site of the project is not more than four acres in total area.

(6) The project does not contain more than 100 residential units.

(7) Either of the following criteria are met:

(A) (i) At least 10 percent of the housing is sold to families of moderate income, or not less than 10 percent of the housing is rented to families of low income, or not less than 5 percent of the housing is rented to families of very low income.

(ii) The project developer provides sufficient legal commitments to the appropriate local agency to ensure the continued availability and use of the housing units for very low, low-, and moderate-income households at monthly housing costs determined pursuant to paragraph (3) of subdivision (h) of Section 65589.5 of the Government Code.

(B) The project developer has paid or will pay in-lieu fees pursuant to a local ordinance in an amount sufficient to result in the development of an equivalent number of units that would otherwise be required pursuant to subparagraph (A).

(8) The project is within one-half mile of a major transit stop.

(9) The project does not include any single level building that exceeds 100,000 square feet.

(10) The project promotes higher density infill housing. A project with a density of at least 20 units per acre shall be conclusively presumed to promote higher density infill housing. A project with a density of at least 10 units per acre and a density greater than the average density of the residential properties within 1,500 feet shall be presumed to promote higher density housing unless the preponderance of the evidence demonstrates otherwise.

(b) Notwithstanding subdivision (a), this division shall apply to a development project that meets the criteria described in subdivision (a), if any of the following occur:

(1) There is a reasonable possibility that the project will have a project-specific, significant effect on the environment due to unusual circumstances.

(2) Substantial changes with respect to the circumstances under which the project is being undertaken that are related to the project have occurred since community-level environmental review was certified or adopted.

(3) New information becomes available regarding the circumstances under which the project is being undertaken and that is related to the

project, that was not known, and could not have been known, at the time that community-level environmental review was certified or adopted.

(c) If a project satisfies the criteria described in subdivision (a), but is not exempt from this division as result of satisfying the criteria described in subdivision (b), the analysis of the environmental effects of the project in the environmental impact report or the negative declaration shall be limited to an analysis of the project-specific effect of the projects and any effects identified pursuant to paragraph (2) or (3) of subdivision (b).

(d) For the purposes of this section, ''residential'' means a use consisting of either of the following:

(1) Residential units only.

(2) Residential units and primarily neighborhood-serving goods, services, or retail uses that do not exceed 15 percent of the total floor area of the project.

CHAPTER 685

An act to amend Sections 106, 1742, and 1742.1 of the Labor Code, and to amend Section 329 of the Unemployment Insurance Code, relating to employment.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Section 106 of the Labor Code is amended to read:

106. (a) The Labor Commissioner may authorize an employee of any of the agencies that participate in the Joint Enforcement Strike Force on the Underground Economy, as defined in Section 329 of the Unemployment Insurance Code, to issue citations pursuant to Sections 226.4 and 1022 and issue and serve a penalty assessment order pursuant to subdivision (a) of Section 3722.

(b) No employees shall issue citations or penalty assessment orders pursuant to this section unless they have been specifically designated, authorized, and trained by the Labor Commissioner for this purpose. Appeals of all citations or penalty assessment orders shall follow the procedures prescribed in Section 226.5, 1023, or 3725, whichever is applicable.

SEC. 2. Section 1742 of the Labor Code, as added by Section 10 of Chapter 954 of the Statutes of 2000, is amended to read:

1742. (a) An affected contractor or subcontractor may obtain review of a civil wage and penalty assessment under this chapter by transmitting a written request to the office of the Labor Commissioner that appears on the assessment within 60 days after service of the assessment. If no hearing is requested within 60 days after service of the assessment, the assessment shall become final.

(b) Upon receipt of a timely request, a hearing shall be commenced within 90 days before the director, who shall appoint an impartial hearing officer possessing the qualifications of an administrative law judge pursuant to subdivision (b) of Section 11502 of the Government Code. The appointed hearing officer shall be an employee of the department, but shall not be an employee of the Division of Labor Standards Enforcement. The contractor or subcontractor shall be provided an opportunity to review evidence to be utilized by the Labor Commissioner at the hearing within 20 days of the receipt of the written request for a hearing. Any evidence obtained by the Labor Commissioner subsequent to the 20-day cutoff shall be promptly disclosed to the contractor or subcontractor.

The contractor or subcontractor shall have the burden of proving that the basis for the civil wage and penalty assessment is incorrect. The assessment shall be sufficiently detailed to provide fair notice to the contractor or subcontractor of the issues at the hearing.

Within 45 days of the conclusion of the hearing, the director shall issue a written decision affirming, modifying, or dismissing the assessment. The decision of the director shall consist of a notice of findings, findings, and an order. This decision shall be served on all parties and the awarding body pursuant to Section 1013 of the Code of Civil Procedure by first-class mail at the last known address of the party on file with the Labor Commissioner. Within 15 days of the issuance of the decision, the director may reconsider or modify the decision to correct an error, except that a clerical error may be corrected at any time.

The director shall adopt regulations setting forth procedures for hearings under this subdivision.

(c) An affected contractor or subcontractor may obtain review of the decision of the director by filing a petition for a writ of mandate to the appropriate superior court pursuant to Section 1094.5 of the Code of Civil Procedure within 45 days after service of the decision. If no petition for writ of mandate is filed within 45 days after service of the decision, the order shall become final. If it is claimed in a petition for writ of mandate that the findings are not supported by the evidence, abuse of discretion is established if the court determines that the findings are not supported by substantial evidence in the light of the whole record.

(d) A certified copy of a final order may be filed by the Labor Commissioner in the office of the clerk of the superior court in any

county in which the affected contractor or subcontractor has property or has or had a place of business. The clerk, immediately upon the filing, shall enter judgment for the state against the person assessed in the amount shown on the certified order.

(e) A judgment entered pursuant to this section shall bear the same rate of interest and shall have the same effect as other judgments and shall be given the same preference allowed by law on other judgments rendered for claims for taxes. The clerk shall not charge for the service performed by him or her pursuant to this section.

(f) An awarding body that has withheld funds in response to a civil wage and penalty assessment under this chapter shall, upon receipt of a certified copy of a final order that is no longer subject to judicial review, promptly transmit the withheld funds, up to the amount of the certified order, to the Labor Commissioner.

(g) This section shall provide the exclusive method for review of a civil wage and penalty assessment by the Labor Commissioner under this chapter or the decision of an awarding body to withhold contract payments pursuant to Section 1771.5.

(h) This section shall remain in effect only until January 1, 2007, and as of that date is repealed.

SEC. 3. Section 1742 of the Labor Code, as added by Section 11 of Chapter 954 of the Statutes of 2000, is amended to read:

1742. (a) An affected contractor or subcontractor may obtain review of a civil wage and penalty assessment under this chapter by transmitting a written request to the office of the Labor Commissioner that appears on the assessment within 60 days after service of the assessment. If no hearing is requested within 60 days after service of the assessment, the assessment shall become final.

(b) (1) Upon receipt of a timely request, a hearing shall be commenced within 90 days before an administrative law judge appointed by the Director of Industrial Relations. The appointed hearing judge shall be an employee of the department, but shall not be an employee of the Division of Labor Standards Enforcement. The contractor or subcontractor shall be provided an opportunity to review evidence to be utilized by the Labor Commissioner at the hearing within 20 days of the receipt of the written request for a hearing. Any evidence obtained by the Labor Commissioner subsequent to the 20-day cutoff shall be promptly disclosed to the contractor or subcontractor.

(2) The contractor or subcontractor shall have the burden of proving that the basis for the civil wage and penalty assessment is incorrect. The assessment shall be sufficiently detailed to provide fair notice to the contractor or subcontractor of the issues at the hearing.

(3) Within 45 days of the conclusion of the hearing, the administrative law judge shall issue a written decision affirming,

modifying, or dismissing the assessment. The decision of the administrative law judge shall consist of a notice of findings, findings, and an order. This decision shall be served on all parties and the awarding body pursuant to Section 1013 of the Code of Civil Procedure by first-class mail at the last known address of the party on file with the Labor Commissioner. Within 15 days of the issuance of the decision, the administrative law judge may reconsider or modify the decision to correct an error, except that a clerical error may be corrected at any time.

(4) The Director of Industrial Relations shall adopt regulations setting forth procedures for hearings under this subdivision.

(c) An affected contractor or subcontractor may obtain review of the decision of the administrative law judge by filing a petition for a writ of mandate to the appropriate superior court pursuant to Section 1094.5 of the Code of Civil Procedure within 45 days after service of the decision. If no petition for writ of mandate is filed within 45 days after service of the decision, the order shall become final. If it is claimed in a petition for writ of mandate that the findings are not supported by the evidence, abuse of discretion is established if the court determines that the findings are not supported by substantial evidence in the light of the whole record.

(d) A certified copy of a final order may be filed by the Labor Commissioner in the office of the clerk of the superior court in any county in which the affected contractor or subcontractor has property or has or had a place of business. The clerk, immediately upon the filing, shall enter judgment for the state against the person assessed in the amount shown on the certified order.

(e) A judgment entered pursuant to this section shall bear the same rate of interest and shall have the same effect as other judgments and shall be given the same preference allowed by law on other judgments rendered for claims for taxes. The clerk shall not charge for the service performed by him or her pursuant to this section.

(f) An awarding body that has withheld funds in response to a civil wage and penalty assessment under this chapter shall, upon receipt of a certified copy of a final order that is no longer subject to judicial review, promptly transmit the withheld funds, up to the amount of the certified order, to the Labor Commissioner.

(g) This section shall provide the exclusive method for review of a civil wage and penalty assessment by the Labor Commissioner under this chapter or the decision of an awarding body to withhold contract payments pursuant to Section 1771.5.

(h) This section shall become operative on January 1, 2007.

SEC. 4. Section 1742.1 of the Labor Code, as added by Section 12 of Chapter 954 of the Statutes of 2000, is amended to read:

1742.1. (a) After 60 days following the service of a civil wage and penalty assessment under Section 1741 or a notice of withholding under

subdivision (a) of Section 1771.6, the affected contractor, subcontractor, and surety on a bond or bonds issued to secure the payment of wages covered by the assessment or notice shall be liable for liquidated damages in an amount equal to the wages, or portion thereof, that still remain unpaid. If the assessment or notice subsequently is overturned or modified after administrative or judicial review, liquidated damages shall be payable only on the wages found to be due and unpaid. If the contractor or subcontractor demonstrates to the satisfaction of the director that he or she had substantial grounds for believing the assessment or notice to be in error, the director shall waive payment of the liquidated damages. Any liquidated damages collected shall be distributed to the employee along with the unpaid wages. Section 203.5 shall not apply to claims for prevailing wages under this chapter.

(b) The Labor Commissioner shall, upon receipt of a request from the affected contractor or subcontractor within 30 days following the service of a civil wage and penalty assessment under Section 1741, afford the contractor or subcontractor the opportunity to meet with the Labor Commissioner or his or her designee to attempt to settle a dispute regarding the assessment without the need for formal proceedings. The awarding body shall, upon receipt of a request from the affected contractor or subcontractor within 30 days following the service of a notice of withholding under subdivision (a) of Section 1771.6, afford the contractor or subcontractor the opportunity to meet with the designee of the awarding body to attempt to settle a dispute regarding the notice without the need for formal proceedings. The settlement meeting may be held in person or by telephone and shall take place before the expiration of the 60-day period for seeking administrative review. No evidence of anything said or any admission made for the purpose of, in the course of, or pursuant to, the settlement meeting is admissible or subject to discovery in any administrative or civil proceeding. No writing prepared for the purpose of, in the course of, or pursuant to, the settlement meeting, other than a final settlement agreement, is admissible or subject to discovery in any administrative or civil proceeding. The assessment or notice shall advise the contractor or subcontractor of the opportunity to request a settlement meeting.

(c) This section shall remain in effect only until January 1, 2007, and as of that date is repealed.

SEC. 5. Section 1742.1 of the Labor Code, as added by Section 13 of Chapter 954 of the Statutes of 2000, is amended to read:

1742.1. (a) After 60 days following the service of a civil wage and penalty assessment under Section 1741 or a notice of withholding under subdivision (a) of Section 1771.6, the affected contractor, subcontractor, and surety on a bond or bonds issued to secure the payment of wages covered by the assessment or notice shall be liable for liquidated

damages in an amount equal to the wages, or portion thereof, that still remain unpaid. If the assessment or notice subsequently is overturned or modified after administrative or judicial review, liquidated damages shall be payable only on the wages found to be due and unpaid. If the contractor or subcontractor demonstrates to the satisfaction of the administrative law judge that he or she had substantial grounds for believing the assessment or notice to be in error, the administrative law judge shall waive payment of the liquidated damages. Any liquidated damages collected shall be distributed to the employee along with the unpaid wages. Section 203.5 shall not apply to claims for prevailing wages under this chapter.

(b) The Labor Commissioner shall, upon receipt of a request from the affected contractor or subcontractor within 30 days following the service of a civil wage and penalty assessment under Section 1741, afford the contractor or subcontractor the opportunity to meet with the Labor Commissioner or his or her designee to attempt to settle a dispute regarding the assessment without the need for formal proceedings. The awarding body shall, upon receipt of a request from the affected contractor or subcontractor within 30 days following the service of a notice of withholding under subdivision (a) of Section 1771.6, afford the contractor or subcontractor the opportunity to meet with the designee of the awarding body to attempt to settle a dispute regarding the notice without the need for formal proceedings. The settlement meeting may be held in person or by telephone and shall take place before the expiration of the 60-day period for seeking administrative review. No evidence of anything said or any admission made for the purpose of, in the course of, or pursuant to, the settlement meeting is admissible or subject to discovery in any administrative or civil proceeding. No writing prepared for the purpose of, in the course of, or pursuant to, the settlement meeting, other than a final settlement agreement, is admissible or subject to discovery in any administrative or civil proceeding. The assessment or notice shall advise the contractor or subcontractor of the opportunity to request a settlement meeting.

(c) This section shall become operative on January 1, 2007.

SEC. 6. Section 329 of the Unemployment Insurance Code is amended to read:

329. (a) The director, or his or her designee, shall serve as Chairperson of the Joint Enforcement Strike Force on the Underground Economy provided for in Executive Order W-66-93. The strike force shall include, but not be limited to, representatives of the Employment Development Department, the Department of Consumer Affairs, the Department of Industrial Relations, the Department of Insurance, and the Office of Criminal Justice Planning. Other agencies that are not part of the administration, such as the Franchise Tax Board, the State Board

of Equalization, and the Department of Justice, are encouraged to participate in the strike force.

(b) The strike force shall have the following duties:

(1) To facilitate and encourage the development and sharing of information by the participating agencies necessary to combat the underground economy.

(2) To improve the coordination of activities among the participating agencies.

(3) To develop methods to pool, focus, and target the enforcement resources of the participating agencies in order to deter tax evasion and maximize recoveries from blatant tax evaders and violators of cash-pay reporting laws.

(4) To reduce enforcement costs wherever possible by eliminating duplicative audits and investigations.

(c) In addition, the strike force shall be empowered to:

(1) Form joint enforcement teams when appropriate to utilize the collective investigative and enforcement capabilities of the participating members.

(2) Establish committees and rules of procedure to carry out the activities of the strike force.

(3) To solicit the cooperation and participation of district attorneys and other state and local agencies in carrying out the objectives of the strike force.

(4) Establish procedures for soliciting referrals from the public, including, but not limited to, an advertised telephone hotline.

(5) Develop procedures for improved information sharing among the participating agencies, such as shared automated information database systems, the use of a common business identification number, and a centralized debt collection system.

(6) Develop procedures to permit the participating agencies to use more efficient and effective civil sanctions in lieu of criminal actions wherever possible.

(7) Evaluate, based on its activities, the need for any statutory change to do any of the following:

(A) Eliminate barriers to interagency information sharing.

(B) Improve the ability of the participating agencies to audit, investigate, and prosecute tax and cash-pay violations.

(C) Deter violations and improve voluntary compliance.

(D) Eliminate duplication and improve cooperation among the participating agencies.

(E) Establish shareable information databases.

(F) Establish a common business identification number for use by participating agencies.

(G) Establish centralized, automated debt collection services for the participating agencies.

(H) Strengthen civil penalty procedures to allow the strike force to emphasize civil rather than criminal penalties wherever possible.

(d) The strike force shall report to the Governor and the Legislature annually during the period of its existence, by June 30, of each year, regarding its activities.

The report shall include, but not be limited to, all of the following:

(1) The number of cases of blatant violations and noncompliance with tax and cash-pay laws identified, audited, investigated, or prosecuted through civil action or referred for criminal prosecution.

(2) Actions taken by the strike force to publicize its activities.

(3) Efforts made by the strike force to establish an advertised telephone hotline for receiving referrals from the public.

(4) Procedures for improving information sharing among the agencies represented on the strike force.

(5) Steps taken by the strike force to improve cooperation among participating agencies, reduce duplication of effort, and improve voluntary compliance.

(6) Recommendations for any statutory changes needed to accomplish the goals described in paragraph (7) of subdivision (c).

CHAPTER 686

An act to amend Sections 25218.5, 25299, 25502, and 25504.1 of the Health and Safety Code, relating to hazardous materials, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Section 25218.5 of the Health and Safety Code is amended to read:

25218.5. (a) (1) Except as provided in paragraph (2), hazardous waste transported to a household hazardous waste collection facility shall be transported by any of the following:

(A) The individual or CESQG who generated the waste.

(B) A curbside household hazardous waste collection program.

(C) A mobile household hazardous waste collection facility, a temporary household hazardous waste collection facility, or a recycle-only household hazardous waste facility.

(D) A door-to-door household hazardous waste collection program.

(E) A household hazardous waste residential pickup service.

(F) A registered hazardous waste transporter carrying hazardous waste generated by a CESQG.

(G) A registered hazardous waste transporter carrying hazardous waste from a solid waste landfill loadcheck program or a transfer station loadcheck program under agreement with the household hazardous waste facility.

(H) A registered hazardous waste transporter, under agreement with the household hazardous waste facility, operating under a contract with a public agency to transport hazardous wastes that were disposed of in violation of this chapter, and that are being removed by, or are being removed under the oversight of, the public agency, if the hazardous wastes were not originally disposed of in violation of this chapter by that public agency.

(2) Spent batteries that are received and transported pursuant to Section 25216.1 may be transported to a household hazardous waste collection facility from a collection location or an intermediate collection location.

(3) Notwithstanding Section 25218.4, a registered hazardous waste transporter or mobile household hazardous waste collection facility transporting hazardous waste to a household hazardous waste collection facility shall comply with subdivisions (a) and (c) of Section 25163 and paragraph (1) of subdivision (d) of Section 25160.

(b) An individual transporting household hazardous waste generated by that individual and a CESQG transporting hazardous waste generated by the CESQG to a household hazardous waste collection facility shall meet all of the following conditions:

(1) (A) Except as provided in subparagraphs (B) and (C) and Section 25218.5.1, the total amount of household hazardous waste transported by an individual or hazardous waste transported by a CESQG to a household hazardous waste collection facility shall not exceed a total liquid volume of five gallons or a total dry weight of 50 pounds. If the hazardous waste transported is both liquid and nonliquid, the total amount transported shall not exceed a combined weight of 50 pounds.

(B) Subparagraph (A) does not apply to spent batteries that are collected by a collection location or intermediate collection location pursuant to Section 25216.1 and transported to a household hazardous waste collection facility.

(C) A CESQG may transport up to 27 gallons or 220 pounds, but not more than 100 kilograms, per month to a household hazardous waste collection facility, if all of the following conditions are met:

(i) The hazardous waste being transported was generated by that CESQG.

(ii) The CESQG contacts the household hazardous waste collection facility prior to each delivery to confirm that the facility will accept the hazardous waste.

(iii) The household hazardous waste collection facility provides oral, written, or electronic instructions to the CESQG prior to each delivery on proper packing for the safe transportation of the specific hazardous waste being transported.

(iv) The CESQG or employees of the CESQG transport the hazardous waste in a vehicle owned and operated by the CESQG.

(2) The household hazardous waste and CESQG hazardous waste that is transported shall be in closed containers and packed in a manner that prevents the containers from tipping, spilling, or breaking during transport.

(3) Different household hazardous wastes or different CESQG hazardous wastes shall not be mixed within a container before or during transport.

(4) If the hazardous waste is an extremely hazardous waste or an acutely hazardous waste, the total amount transported by a CESQG shall not exceed 2.2 pounds.

(c) (1) Except as provided in paragraph (2), the total combined volume or weight of latex paint, used oil filters, antifreeze, and small batteries transported to a recycle-only household hazardous waste collection facility by any one individual shall not exceed a total volume of 10 gallons or a total dry weight of 100 pounds. Up to two spent lead-acid batteries may be transported at the same time and not more than 20 gallons of used oil may be transported in the same vehicle if the volume of each individual container does not exceed five gallons.

(2) Paragraph (1) does not apply to spent batteries that are collected by a collection location or intermediate collection location pursuant to Section 25216.1 and transported to a household hazardous waste collection facility.

(d) A curbside household hazardous waste collection program shall meet all of the following conditions:

(1) Not more than a total combined weight of 10 pounds of used oil filters shall be collected from a single residence at one time.

(2) Not more than five gallons of used oil shall be collected from a single residence at one time, and the volume of each individual container collected shall not exceed five gallons.

(3) Not more than five gallons of latex paint shall be collected from a single residence at one time, and the volume of each individual container collected shall not exceed five gallons.

(4) Hazardous waste containing mercury shall not be collected by a curbside household hazardous waste collection program unless the

waste is contained in secure packaging that prevents breakage and spillage.

(5) Fluorescent light tubes that are four feet or greater in length shall not be collected by a curbside household hazardous waste collection program.

(6) The transported household hazardous waste shall be in closed containers and packed in a manner that prevents the containers from tipping, spilling, or breaking during transport.

(7) Different household hazardous wastes shall not be mixed within a container before or during transport.

(e) A door-to-door household hazardous waste collection program or household hazardous waste residential pickup service shall meet all of the following conditions:

(1) The transported household hazardous waste shall be in closed containers and packed in a manner that prevents the containers from tipping, spilling, or breaking during transport.

(2) Different household hazardous wastes shall not be mixed within a container before or during transport.

(3) A door-to-door household hazardous waste collection program or household hazardous waste residential pickup service is exempt from the requirements of Section 25160 regarding the use of a manifest when transporting household hazardous waste collected from individual residences to an authorized hazardous waste collection facility. In lieu of a manifest, a receipt shall be issued for the household hazardous waste collected from an individual residence, and a copy of the receipt shall be retained by the public agency for a period of at least three years.

(f) Notwithstanding Section 25218.4, a mobile household hazardous waste collection facility, a temporary household hazardous waste collection facility, or a recycle-only household hazardous waste collection facility that transports household hazardous waste from the collection facility to a household hazardous waste collection facility pursuant to subdivision (a) shall comply with subdivisions (a) and (c) of Section 25163 and paragraph (1) of subdivision (d) of Section 25160.

SEC. 2. Section 25299 of the Health and Safety Code is amended to read:

25299. (a) Any operator of an underground tank system shall be liable for a civil penalty of not less than five hundred dollars ($500) or more than five thousand dollars ($5,000) for each underground storage tank for each day of violation for any of the following violations:

(1) Operating an underground tank system which has not been issued a permit, in violation of this chapter.

(2) Violation of any of the applicable requirements of the permit issued for the operation of the underground tank system.

(3) Failure to maintain records, as required by this chapter.

(4) Failure to report an unauthorized release, as required by Sections 25294 and 25295.

(5) Failure to properly close an underground tank system, as required by Section 25298.

(6) Violation of any applicable requirement of this chapter or any regulation adopted by the board pursuant to Section 25299.3.

(7) Failure to permit inspection or to perform any monitoring, testing, or reporting required pursuant to Section 25288 or 25289.

(8) Making any false statement, representation, or certification in any application, record, report, or other document submitted or required to be maintained pursuant to this chapter.

(9) Tampering with or otherwise disabling automatic leak detection devices or alarms.

(b) Any owner of an underground tank system shall be liable for a civil penalty of not less than five hundred dollars ($500) or more than five thousand dollars ($5,000) per day for each underground storage tank, for each day of violation, for any of the following violations:

(1) Failure to obtain a permit as specified by this chapter.

(2) Failure to repair or upgrade an underground tank system in accordance with this chapter.

(3) Abandonment or improper closure of any underground tank system subject to this chapter.

(4) Violation of any applicable requirement of the permit issued for operation of the underground tank system.

(5) Violation of any applicable requirement of this chapter or any regulation adopted by the board pursuant to Section 25299.3.

(6) Failure to permit inspection or to perform any monitoring, testing, or reporting required pursuant to Section 25288 or 25289.

(7) Making any false statement, representation, or certification in any application, record, report, or other document submitted or required to be maintained pursuant to this chapter.

(c) Any person who intentionally fails to notify the board or the local agency when required to do so by this chapter or who submits false information in a permit application, amendment, or renewal, pursuant to Section 25286, is liable for a civil penalty of not more than five thousand dollars ($5,000) for each underground storage tank for which notification is not given or false information is submitted.

(d) (1) Any person who violates any corrective action requirement established by, or issued pursuant to, Section 25296.10 is liable for a civil penalty of not more than ten thousand dollars ($10,000) for each underground storage tank for each day of violation.

(2) A civil penalty under this subdivision may be imposed in a civil action under this chapter, or may be administratively imposed by the

board or a regional board pursuant to Article 2.5 (commencing with Section 13323) of Chapter 5 of Division 7 of the Water Code.

(e) Any person who violates Section 25292.3 is liable for a civil penalty of not more than five thousand dollars ($5,000) for each underground storage tank for each day of violation.

(f) (1) Any person who falsifies any monitoring records required by this chapter, or knowingly fails to report an unauthorized release, shall, upon conviction, be punished by a fine of not less than five thousand dollars ($5,000) or more than ten thousand dollars ($10,000), by imprisonment in the county jail for not to exceed one year, or by both that fine and imprisonment.

(2) Any person who intentionally disables or tampers with an automatic leak detection system in a manner that would prevent the automatic leak detection system from detecting a leak or alerting the owner or operator of the leak, shall, upon conviction, be punished by a fine of not less than five thousand dollars ($5,000) or more than ten thousand dollars ($10,000), by imprisonment in the county jail for not more than one year, or by both the fine and imprisonment.

(g) In determining both the civil and criminal penalties imposed pursuant to this section, the board, a regional board or the court, as the case may be, shall consider all relevant circumstances, including, but not limited to, the extent of harm or potential harm caused by the violation, the nature of the violation and the period of time over which it occurred, the frequency of past violations, and the corrective action, if any, taken by the person who holds the permit.

(h) (1) Each civil penalty or criminal fine imposed pursuant to this section for any separate violation shall be separate, and in addition to, any other civil penalty or criminal fine imposed pursuant to this section or any other provision of law, except that no civil penalty shall be recovered under subdivision (d) for violations for which a civil penalty is recovered pursuant to Section 13268 or 13350 of the Water Code. The penalty or fine shall be paid to the unified program agency, the participating agency, or the state, whichever is represented by the office of the city attorney, district attorney, or Attorney General bringing the action.

(2) Any penalties or fines paid to a uniform program agency or a participating agency pursuant to paragraph (1) shall be deposited into a special account and shall be expended only to fund the activities of the unified program agency or participating agency in enforcing this chapter within that jurisdiction pursuant, to the uniform program specified in Chapter 6.11 (commencing with Section 25404).

(3) All penalties or fines collected by the board or a regional board or collected on behalf of the board or a regional board by the Attorney General shall be deposited in the State Water Pollution Cleanup and

Abatement Account in the State Water Quality Control Fund, and are available for expenditure by the board, upon appropriation, pursuant to Section 13441 of the Water Code.

(i) Paragraph (9) of subdivision (a) does not prohibit the owner or operator of an underground storage tank, or his or her designee, from maintaining, repairing, or replacing automatic leak detection devices or alarms associated with that tank.

SEC. 3. Section 25502 of the Health and Safety Code is amended to read:

25502. (a) (1) This chapter, as it pertains to the handling of hazardous material, shall be implemented by one of the following:

(A) If there is a CUPA, the Unified Program Agency.

(B) If there is no CUPA, the agency authorized pursuant to subdivision (f) of Section 25404.3.

(2) The agency responsible for implementing this chapter shall ensure full access to, and the availability of, information submitted under this chapter to emergency rescue personnel and other appropriate governmental entities within its jurisdiction.

(b) (1) If there is no CUPA, a city may, by ordinance or resolution, assume responsibility for the implementation of this chapter and, if so, shall have exclusive jurisdiction within the boundary of the city for the purposes of carrying out this chapter. The ordinance shall require that a person who violates Section 25507 shall be subject to the penalties specified in Section 25515. A city that assumes responsibility for implementation of this chapter shall provide notice of its ordinance or resolution to the office and to the administering agency of its county. It shall also consult with, and coordinate its activities with, the county in which the city is located to avoid duplicating efforts or any misunderstandings regarding the areas, duties, and responsibilities of each administering agency.

(2) A city may not assume responsibility for the implementation of this chapter unless it has enacted an implementing ordinance or adopted an implementing resolution not later than 60 days after the office adopts regulations pursuant to Section 25503, except that a city may enact an implementing ordinance or adopt an implementing resolution after this 60-day period, if it has an agreement with the county to do so. A new city has one year from the date of incorporation to enact an ordinance or adopt a resolution implementing this chapter.

(3) The agency responsible for administering and enforcing this chapter shall be the agency so authorized pursuant to subdivision (f) of Section 25404.3.

(c) If there is no CUPA, the county and any city that assume responsibility pursuant to subdivision (b) shall designate a department, office, or other agency of the county or city, as the case may be, or the

city or county may designate a fire district, as the administering agency responsible for administering and enforcing this chapter. The county and any city that assume responsibility pursuant to subdivision (b) shall notify the office immediately upon making a designation. The agency responsible for administering and enforcing this chapter shall be the agency so authorized pursuant to subdivision (f) of Section 25404.3.

SEC. 4. Section 25504.1 of the Health and Safety Code is amended to read:

25504.1. In accordance with Section 25503.5, a business that handles perchlorate material, as defined in subdivision (c) of Section 25210.5, shall prepare and submit to the administering agency a business plan pursuant to Section 25503.5 and an inventory form pursuant to Section 25509, both of which shall address perchlorate materials handled by that business.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

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

In order that businesses are not required to complete unnecessary reports, it is necessary that this act go into effect immediately.

CHAPTER 687

An act to amend Section 125001 of the Health and Safety Code, relating to genetic testing.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Section 125001 of the Health and Safety Code is amended to read:

125001. (a) The department shall establish a program for the development, provision, and evaluation of genetic disease testing, and

may provide laboratory testing facilities or make grants to, contract with, or make payments to, any laboratory that it deems qualified and cost-effective to conduct testing or with any metabolic specialty clinic to provide necessary treatment with qualified specialists. The program shall provide genetic screening and followup services for persons who have the screening.

(b) The department shall expand statewide screening of newborns to include tandem mass spectrometry screening for fatty acid oxidation, amino acid, and organic acid disorders and congenital adrenal hyperplasia as soon as possible. The department shall provide information with respect to these disorders and testing resources available, to all women receiving prenatal care and to all women admitted to a hospital for delivery. If the department is unable to provide this statewide screening by August 1, 2005, the department shall temporarily obtain these testing services through a competitive bid process from one or more public or private laboratories that meet the department's requirements for testing, quality assurance, and reporting. If the department determines that contracting for these services is more cost-effective, and meets the other requirements of this chapter, than purchasing the tandem mass spectrometry equipment themselves, the department shall contract with one or more public or private laboratories.

(c) The department shall report to the Legislature regarding the progress of the program on or before July 1, 2006. The report shall include the costs for screening, followup, and treatment as compared to costs and morbidity averted for each condition tested for in the program.

CHAPTER 688

An act to amend Section 10631 of the Water Code, relating to water.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Section 10631 of the Water Code is amended to read:

10631. A plan shall be adopted in accordance with this chapter and shall do all of the following:

(a) Describe the service area of the supplier, including current and projected population, climate, and other demographic factors affecting the supplier's water management planning. The projected population estimates shall be based upon data from the state, regional, or local

service agency population projections within the service area of the urban water supplier and shall be in five-year increments to 20 years or as far as data is available.

(b) Identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over the same five-year increments described in subdivision (a). If groundwater is identified as an existing or planned source of water available to the supplier, all of the following information shall be included in the plan:

(1) A copy of any groundwater management plan adopted by the urban water supplier, including plans adopted pursuant to Part 2.75 (commencing with Section 10750), or any other specific authorization for groundwater management.

(2) A description of any groundwater basin or basins from which the urban water supplier pumps groundwater. For those basins for which a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the urban water supplier has the legal right to pump under the order or decree. For basins that have not been adjudicated, information as to whether the department has identified the basin or basins as overdrafted or has projected that the basin will become overdrafted if present management conditions continue, in the most current official departmental bulletin that characterizes the condition of the groundwater basin, and a detailed description of the efforts being undertaken by the urban water supplier to eliminate the long-term overdraft condition.

(3) A detailed description and analysis of the location, amount, and sufficiency of groundwater pumped by the urban water supplier for the past five years. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(4) A detailed description and analysis of the amount and location of groundwater that is projected to be pumped by the urban water supplier. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(c) Describe the reliability of the water supply and vulnerability to seasonal or climatic shortage, to the extent practicable, and provide data for each of the following:

(1) An average water year.

(2) A single dry water year.

(3) Multiple dry water years.

For any water source that may not be available at a consistent level of use, given specific legal, environmental, water quality, or climatic factors, describe plans to supplement or replace that source with

alternative sources or water demand management measures, to the extent practicable.

(d) Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.

(e) (1) Quantify, to the extent records are available, past and current water use, over the same five-year increments described in subdivision (a), and projected water use, identifying the uses among water use sectors including, but not necessarily limited to, all of the following uses:

(A) Single-family residential.

(B) Multifamily.

(C) Commercial.

(D) Industrial.

(E) Institutional and governmental.

(F) Landscape.

(G) Sales to other agencies.

(H) Saline water intrusion barriers, groundwater recharge, or conjunctive use, or any combination thereof.

(I) Agricultural.

(2) The water use projections shall be in the same five-year increments described in subdivision (a).

(f) Provide a description of the supplier's water demand management measures. This description shall include all of the following:

(1) A description of each water demand management measure that is currently being implemented, or scheduled for implementation, including the steps necessary to implement any proposed measures, including, but not limited to, all of the following:

(A) Water survey programs for single-family residential and multifamily residential customers.

(B) Residential plumbing retrofit.

(C) System water audits, leak detection, and repair.

(D) Metering with commodity rates for all new connections and retrofit of existing connections.

(E) Large landscape conservation programs and incentives.

(F) High-efficiency washing machine rebate programs.

(G) Public information programs.

(H) School education programs.

(I) Conservation programs for commercial, industrial, and institutional accounts.

(J) Wholesale agency programs.

(K) Conservation pricing.

(L) Water conservation coordinator.

(M) Water waste prohibition.

(N) Residential ultra-low-flush toilet replacement programs.

(2) A schedule of implementation for all water demand management measures proposed or described in the plan.

(3) A description of the methods, if any, that the supplier will use to evaluate the effectiveness of water demand management measures implemented or described under the plan.

(4) An estimate, if available, of existing conservation savings on water use within the supplier's service area, and the effect of the savings on the supplier's ability to further reduce demand.

(g) An evaluation of each water demand management measure listed in paragraph (1) of subdivision (f) that is not currently being implemented or scheduled for implementation. In the course of the evaluation, first consideration shall be given to water demand management measures, or combination of measures, that offer lower incremental costs than expanded or additional water supplies. This evaluation shall do all of the following:

(1) Take into account economic and noneconomic factors, including environmental, social, health, customer impact, and technological factors.

(2) Include a cost-benefit analysis, identifying total benefits and total costs.

(3) Include a description of funding available to implement any planned water supply project that would provide water at a higher unit cost.

(4) Include a description of the water supplier's legal authority to implement the measure and efforts to work with other relevant agencies to ensure the implementation of the measure and to share the cost of implementation.

(h) Include a description of all water supply projects and water supply programs that may be undertaken by the urban water supplier to meet the total projected water use as established pursuant to subdivision (a) of Section 10635. The urban water supplier shall include a detailed description of expected future projects and programs, other than the demand management programs identified pursuant to paragraph (1) of subdivision (f), that the urban water supplier may implement to increase the amount of the water supply available to the urban water supplier in average, single-dry, and multiple-dry water years. The description shall identify specific projects and include a description of the increase in water supply that is expected to be available from each project. The description shall include an estimate with regard to the implementation timeline for each project or program.

(i) Describe the opportunities for development of desalinated water, including, but not limited to, ocean water, brackish water, and groundwater, as a long-term supply.

(j) Urban water suppliers that are members of the California Urban Water Conservation Council and submit annual reports to that council in accordance with the ''Memorandum of Understanding Regarding Urban Water Conservation in California,'' dated September 1991, may submit the annual reports identifying water demand management measures currently being implemented, or scheduled for implementation, to satisfy the requirements of subdivisions (f) and (g).

(k) Urban water suppliers that rely upon a wholesale agency for a source of water, shall provide the wholesale agency with water use projections from that agency for that source of water in five-year increments to 20 years or as far as data is available. The wholesale agency shall provide information to the urban water supplier for inclusion in the urban water supplier's plan that identifies and quantifies, to the extent practicable, the existing and planned sources of water as required by subdivision (b), available from the wholesale agency to the urban water supplier over the same five-year increments, and during various water-year types in accordance with subdivision (c). An urban water supplier may rely upon water supply information provided by the wholesale agency in fulfilling the plan informational requirements of subdivisions (b) and (c).

CHAPTER 689

An act to amend Sections 21083, 21086, and 21151.4 of, and to repeal Section 21087 of, the Public Resources Code, relating to environmental quality.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Section 21083 of the Public Resources Code is amended to read:

21083. (a) The Office of Planning and Research shall prepare and develop proposed guidelines for the implementation of this division by public agencies. The guidelines shall include objectives and criteria for the orderly evaluation of projects and the preparation of environmental impact reports and negative declarations in a manner consistent with this division.

(b) The guidelines shall specifically include criteria for public agencies to follow in determining whether or not a proposed project may have a ''significant effect on the environment.'' The criteria shall require

a finding that a project may have a ''significant effect on the environment'' if one or more of the following conditions exist:

(1) A proposed project has the potential to degrade the quality of the environment, curtail the range of the environment, or to achieve short-term, to the disadvantage of long-term, environmental goals.

(2) The possible effects of a project are individually limited but cumulatively considerable. As used in this paragraph, ''cumulatively considerable'' means that the incremental effects of an individual project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.

(3) The environmental effects of a project will cause substantial adverse effects on human beings, either directly or indirectly.

(c) The guidelines shall include procedures for determining the lead agency pursuant to Section 21165.

(d) The guidelines shall include criteria for public agencies to use in determining when a proposed project is of sufficient statewide, regional, or areawide environmental significance that a draft environmental impact report, a proposed negative declaration, or a proposed mitigated negative declaration shall be submitted to appropriate state agencies, through the State Clearinghouse, for review and comment prior to completion of the environmental impact report, negative declaration, or mitigated negative declaration.

(e) The Office of Planning and Research shall develop and prepare the proposed guidelines as soon as possible and shall transmit them immediately to the Secretary of the Resources Agency. The Secretary of the Resources Agency shall certify and adopt the guidelines pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, which shall become effective upon the filing thereof. However, the guidelines shall not be adopted without compliance with Sections 11346.4, 11346.5, and 11346.8 of the Government Code.

(f) The Office of Planning and Research shall, at least once every two years, review the guidelines adopted pursuant to this section and shall recommend proposed changes or amendments to the Secretary of the Resources Agency. The Secretary of the Resources Agency shall certify and adopt guidelines, and any amendments thereto, at least once every two years, pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, which shall become effective upon the filing thereof. However, guidelines may not be adopted or amended without compliance with Sections 11346.4, 11346.5, and 11346.8 of the Government Code.

SEC. 2. Section 21086 of the Public Resources Code is amended to read:

21086. (a) A public agency may, at any time, request the addition or deletion of a class of projects, to the list designated pursuant to Section 21084. That request shall be made in writing to the Office of Planning and Research and shall include information supporting the public agency's position that the class of projects does, or does not, have a significant effect on the environment.

(b) The Office of Planning and Research shall review each request and, as soon as possible, shall submit its recommendation to the Secretary of the Resources Agency. Following the receipt of that recommendation, the Secretary of the Resources Agency may add or delete the class of projects to the list of classes of projects designated pursuant to Section 21084 that are exempt from the requirements of this division.

(c) The addition or deletion of a class of projects, as provided in this section, to the list specified in Section 21084 shall constitute an amendment to the guidelines adopted pursuant to Section 21083 and shall be adopted in the manner prescribed in Sections 21083 and 21084.

SEC. 3. Section 21087 of the Public Resources Code is repealed.

SEC. 5. Section 21151.4 of the Public Resources Code is amended to read:

21151.4. An environmental impact report shall not be certified and a negative declaration shall not be approved for any project involving the construction or alteration of a facility within $^1/_4$ of a mile of a school that might reasonably be anticipated to emit hazardous air emissions, or that would handle an extremely hazardous substance or a mixture containing extremely hazardous substances in a quantity equal to or greater than the state threshold quantity specified pursuant to subdivision (j) of Section 25532 of the Health and Safety Code, that may pose a health or safety hazard to persons who would attend or would be employed at the school, unless both of the following occur:

(a) The lead agency preparing the environmental impact report or negative declaration has consulted with the school district having jurisdiction regarding the potential impact of the project on the school.

(b) The school district has been given written notification of the project not less than 30 days prior to the proposed certification of the environmental impact report or approval of the negative declaration.

SEC. 6. If AB 3090 is enacted on or before January 1, 2005, and amends Section 21087 of the Public Resources Code, then Section 4 of this bill, which would repeal Section 21087 of the Public Resources Code, shall not become operative; and, notwithstanding Section 9605 of the Government Code, this bill shall not chapter out the amendments to Section 21087 of the Public Resources Code made by AB 3090.

CHAPTER 690

An act relating to the Public Utilities Commission.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. The Public Utilities Commission shall initiate a proceeding to examine its practices under Sections 454.5 and 583 of the Public Utilities Code and the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) to ensure that the commission's practices under these laws provide for meaningful public participation and open decisionmaking.

CHAPTER 691

An act to amend Sections 2455, 2456, 2457, 2472, 2499.5, 5510, 5517, 5620, 5621, 5622, 5641, 5810, 6710, 8030.2, 8030.4, 8030.6, 8030.8, 8710, 18602, 18613, 18627, and 18640 of, to add Sections 5552.5, 5641.1, 5641.2, 5641.3, 5641.4, 5641.6, 6780, and 8785 to, and to add Article 4.5 (commencing with Section 6770) to Chapter 7 of Division 3 of, and Article 5.7 (commencing with Section 8776) to Chapter 15 of Division 3 of, and to repeal Section 5645 of, the Business and Professions Code, relating to professions and vocations, and making an appropriation therefor.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Section 2455 of the Business and Professions Code is amended to read:

2455. The amount of fees and refunds is that established by the following schedule for any certificate issued by the Osteopathic Medical Board of California. All other fees and refunds for any certificate issued by the Osteopathic Medical Board of California which are not prescribed in this schedule, are prescribed in Section 2456. Any and all fees received by the Osteopathic Medical Board of California shall be for the sole purpose of the operation of the board and shall not be used for any other purpose.

(a) Each applicant for an original or reciprocity Physicians and Surgeons Certificate shall pay an application fee in a sum not to exceed four hundred dollars ($400) at the time his or her application is filed.

(b) The biennial license fee, unless otherwise provided, shall be set by the board on or before November 1 of each year for the ensuing calendar year at a sum as the board determines necessary to defray the expenses of administering this chapter, under the Osteopathic Act, relating to the issuance of certificates to those applicants, which sum, however, shall not exceed four hundred dollars ($400) nor be less than twenty-five dollars ($25).

(c) The board shall set a biennial license fee in an amount less than that levied pursuant to subdivision (b) that shall be paid by any applicant who indicates to the board in writing that he or she does not intend to practice under the Osteopathic Act during the current renewal period.

(d) The fee for failure to pay the biennial license fee shall be 50 percent of the renewal fee but not more than two hundred dollars ($200).

SEC. 2. Section 2456 of the Business and Professions Code is amended to read:

2456. (a) Each person holding a certificate issued by the Osteopathic Medical Board of California residing in or out of California shall pay the board a biennial license fee.

(b) Fictitious name permits issued by the Osteopathic Medical Board of California as provided in Section 2415 shall expire on December 31 of each year. The initial permit fee shall not exceed one hundred dollars ($100) and the renewal permit fee shall not exceed one hundred dollars ($100).

SEC. 3. Section 2457 of the Business and Professions Code is amended to read:

2457. The failure of any person holding a certificate issued by the Osteopathic Medical Board of California to pay the biennial license fee during the time his or her certificate remains in force shall automatically work a forfeiture of his or her certificate after a period of 60 days from the date of expiration.

The certificate shall not be restored except upon written application and the payment to the Osteopathic Medical Board of California of the fee provided by this article. No examination shall be required for the reissuance of a certificate that was forfeited under the provisions of this section.

SEC. 4. 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 licensed health care practitioner who is authorized to administer the required anesthetic within the scope of his or her practice.

(d) Surgical treatment of the ankle and tendons at the level of the ankle may be performed by a doctor of podiatric medicine who was certified by the board on and after January 1, 1984.

(e) 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) A 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 paragraph (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 paragraph (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, if the podiatrist has surgical privileges, including the privilege to perform surgery on the ankle, in a general acute care hospital described in paragraph (1). 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.

(f) The amendment of this section made at the 1983–84 Regular Session of the Legislature is intended to codify existing practice.

(g) A podiatrist licensed under this chapter is a licentiate for purposes of paragraph (2) of subdivision (a) of Section 805, and thus is a health care practitioner subject to the provisions of Section 2290.5 pursuant to subdivision (b) of that section.

SEC. 4.5. 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) A doctor of podiatric medicine may not administer an anesthetic other than local. If an anesthetic other than local is required for any procedure, the anesthetic shall be administered by another licensed health care practitioner who is authorized to administer the required anesthetic within the scope of his or her practice.

(d) (1) A doctor of podiatric medicine who is ankle certified by the board on and after January 1, 1984, may do the following:

(A) Perform surgical treatment of the ankle and tendons at the level of the ankle pursuant to subdivision (e).

(B) Perform services under the direct supervision of a physician and surgeon, as an assistant at surgery, in surgical procedures that are otherwise beyond the scope of practice of a doctor of podiatric medicine.

(C) Perform a partial amputation of the foot no further proximal than the Chopart's joint.

(2) Nothing in this subdivision shall be construed to permit a doctor of podiatric medicine to function as a primary surgeon for any procedure beyond his or her scope of practice.

(e) A doctor of podiatric medicine may perform surgical treatment of the ankle and tendons at the level of the ankle only in the following locations:

(1) A 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 doctor of podiatric medicine has surgical privileges, including the privilege to perform surgery on the ankle, in a general acute care hospital described in paragraph (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 doctor of podiatric medicine has surgical privileges, including the privilege to perform surgery on the ankle, in a general acute care hospital described in paragraph (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, if the doctor of podiatric medicine has surgical privileges, including the privilege to perform surgery on the ankle, in a general acute care hospital described in paragraph (1). 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.

(5) An outpatient setting accredited pursuant to subdivision (g) of Section 1248.1 of the Health and Safety Code.

(f) A doctor of podiatric medicine shall not perform an admitting history and physical examination of a patient in an acute care hospital where doing so would violate the regulations governing the Medicare program.

(g) The amendment of this section made at the 1983–84 Regular Session of the Legislature is intended to codify existing practice.

(h) A podiatrist licensed under this chapter is a licentiate for purposes of paragraph (2) of subdivision (a) of Section 805, and thus is a health care practitioner subject to the provisions of Section 2290.5 pursuant to subdivision (b) of that section.

SEC. 5. Section 2499.5 of the Business and Professions Code is amended to read:

2499.5. The following fees apply to certificates to practice podiatric medicine. The amount of fees prescribed for doctors of podiatric medicine shall be those set forth in this section unless a lower fee is established by the board in accordance with Section 2499.6. Fees collected pursuant to this section shall be fixed by the board in amounts not to exceed the actual costs of providing the service for which the fee is collected.

(a) Each applicant for a certificate to practice podiatric medicine shall pay an application fee of twenty dollars ($20) at the time the application is filed. If the applicant qualifies for a certificate, he or she shall pay a fee which shall be fixed by the board at an amount not to exceed one hundred dollars ($100) nor less than five dollars ($5) for the issuance of the certificate.

(b) The oral examination fee shall be seven hundred dollars ($700), or the actual cost, whichever is lower, and shall be paid by each applicant. If the applicant's credentials are insufficient or if the applicant does not desire to take the examination, and has so notified the board 30 days prior to the examination date, only the examination fee is returnable to the applicant. The board may charge an examination fee for any subsequent reexamination of the applicant.

(c) Each applicant who qualifies for a certificate, as a condition precedent to its issuance, in addition to other fees required by this section, shall pay an initial license fee. The initial license fee shall be eight hundred dollars ($800). The initial license shall expire the second year after its issuance on the last day of the month of birth of the licensee. The board may reduce the initial license fee by up to 50 percent of the amount of the fee for any applicant who is enrolled in a postgraduate training program approved by the board or who has completed a

postgraduate training program approved by the board within six months prior to the payment of the initial license fee.

(d) The biennial renewal fee shall be nine hundred dollars ($900). Any licensee enrolled in an approved residency program shall be required to pay only 50 percent of the biennial renewal fee at the time of his or her first renewal.

(e) The delinquency fee is one hundred fifty dollars ($150).

(f) The duplicate wall certificate fee is forty dollars ($40).

(g) The duplicate renewal receipt fee is forty dollars ($40).

(h) The endorsement fee is thirty dollars ($30).

(i) The letter of good standing fee or for loan deferment is thirty dollars ($30).

(j) There shall be a fee of sixty dollars ($60) for the issuance of a resident's license under Section 2475.

(k) The application fee for ankle certification under Section 2472 for persons licensed prior to January 1, 1984, shall be fifty dollars ($50). The examination and reexamination fee for this certification shall be seven hundred dollars ($700).

(*l*) The filing fee to appeal the failure of an oral examination shall be twenty-five dollars ($25).

(m) The fee for approval of a continuing education course or program shall be one hundred dollars ($100).

SEC. 6. Section 5510 of the Business and Professions Code is amended to read:

5510. There is in the Department of Consumer Affairs a California Architects Board which consists of 10 members.

Any reference in law to the California Board of Architectural Examiners shall mean the California Architects Board.

This section shall become inoperative on July 1, 2009, and, as of January 1, 2010, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2010, deletes or extends the dates on which it becomes inoperative and is repealed. The repeal of this section renders the board subject to the review required by Division 1.2 (commencing with Section 473).

SEC. 7. Section 5517 of the Business and Professions Code is amended to read:

5517. The board may appoint a person exempt from civil service who shall be designated as an executive officer and who shall exercise the powers and perform the duties delegated by the board and vested in him or her by this chapter.

This section shall become inoperative on July 1, 2009, and, as of January 1, 2010, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2010, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 8. Section 5552.5 is added to the Business and Professions Code, to read:

5552.5. The board may, by regulation, implement an intern development program until July 1, 2009.

SEC. 9. Section 5620 of the Business and Professions Code is amended to read:

5620. The duties, powers, purposes, responsibilities, and jurisdiction of the California State Board of Landscape Architects that were succeeded to and vested with the Department of Consumer Affairs in accordance with Chapter 908 of the Statutes of 1994 are hereby transferred to the California Architects Board. The Legislature finds that the purpose for the transfer of power is to promote and enhance the efficiency of state government and that assumption of the powers and duties by the California Architects Board shall not be viewed or construed as a precedent for the establishment of state regulation over a profession or vocation that was not previously regulated by a board, as defined in Section 477.

(a) There is in the Department of Consumer Affairs a California Architects Board as defined in Article 2 (commencing with Section 5510) of Chapter 3.

Whenever in this chapter ''board'' is used it refers to the California Architects Board.

(b) Except as provided herein, the board may delegate its authority under this chapter to the Landscape Architects Technical Committee.

(c) After review of proposed regulations, the board may direct the examining committee to notice and conduct hearings to adopt, amend, or repeal regulations pursuant to Section 5630, provided that the board itself shall take final action to adopt, amend, or repeal those regulations.

(d) The board shall not delegate its authority to discipline a landscape architect or to take action against a person who has violated this chapter.

(e) This section shall become inoperative on July 1, 2009, and as of January 1, 2010, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2010, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 10. Section 5621 of the Business and Professions Code is amended to read:

5621. (a) There is hereby created within the jurisdiction of the board, a Landscape Architects Technical Committee, hereinafter referred to in this chapter as the landscape architects committee.

(b) The landscape architects committee shall consist of five members who shall be licensed to practice landscape architecture in this state. The Governor shall appoint three of the members. The Senate Committee on Rules and the Speaker of the Assembly shall appoint one member each.

(c) The initial members to be appointed by the Governor are as follows: one member for a term of one year; one member for a term of two years; and one member for a term of three years. The Senate Committee on Rules and the Speaker of the Assembly shall initially each appoint one member for a term of four years. Thereafter, appointments shall be made for four-year terms, expiring on June 1 of the fourth year and until the appointment and qualification of his or her successor or until one year shall have elapsed whichever first occurs. Vacancies shall be filled for the unexpired term.

(d) No person shall serve as a member of the landscape architects committee for more than two consecutive terms.

(e) This section shall become inoperative on July 1, 2009, and as of January 1, 2010, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2010, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 11. Section 5622 of the Business and Professions Code is amended to read:

5622. (a) The landscape architects committee may assist the board in the examination of candidates for a landscape architect's license and, after investigation, evaluate and make recommendations regarding potential violations of this chapter.

(b) The landscape architects committee may investigate, assist, and make recommendations to the board regarding the regulation of landscape architects in this state.

(c) The landscape architects committee may perform duties and functions that have been delegated to it by the board pursuant to Section 5620.

(d) The landscape architects committee may send a representative to all meetings of the full board to report on the committee's activities.

(e) This section shall become inoperative on July 1, 2009, and, as of January 1, 2010, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2010, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 12. Section 5641 of the Business and Professions Code is amended to read:

5641. This chapter shall not be deemed to prohibit any person from preparing drawings for the conceptual design and placement of tangible objects and landscape features or plans, drawings, and specifications for the selection, placement, or use of plants for a single family dwelling. Construction documents, details, or specifications for the tangible objects or landscape features, and alteration of site requiring grading and drainage plans shall be prepared by a licensed professional as required by law.

SEC. 13. Section 5641.1 is added to the Business and Professions Code, to read:

5641.1. This chapter shall not be deemed to prohibit any person from preparing any plans, drawings, or specifications for any property owned by that person.

SEC. 14. Section 5641.2 is added to the Business and Professions Code, to read:

5641.2. Every person who holds a valid license issued by the State of California under the provisions of Chapter 1 (commencing with Section 6721) of the Food and Agricultural Code, authorizing engagement in the business of selling nursery stock in this state, may engage in the preparation of planting plans or drawings as an adjunct to merchandising nursery stock and related products, but may not use the title of landscape architect. That activity is exempt from licensure under the provisions of this chapter.

SEC. 15. Section 5641.3 is added to the Business and Professions Code, to read:

5641.3. An architect, professional engineer or land surveyor licensed or registered under the statutes of this state, insofar as the licensed or registered professional practices the profession for which he or she is licensed or registered, is exempt from the provisions of this chapter, except that an architect, professional engineer, or land surveyor may not use the title ''landscape architect'' unless he or she holds a license as required under this chapter.

SEC. 16. Section 5641.4 is added to the Business and Professions Code, to read:

5641.4. A landscape contractor licensed under the statutes of this state may design systems and facilities for work to be performed and supervised by that landscape contractor, insofar as he or she works within the classification for which he or she is licensed. The licensed landscape contractor is exempt from the provisions of this chapter, except that he or she may not use the title ''landscape architect'' unless he or she holds a license as required under this chapter.

SEC. 17. Section 5641.6 is added to the Business and Professions Code, to read:

5641.6. (a) Nothing contained in this chapter shall be deemed to prohibit a person from engaging in the practice of, or offering to practice as, an irrigation consultant.

(b) As used in this section, ''irrigation consultant'' means a person who performs professional services such as consultation, investigation, reconnaissance, research, design, preparation of drawings and specifications and responsible supervision, where the dominant purpose of such service is the design of landscape irrigation, in accordance with accepted professional standards of public health and safety.

SEC. 18. Section 5645 of the Business and Professions Code is repealed.

SEC. 19. Section 5810 of the Business and Professions Code is amended to read:

5810. (a) This chapter shall be subject to the review required by Division 1.2 (commencing with Section 473).

(b) This chapter shall remain in effect only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends that date.

SEC. 19.5. Section 6710 of the Business and Professions Code is amended to read:

6710. (a) There is in the Department of Consumer Affairs a Board for Professional Engineers and Land Surveyors, which consists of 13 members.

(b) Any reference in any law or regulation to the Board of Registration for Professional Engineers and Land Surveyors is deemed to refer to the Board for Professional Engineers and Land Surveyors.

(c) This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute, that becomes effective on or before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed. The repeal of this section renders the board subject to the review required by Division 1.2 (commencing with Section 473). The board shall not be required to prepare an analysis and submit a report pursuant to Section 473.2.

SEC. 19.6. Article 4.5 (commencing with Section 6770) is added to Chapter 7 of Division 3 of the Business and Professions Code, to read:

Article 4.5. Reporting Requirements

6770. (a) A licensee shall report to the board in writing the occurrence of any of the following events that occurred on or after July 1, 2006, within 90 days of the date the licensee has knowledge of the event:

(1) The conviction of the licensee of any felony.

(2) The conviction of the licensee of any other crime that is substantially related to the qualifications, functions, and duties of a licensed professional engineer.

(3) Any civil action judgment, settlement, arbitration award, or administrative action resulting in a judgment, settlement, or arbitration award against the licensee in any action alleging fraud, deceit, misrepresentation, breach or violation of contract, negligence, incompetence, or recklessness by the licensee in the practice of professional engineering if the amount or value of the judgment,

settlement, or arbitration award is fifty thousand dollars ($50,000) or greater.

(b) The report required by subdivision (a) shall be signed by the licensee and set forth the facts that constitute the reportable event. If the reportable event involves the action of an administrative agency or court, the report shall set forth the title of the matter, court or agency name, docket number, and the date the reportable event occurred.

(c) A licensee shall promptly respond to oral or written inquiries from the board concerning the reportable events, including inquiries made by the board in conjunction with license renewal.

(d) Nothing in this section shall impose a duty upon any licensee to report to the board the occurrence of any of the events set forth in subdivision (a) either by or against any other licensee.

(e) Failure of a licensee to report to the board in the time and manner required by this section shall be grounds for disciplinary action.

(f) For the purposes of this section, a conviction includes the initial plea, verdict, or finding of guilt; a plea of no contest; or pronouncement of sentence by a trial court even though the conviction may not be final or sentence actually imposed until all appeals are exhausted.

6770.1. Within 30 days of entry of a conviction described in paragraphs (1) and (2) of subdivision (a) of Section 6770 or a judgment described in paragraph (3) of subdivision (a) of Section 6770 by a court of this state that has been notified that the defendant is a licensee of the board, the court that rendered the conviction or judgment shall report that fact to the board and provide the board with a copy of the conviction or judgment and any orders or opinions of the court accompanying or ordering the conviction or judgment.

6770.2. (a) Within 30 days of payment of all or any portion of any civil action judgment, settlement, or arbitration award described in Section 6770 against a licensee of the board in which the amount or value of the judgment, settlement, or arbitration award is fifty thousand dollars ($50,000) or greater, any insurer providing professional liability insurance to that licensee shall report to the board the name of the licensee; the amount or value of the judgment, settlement, or arbitration award; the amount paid by the insurer; and the identity of the payee.

(b) Within 30 days of payment of all or any portion of any civil action judgment, settlement, or arbitration award described in Section 6770 against a licensee of the board in which the amount or value of the judgment, settlement, or arbitration award is fifty thousand dollars ($50,000) or greater, any state or local government agency that self insures that licensee shall report to the board the name of the licensee; the amount or value of the judgment, settlement, or arbitration award; the amount paid; and the identity of the payee.

6770.3. The requirements of Sections 6770, 6770.1, and 6770.2 shall apply if a party to the civil action, settlement, or arbitration award is or was a sole proprietorship, partnership, firm, corporation, or state or local government agency in which the licensee is or was an owner, partner, member, officer, or employee and is or was the licensee in responsible charge of that portion of the project that was the subject of the civil judgment, settlement, or arbitration award.

6770.4. (a) Notwithstanding any other provision of law, a licensee shall not be considered to have violated a confidential settlement agreement or other confidential agreement by providing a report to the board as required by this article.

6770.5. The board may adopt regulations to further define the reporting requirements of Sections 6770, 6770.1, and 6770.2.

6770.6. This article shall become operative on July 1, 2006, only if an appropriation is made from the Professional Engineer's and Land Surveyor's Fund for the 2006–07 fiscal year in the annual Budget Act to fund the activities of this article, and sufficient hiring authority is granted to the board pursuant to a budget change proposal to provide sufficient staffing to implement this article.

SEC. 19.7. Section 6780 is added to the Business and Professions Code, to read:

6780. A petitioner may petition the board for reinstatement or modification of penalty, including reduction, modification, or termination of probation, after the following minimum periods have elapsed from the effective date of the decision ordering the disciplinary action, or if the order of the board or any portion of it is stayed by a court of law, from the date the disciplinary action is actually implemented in its entirety:

(1) Except as otherwise provided in this section, at least three years for reinstatement of a certificate that was revoked or surrendered. However, the board may, in its sole discretion, specify in its order of revocation or surrender a lesser period of time that shall be at minimum one year.

(2) At least two years for early termination of a probation period of three years or more.

(3) At least one year for early termination of a probation period of less than three years.

(4) At least one year for reduction or modification of a condition of probation.

(b) The board shall notify the Attorney General of the filing of the petition. The petitioner and the Attorney General shall be given timely notice by letter of the time and place of the hearing on the petition, and the petitioner and the Attorney General shall be given the opportunity to present both oral and documentary evidence and argument to the

board. The petitioner shall at all times have the burden of proof to establish by clear and convincing evidence that he or she is entitled to the relief sought in the petition.

(c) The board itself or an administrative law judge, if one is designated by the board, shall hear the petition and shall prepare a written decision setting forth the reasons supporting the decision.

(d) The board may grant or deny the petition or may impose any terms and conditions that it reasonably deems appropriate as a condition of reinstatement or reduction or modification of the penalty.

(e) No petition shall be considered while the petitioner is under sentence for any criminal offense, including any period during which the petitioner is on court-imposed probation or parole. No petition shall be considered while there is an accusation or petition to revoke probation pending against the petitioner.

(f) The board may, in its discretion, deny without hearing or argument any petition that is filed pursuant to this section within a period of two years from the effective date of a prior decision following a hearing under this section.

(g) Judicial review of the board's decision following a hearing under this section may be sought by way of a petition for writ of administrative mandamus pursuant to Section 1094.5 of the Code of Civil Procedure. The party seeking to overturn the board's decision shall have the burden of proof in any mandamus proceeding. In the mandamus proceeding, if it is alleged that there has been an abuse of discretion because the board's findings are not supported by the evidence, abuse of discretion is established if the court determines that the findings are not supported by substantial evidence in light of the whole record.

(h) The following definitions apply for purposes of this section:

(1) ''Certificate'' includes certificate of registration or license as a professional engineer; certificates of authority to use the titles ''structural engineer,'' ''geotechnical engineer,'' ''soil engineer,'' ''soils engineer,'' or ''consulting engineer;'' and certification as an engineer-in-training.

(2) ''Petitioner'' means a professional engineer or an engineer-in-training whose certificate has been revoked, suspended, or surrendered or placed on probation.

SEC. 20. Section 8030.2 of the Business and Professions Code is amended to read:

8030.2. (a) To provide shorthand reporting services to low-income litigants in civil cases, who are unable to otherwise afford those services, funds generated by fees received by the board pursuant to subdivision (c) of Section 8031 in excess of funds needed to support the board's operating budget for the fiscal year in which a transfer described below is made shall be used by the board for the purpose of establishing and

maintaining a Transcript Reimbursement Fund. The Transcript Reimbursement Fund shall be established by a transfer of funds from the Court Reporters' Fund and shall be maintained in an amount no less than three hundred thousand dollars ($300,000) for each fiscal year.

(b) All moneys held in the Court Reporters' Fund on the effective date of this section in excess of the board's operating budget for the 1996–97 fiscal year shall be used as provided in subdivision (a).

(c) Refunds and unexpended funds that are anticipated to remain in the Transcript Reimbursement Fund at the end of the fiscal year shall be considered by the board in establishing the fee assessment pursuant to Section 8031 so that the assessment shall maintain the Transcript Reimbursement Fund at the appropriate level in the following fiscal year.

(d) The Transcript Reimbursement Fund is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, moneys in the Transcript Reimbursement Fund are continuously appropriated for the purposes of this chapter.

(e) Applicants who have been reimbursed pursuant to this chapter for services provided to litigants and who are awarded court costs or attorneys' fees by judgment or by settlement agreement shall refund the full amount of that reimbursement to the fund within 90 days of receipt of the award or settlement.

(f) Subject to the limitations of this chapter, the board shall maintain the fund at a level that is sufficient to pay all qualified claims. To accomplish this objective, the board shall utilize all refunds, unexpended funds, fees, and any other moneys received by the board.

(g) Notwithstanding Section 16346 of the Government Code, all unencumbered funds remaining in the Transcript Reimbursement Fund as of June 29, 2006, shall be transferred to the Court Reporters' Fund.

This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 21. Section 8030.4 of the Business and Professions Code is amended to read:

8030.4. As used in this chapter:

(a) ''Qualified legal services project'' means a nonprofit project incorporated and operated exclusively in California that provides as its primary purpose and function legal services without charge to indigent persons, has a board of directors or advisory board composed of both attorneys and consumers of legal services, and provides for community participation in legal services programming. Legal services projects funded either in whole or in part by the Legal Services Corporation or

with Older Americans Act funds are presumed to be qualified legal services projects for the purposes of this chapter.

(b) ''Qualified support center'' means an incorporated nonprofit legal services center, having an office or offices in California, which office or offices provide legal services or technical assistance without charge to qualified legal services projects and their clients on a multicounty basis in California. Support centers funded either in whole or in part by the Legal Services Corporation or with Older Americans Act funds are presumed to be qualified legal services projects for the purposes of this chapter.

(c) ''Other qualified project'' means a nonprofit organization formed for charitable or other public purposes, not receiving funds from the Legal Services Corporation or pursuant to the Older Americans Act, which organization or association provides free legal services to indigent persons.

(d) ''Pro bono attorney'' means any attorney, law firm, or legal corporation, licensed to practice law in this state, which undertakes without charge to the party the representation of an indigent person, referred by a qualified legal services project, qualified support center, or other qualified project, in a case not considered to be fee generating as defined in this chapter.

(e) ''Applicant'' means a qualified legal services project, qualified support center, other qualified project, or pro bono attorney applying to receive funds from the Transcript Reimbursement Fund established by this chapter. The term ''applicant'' shall not include persons appearing pro se to represent themselves at any stage of the case.

(f) ''Indigent person'' means either a person whose income is 125 percent or less of the current poverty threshold established by the Office of Management and Budget of the United States, a disabled person whose income after meeting medical and other disability-related special expenses is 125 percent or less of that current poverty threshold, or a person who receives or is eligible to receive supplemental security income.

(g) ''Fee-generating case'' means any case or matter which, if undertaken on behalf of an eligible client by an attorney in private practice, reasonably may be expected to result in payment of a fee for legal services from an award to a client, from public funds, or from an opposing party. A reasonable expectation as to payment of a legal fee exists wherever a client enters into a contingent fee agreement with his or her lawyer. If there is no contingent fee agreement, a case is not considered fee generating if adequate representation is deemed to be unavailable because of the occurrence of any of the following circumstances:

(1) Where the applicant has determined that referral is not possible because of any of the following:

(A) The case has been rejected by the local lawyer referral service, or if there is no such service, by two private attorneys who have experience in the subject matter of the case.

(B) Neither the referral service nor any lawyer will consider the case without payment of a consultation fee.

(C) The case is of the type that private attorneys in the area ordinarily do not accept, or do not accept without prepayment of a fee.

(D) Emergency circumstances compel immediate action before referral can be made, but the client is advised that, if appropriate and consistent with professional responsibility, referral will be attempted at a later time.

(2) Where recovery of damages is not the principal object of the case and a request for damages is merely ancillary to an action for equitable or other nonpecuniary relief; or inclusion of a counterclaim requesting damages is necessary for effective defense or because of applicable rules governing joinder of counterclaims.

(3) Where a court appoints an applicant or an employee of an applicant pursuant to a statute or a court rule or practice of equal applicability to all attorneys in the jurisdiction.

(4) In any case involving the rights of a claimant under a public supported benefit program for which entitlement to benefit is based on need.

(h) ''Legal Services Corporation'' means the Legal Services Corporation established under the Legal Services Corporation Act of 1974, Public Law 93-355, as amended.

(i) ''Supplemental security income recipient'' means an individual receiving or eligible to receive payments under Title XVI of the Social Security Act, Public Law 92-603, as amended, or payment under Chapter 3 (commencing with Section 12000) of Part 3 of Division 9 of the Welfare and Institutions Code.

(j) ''Lawyer referral service'' means a lawyer referral program authorized by the State Bar of California pursuant to the rules of professional conduct.

(k) ''Older Americans Act'' means the Older Americans Act of 1965, Public Law 89-73, as amended.

(*l*) ''Rules of professional conduct'' means those rules adopted by the State Bar pursuant to Sections 6076 and 6077.

(m) ''Certified shorthand reporter'' means a shorthand reporter certified pursuant to Article 3 (commencing with Section 8020) performing shorthand reporting services pursuant to Section 8017.

(n) ''Case'' means a single legal proceeding from its inception, through all levels of hearing, trial, and appeal, until its ultimate conclusion and disposition.

This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 22. Section 8030.6 of the Business and Professions Code is amended to read:

8030.6. The board shall disburse funds from the Transcript Reimbursement Fund for the costs, exclusive of per diem charges, of preparing either an original transcript and one copy thereof, or where appropriate, a copy of the transcript, of court or deposition proceedings, or both, incurred as a contractual obligation between the shorthand reporter and the applicant, for litigation conducted in California. If no deposition transcript is ordered, the board may reimburse the applicant or the certified shorthand reporter designated in the application for per diem costs. The rate of per diem for depositions shall not exceed seventy-five dollars ($75) for a half day, or one hundred twenty-five dollars ($125) for a full day. In the event that a transcript is ordered within one year of the date of the deposition, but subsequent to the per diem having been reimbursed by the Transcript Reimbursement Fund, the amount of the per diem shall be deducted from the amount of transcript. Reimbursement may be obtained through the following procedures:

(a) The applicant or certified shorthand reporter shall promptly submit to the board the certified shorthand reporter's invoice for transcripts together with the appropriate documentation as is required by this chapter.

(b) Except as provided in subdivision (c), the board shall promptly determine if the applicant or the certified shorthand reporter is entitled to reimbursement under this chapter and shall make payment as follows:

(1) Regular customary charges for preparation of original deposition transcripts and one copy thereof, or a copy of the transcripts.

(2) Regular customary charges for expedited deposition transcripts up to a maximum of two thousand five hundred dollars ($2,500) per case.

(3) Regular customary charges for the preparation of original transcripts and one copy thereof, or a copy of transcripts of court proceedings.

(4) Regular customary charges for expedited or daily charges for preparation of original transcripts and one copy thereof or a copy of transcripts of court proceedings.

(5) The charges may not include notary or handling fees. The charges may include actual shipping costs and exhibits, except that the cost of

exhibits may not exceed thirty-five cents ($0.35) each or a total of thirty-five dollars ($35) per transcript.

(c) The maximum amount reimbursable by the fund under subdivision (b) may not exceed twenty thousand dollars ($20,000) per case per year.

(d) If entitled, and funds are available, the board shall forthwith disburse the appropriate sum to the applicant or the certified shorthand reporter when documentation as provided in subdivision (d) of Section 8030.8 accompanies the application. A notice shall be sent to the recipient requiring the recipient to file a notice with the court in which the action is pending stating the sum of reimbursement paid pursuant to this section. The notice filed with the court shall also state that if the sum is subsequently included in any award of costs made in the action, that the sum is to be ordered refunded by the applicant to the Transcript Reimbursement Fund whenever the sum is actually recovered as costs. The court may not consider whether payment has been made from the Transcript Reimbursement Fund in determining the appropriateness of any award of costs to the parties. The board shall also forthwith notify the applicant that the reimbursed sum has been paid to the certified shorthand reporter and shall likewise notify the applicant of the duty to refund any of the sum actually recovered as costs in the action.

(e) If not entitled, the board shall forthwith return a copy of the invoice to the applicant and the designated certified shorthand reporter together with a notice stating the grounds for denial.

(f) The board shall complete its actions under this subdivision within 30 days of receipt of the invoice and all required documentation, including a completed application.

(g) Applications for reimbursements from the fund shall be filled on a first-come basis.

(h) Applications for reimbursement that cannot be paid from the fund due to insufficiency of the fund for that fiscal year shall be held over until the next fiscal year to be paid out of the renewed fund.

This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 23. Section 8030.8 of the Business and Professions Code is amended to read:

8030.8. (a) For purposes of this chapter, documentation accompanying an invoice is sufficient to establish entitlement for reimbursement from the Transcript Reimbursement Fund if it is filed with the executive officer on an application form prescribed by the board that is complete in all respects, and that establishes all of the following:

(1) The case name and number and that the litigant or litigants requesting the reimbursement are indigent persons.

(2) The applicant is qualified under the provisions of this chapter.

(3) The case is not a fee-generating case, as defined in Section 8030.4.

(4) The invoice or other documentation shall evidence that the certified shorthand reporter to be reimbursed was, at the time the services were rendered, a duly licensed certified shorthand reporter.

(5) The invoice shall be accompanied by a statement, signed by the applicant, stating that the charges are for transcripts actually provided as indicated on the invoice.

(6) The applicant has acknowledged, in writing, that as a condition of entitlement for reimbursement that the applicant agrees to refund the entire amount disbursed from the Transcript Reimbursement Fund from any costs or attorneys' fees awarded to the applicant by the court or provided for in any settlement agreement in the case.

(7) The certified shorthand reporter's invoice for transcripts shall include separate itemizations of charges claimed, as follows:

(A) Total charges and rates for customary services in preparation of an original transcript and one copy or a copy of the transcript of depositions.

(B) Total charges and rates for expedited deposition transcripts.

(C) Total charges and rates in connection with transcription of court proceedings.

(b) For an applicant claiming to be eligible pursuant to subdivision (a), (b), or (c) of Section 8030.4, a letter from the director of the project or center, certifying that the project or center meets the standards set forth in one of those subdivisions and that the litigant or litigants are indigent persons, is sufficient documentation to establish eligibility.

(c) For an applicant claiming to be eligible pursuant to subdivision (d) of Section 8030.4, a letter certifying that the applicant meets the requirements of that subdivision, that the case is not a fee-generating case, as defined in subdivision (g) of Section 8030.4, and that the litigant or litigants are indigent persons, together with a letter from the director of a project or center defined in subdivision (a), (b), or (c) of Section 8030.4 certifying that the litigant or litigants had been referred by that project or center to the applicant, is sufficient documentation to establish eligibility.

(d) The applicant may receive reimbursement directly from the board when the applicant has previously paid the certified shorthand reporter for transcripts as provided in Section 8030.6. To receive payment directly, the applicant shall submit, in addition to all other required documentation, an itemized statement signed by the certified shorthand reporter performing the services that describes payment for transcripts in accordance with the requirements of Section 8030.6.

(e) The board may prescribe appropriate forms to be used by applicants and certified shorthand reporters to facilitate these requirements.

(f) This chapter does not restrict the contractual obligation or payment for services, including, but not limited to, billing the applicant directly, during the pendency of the claim.

This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 24. Section 8710 of the Business and Professions Code is amended to read:

8710. (a) The Board for Professional Engineers and Land Surveyors is vested with power to administer the provisions and requirements of this chapter, and may make and enforce rules and regulations that are reasonably necessary to carry out its provisions.

(b) The board may adopt rules and regulations of professional conduct that are not inconsistent with state and federal law. The rules and regulations may include definitions of incompetence and negligence. Every person who holds a license or certificate issued by the board pursuant to this chapter, or a license or certificate issued to a civil engineer pursuant to Chapter 7 (commencing with Section 6700), shall be governed by these rules and regulations.

(c) This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed. The repeal of this section shall render the board subject to the review required by Division 1.2 (commencing with Section 473).

SEC. 25. Article 5.7 (commencing with Section 8776) is added to Chapter 15 of Division 3 of the Business and Professions Code, to read:

Article 5.7. Reporting Requirements

8776. (a) A licensee shall report to the board in writing the occurrence of any of the following events that occurred on or after July 1, 2006, within 90 days of the date the licensee has knowledge of the event:

(1) The conviction of the licensee of any felony.

(2) The conviction of the licensee of any other crime that is substantially related to the qualifications, functions, and duties of a licensed land surveyor.

(3) Any civil action judgment, settlement, arbitration award, or administrative action resulting in a judgment, settlement, or arbitration

award against the licensee in any action alleging fraud, deceit, misrepresentation, breach or violation of contract, negligence, incompetence, or recklessness by the licensee in the practice of land surveying if the amount or value of the judgment, settlement, or arbitration award is fifty thousand dollars ($50,000) or greater.

(b) The report required by subdivision (a) shall be signed by the licensee and set forth the facts that constitute the reportable event. If the reportable event involves the action of an administrative agency or court, the report shall set forth the title of the matter, court or agency name, docket number, and the dates the reportable event occurred.

(c) A licensee shall promptly respond to oral or written inquiries from the board concerning the reportable events, including inquiries made by the board in conjunction with license renewal.

(d) Nothing in this section shall impose a duty upon any licensee to report to the board the occurrence of any of the events set forth in subdivision (a) either by or against any other licensee.

(e) Failure of a licensee to report to the board in the time and manner required by this section shall be grounds for disciplinary action.

(f) For purposes of this section, a conviction includes the initial plea, verdict, or finding of guilt; a plea of no contest; or pronouncement of sentence by a trial court even though the conviction may not be final or sentence actually imposed until all appeals are exhausted.

8776.1. Within 30 days of entry of a conviction described in paragraphs (1) and (2) of subdivision (a) of Section 8776 or a judgment described in paragraph (3) of subdivision (a) of Section 8776 by a court of this state that has been notified that the defendant is a licensee of the board, the court that rendered the conviction or judgment shall report that fact to the board and provide the board with a copy of the conviction or judgment and any orders or opinions of the court accompanying or ordering the conviction or judgment.

8776.2. (a) Within 30 days of payment of all or any portion of any civil action judgment, settlement, or arbitration award described in Section 8776 against a licensee of the board in which the amount or value of the judgment, settlement, or arbitration award is fifty thousand dollars ($50,000) or greater, any insurer providing professional liability insurance to that licensee shall report to the board the name of the licensee; the amount or value of the judgment, settlement, or arbitration award; the amount paid by the insurer; and the identity of the payee.

(b) Within 30 days of payment of all or any portion of any civil action judgment, settlement, or arbitration award described in Section 8776 against a licensee of the board in which the amount or value of the judgment, settlement, or arbitration award is fifty thousand dollars ($50,000) or greater, any state or local government agency that self insures that licensee shall report to the board the name of the licensee;

the amount or value of the judgment, settlement, or arbitration award; the amount paid; and the identity of the payee.

8776.3. The requirements of Sections 8776, 8776.1, and 8776.2 shall apply if a party to the civil action, settlement, or arbitration award is or was a sole proprietorship, partnership, firm, corporation, or state or local government agency in which the licensee is or was an owner, partner, member, officer, or employee and is or was the licensee in responsible charge of that portion of the project that was the subject of the civil judgment, settlement, or arbitration award.

8776.4. (a) Notwithstanding any other provision of law, a licensee shall not be considered to have violated a confidential settlement agreement or other confidential agreement by providing a report to the board as required by this article.

8776.5. The provisions of this article apply to a civil engineer licensed under Chapter 7 (commencing with Section 6700) prior to January 1, 1982, if the civil action judgment, settlement, or arbitration award relates to the practice of professional land surveying.

8776.6. The board may adopt regulations to further define the reporting requirements of Sections 8776, 8776.1, and 8776.2.

8776.7. This article shall become operative on July 1, 2006, only if an appropriation is made from the Professional Engineer's and Land Surveyor's Fund for the 2006–07 fiscal year in the annual Budget Act to fund the activities of this article, and sufficient hiring authority is granted to the board pursuant to a budget change proposal to provide sufficient staffing to implement this article.

SEC. 26. Section 8785 is added to the Business and Professions Code, to read:

8785. (a) A petitioner may petition the board for reinstatement or modification of penalty, including reduction, modification, or termination of probation, after the following minimum periods have elapsed from the effective date of the decision ordering the disciplinary action, or if the order of the board or any portion of it is stayed by a court of law, from the date the disciplinary action is actually implemented in its entirety:

(1) Except as otherwise provided in this section, at least three years for reinstatement of a license or certificate that was revoked or surrendered. However, the board may, in its sole discretion, specify in its order of revocation or surrender a lesser period of time that shall be at minimum one year.

(2) At least two years for early termination of a probation period of three years or more.

(3) At least one year for early termination of a probation period of less than three years.

(4) At least one year for reduction or modification of a condition of probation.

(b) The board shall notify the Attorney General of the filing of the petition. The petitioner and the Attorney General shall be given timely notice by letter of the time and place of the hearing on the petition, and the petitioner and the Attorney General shall be given the opportunity to present both oral and documentary evidence and argument to the board. The petitioner shall at all times have the burden of proof to establish by clear and convincing evidence that he or she is entitled to the relief sought in the petition.

(c) The board itself or an administrative law judge, if one is designated by the board, shall hear the petition and shall prepare a written decision setting forth the reasons supporting the decision.

(d) The board may grant or deny the petition or may impose any terms and conditions that it reasonably deems appropriate as a condition of reinstatement or reduction or modification of the penalty.

(e) No petition shall be considered while the petitioner is under sentence for any criminal offense, including any period during which the petitioner is on court-imposed probation or parole. No petition shall be considered while there is an accusation or petition to revoke probation pending against the petitioner.

(f) The board may, in its discretion, deny without hearing or argument any petition that is filed pursuant to this section within a period of two years from the effective date of a prior decision following a hearing under this section.

(g) Judicial review of the board's decision following a hearing under this section may be sought by way of a petition for writ of administrative mandamus pursuant to Section 1094.5 of the Code of Civil Procedure. The party seeking to overturn the board's decision shall have the burden of proof in any mandamus proceeding. In the mandamus proceeding, if it is alleged that there has been an abuse of discretion because the board's findings are not supported by the evidence, abuse of discretion is established if the court determines that the findings are not supported by substantial evidence in light of the whole record.

(h) For the purposes of this section, ''petitioner'' means a professional land surveyor or licensed civil engineer or a land surveyor-in-training whose license or certificate has been revoked, suspended, or surrendered or placed on probation.

SEC. 27. Section 18602 of the Business and Professions Code is amended to read:

18602. Except as provided in this section, there is in the Department of Consumer Affairs the State Athletic Commission, which consists of eight members. Six members shall be appointed by the Governor, one

member shall be appointed by the Senate Rules Committee, and one member shall be appointed by the Speaker of the Assembly.

The members of the commission appointed by the Governor are subject to confirmation by the Senate pursuant to Section 1322 of the Government Code.

No person who is licensed under this chapter as a promoter, manager, or judge may be appointed or reappointed to, or serve on, the commission.

Upon the first expiration of the term of a member appointed by the Governor, the commission shall be reduced to seven members. Notwithstanding any provision of law, the term of that member shall not be extended for any reason.

This section shall become inoperative on July 1, 2006, and as of January 1, 2007, is repealed, unless a later enacted statute, which becomes operative on or before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed. The repeal of this section renders the commission subject to the review required by Division 1.2 (commencing with Section 473).

SEC. 28. Section 18613 of the Business and Professions Code is amended to read:

18613. The commission shall appoint an executive officer and fix his or her compensation. The executive officer shall carry out the duties prescribed by this chapter and additional duties as may be delegated by the commission. The commission may employ in accordance with Section 154 other personnel as may be necessary for the administration of this chapter.

This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 29. Section 18627 of the Business and Professions Code is amended to read:

18627. (a) ''Martial arts'' means any form of karate, kung fu, tae kwon-do, kickboxing or any combination of full contact martial arts, including mixed martial arts, or self-defense conducted on a full contact basis where a weapon is not used.

(b) ''Kickboxing'' means any form of boxing in which blows are delivered with the hand and any part of the leg below the hip, including the foot.

(c) ''Full contact'' means the use of full unrestrainted physical force in a martial arts contest.

(d) ''Light contact'' means the use of controlled martial arts techniques whereby contact to the body is permitted in a restrained manner, no contact to the face is permitted, and no contact is permitted

which may result or is intended to result in physical harm to the opponent.

(e) ''Noncontact'' means that no contact occurs between either contestant.

SEC. 30. Section 18640 of the Business and Professions Code is amended to read:

18640. The commission has the sole direction, management, control of, and jurisdiction over all professional and amateur boxing, professional and amateur kickboxing, all forms and combinations of forms of full contact martial arts contests, including mixed martial arts, and matches or exhibitions conducted, held, or given within this state. No event shall take place without the prior approval of the commission. No person shall engage in the promotion of, or participate in, a boxing or martial arts contest, match, or exhibition without a license, and except in accordance with this chapter and the rules adopted hereunder.

SEC. 31. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because in that regard this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

However, notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

SEC. 32. Section 4.5 of this bill incorporates amendments to Section 2472 of the Business and Professions Code proposed by both this bill and Assembly Bill 932. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 2472 of the Business and Professions Code, and (3) this bill is enacted after Assembly Bill 932, in which case Section 4 of this bill shall not become operative.

CHAPTER 692

An act to add Section 25324 to the Public Resources Code, relating to energy conservation and development.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Section 25324 is added to the Public Resources Code, to read:

25324. The commission, in consultation with the Public Utilities Commission, the California Independent System Operator, transmission owners, users, and consumers, shall adopt a strategic plan for the state's electric transmission grid using existing resources. The strategic plan shall identify and recommend actions required to implement investments needed to ensure reliability, relieve congestion, and meet future growth in load and generation, including, but not limited to, renewable resources, energy efficiency, and other demand reduction measures. The plan shall be included in the integrated energy policy report adopted on November 1, 2005, pursuant to subdivision (a) of Section 25302.

CHAPTER 693

An act to amend Sections 39011 and 42311.2 of the Health and Safety Code, and to amend Sections 4464 and 4475 of the Public Resources Code, relating to resources.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Section 39011 of the Health and Safety Code is amended to read:

39011. ''Agricultural burning'' means open outdoor fires used in any of the following:

(a) Agricultural operations in the growing of crops or raising of fowl or animals, or open outdoor fires used in forest management, range improvement, or the improvement of land for wildlife and game habitat, or disease or pest prevention.

(b) The operation or maintenance of a system for the delivery of water for the purposes specified in subdivision (a).

(c) Wildland vegetation management burning.

(1) For purposes of this subdivision, wildland vegetation management burning is the use of prescribed burning conducted by a public agency, or through a cooperative agreement or contract involving a public agency, to burn land predominantly covered with chaparral, trees, grass, or standing brush.

(2) For purposes of this subdivision, prescribed burning is the planned application and confinement of fire to wildland fuels on lands selected in advance of that application to achieve any of the following objectives:

(A) Prevention of high-intensity wildland fires through reduction of the volume and continuity of wildland fuels.

(B) Watershed management.

(C) Range improvement.

(D) Vegetation management.

(E) Forest improvement.

(F) Wildlife habitat improvement.

(G) Air quality maintenance.

(3) The planned application of fire may include natural or accidental ignition.

SEC. 2. Section 42311.2 of the Health and Safety Code is amended to read:

42311.2. (a) Notwithstanding Section 42311, a district shall not adopt or impose fees that exceed actual district administrative costs for processing or enforcing permits applicable to any of the following:

(1) Prescribed burning operations on state responsibility lands conducted under the terms of a permit issued by the Department of Forestry and Fire Protection pursuant to Article 3 (commencing with Section 4491) of Chapter 7 of Part 2 of Division 4 of the Public Resources Code when the purpose of the operation is prevention of high-intensity wildland fires through reduction of the volume and continuity of wildland fuels.

(2) Burning of vegetation or disposal of slash following timber operations required under regulations adopted by the State Board of Forestry and Fire Protection pursuant to Section 4551.5 or 4562 of the Public Resources Code and for the purpose of reducing the incidence and spread of fires on timberlands.

(3) Wildland vegetation management burns.

(A) For purposes of this subdivision, ''wildland vegetation management burn'' means the use of prescribed burning conducted by a public agency, or through a cooperative agreement or contract

involving a public agency to burn land predominantly covered with chaparral, trees, grass, or standing brush.

(B) For purposes of this subdivision, ''prescribed burning'' is the planned application and confinement of fire to wildland fuels on lands selected in advance of that application to achieve any of the following objectives:

(i) Prevention of high-intensity wildland fires through reduction of the volume and continuity of wildland fuels.

(ii) Watershed management.

(iii) Range improvement.

(iv) Vegetation management.

(v) Forest improvement.

(vi) Wildlife habitat improvement.

(vii) Air quality maintenance.

(C) The planned application of fire may include natural or accidental ignition.

(b) Prior to adopting or revising fees for the activities described in paragraph (1), (2), or (3) of subdivision (a), a district shall hold a public hearing and shall consider the following:

(1) The costs of the fees on private landowners and other persons who engage in activities specified in paragraph (1), (2), or (3) of subdivision (a).

(2) Any revenues currently provided to the county for general government by public agencies that administer public lands.

SEC. 3. Section 4464 of the Public Resources Code is amended to read:

4464. Unless the context clearly requires otherwise, the following definitions govern the construction of this chapter:

(a) ''Wildland'' means any land that is classified as a state responsibility area pursuant to Article 3 (commencing with Section 4125) of Chapter 1 and includes any land having a plant cover consisting principally of grasses, forbs, or shrubs that are valuable for forage. ''Wildland'' also means any lands that are contiguous to lands classified as a state responsibility area if wildland fuel accumulation is such that a wildland fire occurring on these lands would pose a threat to the adjacent state responsibility area.

(b) ''Wildland fuel'' means any timber, brush, grass, or other flammable vegetation, living or dead, standing or down.

(c) ''Wildland fire'' means any uncontrolled fire burning on wildland.

(d) ''Prescribed burning'' or ''prescribed burning operation'' means the planned application and confinement of fire to wildland fuels on lands selected in advance of that application to achieve any of the following objectives:

(1) Prevention of high-intensity wildland fires through reduction of the volume and continuity of wildland fuels.
(2) Watershed management.
(3) Range improvement.
(4) Vegetation management.
(5) Forest improvement.
(6) Wildlife habitat improvement.
(7) Air quality maintenance.

(e) ''Prescribed burn crew'' means personnel and firefighting equipment of the department that are prepared to contain fire set in a prescribed burning operation and to suppress any fire that escapes during a prescribed burning operation.

(f) ''Person'' means any natural person, firm, association, partnership, business trust, corporation, limited liability company, company, or combination thereof, or any public agency other than an agency of the federal government.

SEC. 4. Section 4475 of the Public Resources Code is amended to read:

4475. The director, with the approval of the Director of General Services, may enter into a contract for prescribed burning with (1) the owner or any other person who has legal control of any property or (2) any public agency with regulatory or natural resource management authority over any property that is included within any wildland for any of the following purposes, or any combination thereof:

(a) Prevention of high-intensity wildland fires through reduction of the volume and continuity of wildland fuels.
(b) Watershed management.
(c) Range improvement.
(d) Vegetation management.
(e) Forest improvement.
(f) Wildlife habitat improvement.
(g) Air quality maintenance.

No contract may be entered into pursuant to this section unless the director determines that the public benefits estimated to be derived from the prescribed burning pursuant to the contract will be equal to or greater than the foreseeable damage that could result from the prescribed burning.

CHAPTER 694

An act to amend Section 25747 of the Public Resources Code, and to amend Sections 399.11, 399.12, 399.13, 399.14, 399.15, 399.16, and

780.5 of, to amend and renumber Section 454.1 of, and to repeal Sections 383.5 and 445 of, the Public Utilities Code, relating to public utilities.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Section 25747 of the Public Resources Code is amended to read:

25747. (a) The commission shall adopt guidelines governing the funding programs authorized under this chapter, at a publicly noticed meeting offering all interested parties an opportunity to comment. Substantive changes to the guidelines may not be adopted without at least 10 days' written notice to the public. The public notice of meetings required by this subdivision may not be less than 30 days. Notwithstanding any other provision of law, any guidelines adopted pursuant to this chapter or Section 399.13 of the Public Utilities Code, shall be exempt from the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The Legislature declares that the changes made to this subdivision by the act amending this section during the 2002 portion of the 2001–02 Regular Session are declaratory of, and not a change in existing law.

(b) Funds to further the purposes of this chapter may be committed for multiple years.

(c) Awards made pursuant to this chapter are grants, subject to appeal to the commission upon a showing that factors other than those described in the guidelines adopted by the commission were applied in making the awards and payments. Any actions taken by an applicant to apply for, or become or remain eligible and registered to receive, payments or awards, including satisfying conditions specified by the commission, shall not constitute the rendering of goods, services, or a direct benefit to the commission.

SEC. 2. Section 383.5 of the Public Utilities Code is repealed.

SEC. 3. Section 399.11 of the Public Utilities Code is amended to read:

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

(a) In order to attain a target of 20 percent renewable energy for the State of California and for the purposes of increasing the diversity, reliability, public health and environmental benefits of the energy mix, it is the intent of the Legislature that the California Public Utilities Commission and the State Energy Resources Conservation and Development Commission implement the California Renewables Portfolio Standard Program described in this article.

(b) Increasing California's reliance on renewable energy resources may promote stable electricity prices, protect public health, improve environmental quality, stimulate sustainable economic development, create new employment opportunities, and reduce reliance on imported fuels.

(c) The development of renewable energy resources may ameliorate air quality problems throughout the state and improve public health by reducing the burning of fossil fuels and the associated environmental impacts.

(d) The California Renewables Portfolio Standard Program is intended to complement the Renewable Energy Program administered by the State Energy Resources Conservation and Development Commission and established pursuant to Chapter 8.6 (commencing with Section 25740) of Division 15 of the Public Resources Code.

SEC. 4. Section 399.12 of the Public Utilities Code is amended to read:

399.12. For purposes of this article, the following terms have the following meanings:

(a) ''Eligible renewable energy resource'' means an electric generating facility that is one of the following:

(1) The facility meets the definition of ''in-state renewable electricity generation facility'' in Section 25741 of the Public Resources Code.

(2) A geothermal generation facility originally commencing operation prior to September 26, 1996, shall be eligible for purposes of adjusting a retail seller's baseline quantity of eligible renewable energy resources except for output certified as incremental geothermal production by the Energy Commission, provided that the incremental output was not sold to an electrical corporation under contract entered into prior to September 26, 1996. For each facility seeking certification, the Energy Commission shall determine historical production trends and establish criteria for measuring incremental geothermal production that recognizes the declining output of existing steamfields and the contribution of capital investments in the facility or wellfield.

(3) The output of a small hydroelectric generation facility of 30 megawatts or less procured or owned by an electrical corporation as of the date of enactment of this article shall be eligible only for purposes of establishing the baseline of an electrical corporation pursuant to paragraph (3) of subdivision (a) of Section 399.15. A new hydroelectric facility is not an eligible renewable energy resource if it will require a new or increased appropriation or diversion of water under Part 2 (commencing with Section 1200) of Division 2 of the Water Code.

(4) A facility engaged in the combustion of municipal solid waste shall not be considered an eligible renewable resource unless it is located in Stanislaus County and was operational prior to September 26, 1996.

Output from such facilities shall be eligible only for the purpose of adjusting a retail seller's baseline quantity of eligible renewable energy resources.

(b) ''Energy Commission'' means the State Energy Resources Conservation and Development Commission.

(c) ''Retail seller'' means an entity engaged in the retail sale of electricity to end-use customers, including any of the following:

(1) An electrical corporation, as defined in Section 218.

(2) A community choice aggregator. The commission shall institute a rulemaking to determine the manner in which a community choice aggregator will participate in the renewables portfolio standard subject to the same terms and conditions applicable to an electrical corporation.

(3) An electric service provider, as defined in Section 218.3 subject to the following conditions:

(A) An electric service provider shall be considered a retail seller under this article for sales to any customer acquiring service after January 1, 2003.

(B) An electric service provider shall be considered a retail seller under this article for sales to all its customers beginning on the earlier of January 1, 2006, or the date on which a contract between an electric service provider and a retail customer expires. Nothing in this subdivision may require an electric service provider to disclose the terms of the contract to the commission.

(C) The commission shall institute a rulemaking to determine the manner in which electric service providers will participate in the renewables portfolio standard. The electric service provider shall be subject to the same terms and conditions applicable to an electrical corporation pursuant to this article. Nothing in this paragraph shall impair a contract entered into between an electric service provider and a retail customer prior to the suspension of direct access by the commission pursuant to Section 80110 of the Water Code.

(4) ''Retail seller'' does not include any of the following:

(A) A corporation or person employing cogeneration technology or producing power consistent with subdivision (b) of Section 218.

(B) The Department of Water Resources acting in its capacity pursuant to Division 27 (commencing with Section 80000) of the Water Code.

(C) A local publicly owned electrical utility as defined in subdivision (d) of Section 9604.

(d) ''Renewables portfolio standard'' means the specified percentage of electricity generated by eligible renewable energy resources that a retail seller is required to procure pursuant to Sections 399.13 and 399.15.

SEC. 5. Section 399.13 of the Public Utilities Code is amended to read:

399.13. The Energy Commission shall do all of the following:

(a) Certify eligible renewable energy resources that it determines meet the criteria described in subdivision (a) of Section 399.12.

(b) Design and implement an accounting system to verify compliance with the renewables portfolio standard by retail sellers, to ensure that renewable energy output is counted only once for the purpose of meeting the renewables portfolio standard of this state or any other state, and for verifying retail product claims in this state or any other state. In establishing the guidelines governing this system, the Energy Commission shall collect data from electricity market participants that it deems necessary to verify compliance of retail sellers, in accordance with the requirements of this article and the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code). In seeking data from electrical corporations, the Energy Commission shall request data from the commission. The commission shall collect data from electrical corporations and remit the data to the Energy Commission within 90 days of the request.

(c) Allocate and award supplemental energy payments pursuant to Chapter 8.6 (commencing with Section 25740) of Division 15 of the Public Resources Code, to eligible renewable energy resources to cover above-market costs of renewable energy.

SEC. 6. Section 399.14 of the Public Utilities Code is amended to read:

399.14. (a) The commission shall direct each electrical corporation to prepare renewable energy procurement plans as described in paragraph (3) to satisfy its obligations under the renewables portfolio standard. To the extent feasible, this procurement plan shall be proposed, reviewed, and adopted by the commission as part of, and pursuant to, a general procurement plan process. The commission shall require each electrical corporation to review and update its renewable energy procurement plan as it determines to be necessary.

(1) (A) The commission shall not require an electrical corporation to conduct procurement to fulfill the renewables portfolio standard until the commission determines either of the following:

(i) The electrical corporation has attained an investment grade credit rating as determined by at least two major rating agencies.

(ii) The electrical corporation is able to procure eligible renewable energy resources on reasonable terms, those resources can be financed if necessary, and the procurement will not impair the restoration of an electrical corporation's creditworthiness. This provision shall not apply before April 1, 2004, for any electrical corporation that on June 30, 2003, is in federal court under Chapter 11 of the federal bankruptcy law.

(B) Within 90 days of the commission's determination as provided in subparagraph (A), an electrical corporation shall conduct solicitations to implement a renewable energy procurement plan. The determination required by this paragraph shall apply only to the requirements established pursuant to this article. The requirements established for an electrical corporation pursuant to Section 454.5 shall be governed by that section.

(2) Not later than six months after the effective date of this section, the commission shall adopt, by rule, for all electrical corporations, all of the following:

(A) A process for determining market prices pursuant to subdivision (c) of Section 399.15. The commission shall make specific determinations of market prices after the closing date of a competitive solicitation conducted by an electrical corporation for eligible renewable energy resources. In order to ensure that the market price established by the commission pursuant to subdivision (c) of Section 399.15 does not influence the amount of a bid submitted through the competitive solicitation in a manner that would increase the amount ratepayers are obligated to pay for renewable energy, and in order to ensure that the bid price does not influence the establishment of the market price, the electrical corporation shall not transmit or share the results of any competitive solicitation for eligible renewable energy resources until the commission has established market prices pursuant to subdivision (c) of Section 399.15.

(B) A process that provides criteria for the rank ordering and selection of least-cost and best-fit renewable resources to comply with the annual California Renewables Portfolio Standard Program obligations on a total cost basis. This process shall consider estimates of indirect costs associated with needed transmission investments and ongoing utility expenses resulting from integrating and operating eligible renewable energy resources.

(C) Flexible rules for compliance including, but not limited to, permitting electrical corporations to apply excess procurement in one year to subsequent years or inadequate procurement in one year to no more than the following three years.

(D) Standard terms and conditions to be used by all electrical corporations in contracting for eligible renewable energy resources, including performance requirements for renewable generators.

(3) Consistent with the goal of procuring the least-cost and best-fit eligible renewable energy resources, the renewable energy procurement plan submitted by an electrical corporation shall include, but is not limited to, all of the following:

(A) An assessment of annual or multiyear portfolio supplies and demand to determine the optimal mix of renewable generation resources

with deliverability characteristics that may include peaking, dispatchable, baseload, firm, and as-available capacity.

(B) Provisions for employing available compliance flexibility mechanisms established by the commission.

(C) A bid solicitation setting forth the need for renewable generation of each deliverability characteristic, required online dates, and locational preferences, if any.

(4) In soliciting and procuring eligible renewable energy resources, each electrical corporation shall offer contracts of no less than 10 years in duration, unless the commission approves of a contract of shorter duration.

(5) In soliciting and procuring eligible renewable energy resources, each electrical corporation may give preference to projects that provide tangible demonstrable benefits to communities with a plurality of minority or low-income populations.

(b) The commission shall review and accept, modify, or reject each electrical corporation's renewable procurement plan 90 days prior to the commencement of renewable procurement pursuant to this article by the electrical corporation.

(c) The commission shall review the results of a renewable energy resources solicitation submitted for approval by an electrical corporation and accept or reject proposed contracts with eligible renewable energy resources based on consistency with the approved renewable procurement plan. If the commission determines that the bid prices are elevated due to a lack of effective competition amongst the bidders, the commission shall direct the electrical corporation to renegotiate such contracts or conduct a new solicitation.

(d) If an electrical corporation fails to comply with a commission order adopting a renewable procurement plan, the commission shall exercise its authority pursuant to Section 2113 to require compliance.

(e) Upon application by an electrical corporation, the commission may authorize another entity to enter into contracts on behalf of customers of the electrical corporation for deliveries of eligible renewable energy resources to satisfy the annual portfolio standard obligations, subject to similar terms and conditions applicable to an electrical corporation. The commission shall allow the procurement entity to recover reasonable costs through retail rates subject to review and approval.

(f) Procurement and administrative costs associated with long-term contracts entered into by an electrical corporation for eligible renewable energy resources pursuant to this article, at or below the market price determined by the commission pursuant to subdivision (c) of Section 399.15, shall be deemed reasonable per se, and shall be recoverable in rates.

(g) For purposes of this article, ''procure'' means that a utility may acquire the renewable output of electric generation facilities that it owns or for which it has contracted. Nothing in this article is intended to imply that the purchase of electricity from third parties in a wholesale transaction is the preferred method of fulfilling a retail seller's obligation to comply with this article.

(h) Construction, alteration, demolition, installation, and repair work on an eligible renewable energy resource that receives production incentives or supplemental energy payments pursuant to Sections 25742 and 25743 of the Public Resources Code, including, but not limited to, work performed to qualify, receive, or maintain production incentives or supplemental energy payments is ''public works'' for the purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

SEC. 7. Section 399.15 of the Public Utilities Code is amended to read:

399.15. (a) In order to fulfill unmet long-term resource needs, the commission shall establish a renewables portfolio standard requiring all electrical corporations to procure a minimum quantity of output from eligible renewable energy resources as a specified percentage of total kilowatthours sold to their retail end-use customers each calendar year, if sufficient funds are made available pursuant to paragraph (2), and Section 399.6 and Chapter 8.6 (commencing with Section 25740) of Division 15 of the Public Resources Code, to cover the above-market costs of eligible renewables, and subject to all of the following:

(1) An electric corporation shall not be required to enter into long-term contracts with eligible renewable energy resources that exceed the market prices established pursuant to subdivision (c) of this section.

(2) The Energy Commission shall provide supplemental energy payments from funds in the New Renewable Resources Account in the Renewable Resource Trust Fund to eligible renewable energy resources pursuant to Chapter 8.6 (commencing with Section 25740) of Division 15 of the Public Resources Code, consistent with this article, for above-market costs. Indirect costs associated with the purchase of eligible renewable energy resources, such as imbalance energy charges, sale of excess energy, decreased generation from existing resources, or transmission upgrades shall not be eligible for supplemental energy payments, but shall be recoverable by an electrical corporation in rates, as authorized by the commission.

(3) For purposes of setting annual procurement targets, the commission shall establish an initial baseline for each electrical corporation based on the actual percentage of retail sales procured from eligible renewable energy resources in 2001, and, to the extent

applicable, adjusted going forward pursuant to subdivision (a) of Section 399.12.

(b) The commission shall implement annual procurement targets for each electrical corporation as follows:

(1) Beginning on January 1, 2003, each electrical corporation shall, pursuant to subdivision (a), increase its total procurement of eligible renewable energy resources by at least an additional 1 percent of retail sales per year so that 20 percent of its retail sales are procured from eligible renewable energy resources no later than December 31, 2017. An electrical corporation with 20 percent of retail sales procured from eligible renewable energy resources in any year shall not be required to increase its procurement of such resources in the following year.

(2) Only for purposes of establishing these targets, the commission shall include all power sold to retail customers by the Department of Water Resources pursuant to Section 80100 of the Water Code in the calculation of retail sales by an electrical corporation.

(3) In the event that an electrical corporation fails to procure sufficient eligible renewable energy resources in a given year to meet any annual target established pursuant to this subdivision, the electrical corporation shall procure additional eligible renewable energy resources in subsequent years to compensate for the shortfall if sufficient funds are made available pursuant to paragraph (2), and Section 399.6 and Chapter 8.6 (commencing with Section 25740) of Division 15 of the Public Resources Code, to cover the above-market costs of eligible renewables.

(4) If supplemental energy payments from the Energy Commission, in combination with the market prices approved by the commission, are insufficient to cover the above-market costs of eligible renewable energy resources, the commission shall allow an electrical corporation to limit its annual procurement obligation to the quantity of eligible renewable energy resources that can be procured with available supplemental energy payments.

(c) The commission shall establish a methodology to determine the market price of electricity for terms corresponding to the length of contracts with renewable generators, in consideration of the following:

(1) The long-term market price of electricity for fixed price contracts, determined pursuant to the electrical corporation's general procurement activities as authorized by the commission.

(2) The long-term ownership, operating, and fixed-price fuel costs associated with fixed-price electricity from new generating facilities.

(3) The value of different products including baseload, peaking, and as-available output.

(d) The establishment of a renewables portfolio standard shall not constitute implementation by the commission of the federal Public Utility Regulatory Policies Act of 1978 (Public Law 95-617).

(e) The commission shall consult with the Energy Commission in calculating market prices under subdivision (c) and establishing other renewables portfolio standard policies.

SEC. 8. Section 399.16 of the Public Utilities Code is amended to read:

399.16. The Energy Commission may consider an electric generating facility that is located outside the state to be an eligible renewable energy resource if it meets the criteria described in Section 399.12 and all of the following requirements:

(a) It is located so that it is, or will be, connected to the Western Electricity Coordinating Council (WECC) transmission system.

(b) It is developed with guaranteed contracts to sell its generation, and demonstrates delivery of energy, to a retail seller or the Independent System Operator.

(c) It participates in the accounting system to verify compliance with the renewables portfolio standard by retail sellers, once established by the Energy Commission pursuant to subdivision (b) of Section 399.13.

SEC. 9. Section 445 of the Public Utilities Code is repealed.

SEC. 10. Section 454.1 of the Public Utilities Code, as added by Chapter 1040 of the Statutes of 2000, is amended and renumbered to read:

464. (a) Reasonable expenditures by transmission owners that are electrical corporations to plan, design, and engineer reconfiguration, replacement, or expansion of transmission facilities are in the public interest and are deemed prudent if made for the purpose of facilitating competition in electric generation markets, ensuring open access and comparable service, or maintaining or enhancing reliability, whether or not these expenditures are for transmission facilities that become operational.

(b) The commission and the Electricity Oversight Board shall jointly facilitate the efforts of the state's transmission owning electrical corporations to obtain authorization from the Federal Energy Regulatory Commission to recover reasonable expenditures made for the purposes stated in subdivision (a).

(c) Nothing in this section alters or affects the recovery of the reasonable costs of other electric facilities in rates pursuant to the commission's existing ratemaking authority under this code or pursuant to the Federal Power Act (41 Stat. 1063; 16 U.S.C. Secs. 791a, et seq.). The commission may periodically review and adjust depreciation schedules and rates authorized for an electric plant that is under the jurisdiction of the commission and owned by an electrical corporation and periodically review and adjust depreciation schedules and rates authorized for a gas plant that is under the jurisdiction of the commission and owned by a gas corporation, consistent with this code.

SEC. 11. Section 780.5 of the Public Utilities Code is amended to read:

780.5. The commission shall require every residential unit in an apartment house or similar multiunit residential structure, condominium, and mobilehome park for which a building permit has been obtained on or after July 1, 1982, other than a dormitory or other housing accommodation provided by any postsecondary educational institution for its students or employees and other than farmworker housing, to be individually metered for electrical and gas service, except that separate metering for gas service is not required for residential units which are not equipped with gas appliances requiring venting or are equipped with only vented decorative appliances or which receive the majority of energy used for water or space heating from a solar energy system or through cogeneration technology.

CHAPTER 695

An act to amend Sections 28, 1054, 1274, 2041, 2082, 2087, 2107, 2274, 2317, 2420, 2423, 2462, 2532.6, 2570.14, 2902, 2915.7, 2936, 3750.5, 4005, 4030, 4101, 4114, 4115, 4200, 4207, 4409, 4980.395, 4990.4, 4996.18, 4996.20, 4996.26, and 18629 of, to amend and repeal Section 5810 of, to amend, repeal, and add Sections 4059.5 and 4081 of, to add Sections 1005, 2475.1, 2514, 2571, 3702.7, 3719.5, 3769.3, 4026.5, 4068, 4107, 4127.7, 4170.5, 4208, and 4209 to, to add and repeal Section 4200.1 of, and to repeal Section 2265 of, the Business and Professions Code, to amend Section 13401 of the Corporations Code, and to amend Sections 11159.1 and 11207 of the Health and Safety Code, relating to professions.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Section 28 of the Business and Professions Code is amended to read:

28. The Legislature finds that there is a need to ensure that professionals of the healing arts who have demonstrable contact with child abuse victims, potential child abuse victims, and child abusers and potential child abusers are provided with adequate and appropriate training regarding the assessment and reporting of child abuse which will ameliorate, reduce, and eliminate the trauma of child abuse and

neglect and ensure the reporting of child abuse in a timely manner to prevent additional occurrences.

The Board of Psychology and the Board of Behavioral Sciences shall establish required training in the area of child abuse assessment and reporting for all persons applying for initial licensure and renewal of a license as a psychologist, clinical social worker, or marriage and family therapist on or after January 1, 1987. This training shall be required one time only for all persons applying for initial licensure or for licensure renewal on or after January 1, 1987.

All persons applying for initial licensure and renewal of a license as a psychologist, clinical social worker, or marriage and family therapist on or after January 1, 1987, shall, in addition to all other requirements for licensure or renewal, have completed coursework or training in child abuse assessment and reporting which meets the requirements of this section, including detailed knowledge of Section 11165 of the Penal Code. The training shall meet all of the following requirements:

(a) Be completed after January 1, 1983.

(b) Be obtained from one of the following sources:

(1) An accredited or approved educational institution, as defined in Sections 2902, 4980.40, and 4996.18, including extension courses offered by those institutions.

(2) A continuing education provider approved by the responsible board.

(3) A course sponsored or offered by a professional association or a local, county, or state department of health or mental health for continuing education and approved by the responsible board.

(c) Have a minimum of 7 contact hours.

(d) Include the study of the assessment and method of reporting of sexual assault, neglect, severe neglect, general neglect, willful cruelty or unjustifiable punishment, corporal punishment or injury, and abuse in out-of-home care. The training shall also include physical and behavioral indicators of abuse, crisis counseling techniques, community resources, rights and responsibilities of reporting, consequences of failure to report, caring for a child's needs after a report is made, sensitivity to previously abused children and adults, and implications and methods of treatment for children and adults.

(e) An applicant shall provide the appropriate board with documentation of completion of the required child abuse training.

The Board of Psychology and the Board of Behavioral Sciences shall exempt an applicant who applies for an exemption from the requirements of this section and who shows to the satisfaction of the board that there would be no need for the training in his or her practice because of the nature of that practice.

It is the intent of the Legislature that a person licensed as a psychologist, clinical social worker, or marriage and family therapist have minimal but appropriate training in the areas of child abuse assessment and reporting. It is not intended that by solely complying with the requirements of this section, a practitioner is fully trained in the subject of treatment of child abuse victims and abusers.

(f) This section shall become operative on January 1, 1997.

SEC. 2. Section 1005 is added to the Business and Professions Code, to read:

1005. The provisions of Sections 12.5, 23.9, 29.5, 30, 31, 35, 104, 114, 115, 119, 121, 121.5, 125, 125.6, 136, 137, 140, 141, 143, 163.5, 461, 462, 475, 480, 484, 485, 487, 489, 490, 490.5, 491, 494, 495, 496, 498, 499, 510, 511, 512, 701, 702, 703, 704, 710, 716, 730.5, 731, and 851 are applicable to persons licensed by the State Board of Chiropractic Examiners under the Chiropractic Act.

SEC. 3. Section 1054 of the Business and Professions Code is amended to read:

1054. Notwithstanding any other provision of law, the name of a chiropractic corporation and any name or names under which it may be rendering professional services, shall contain the name or the last name of one or more of the present, prospective, or former shareholders, and shall include the word ''chiropractic'' and the word ''corporation'' or wording or abbreviations denoting corporate existence.

SEC. 4. Section 1274 of the Business and Professions Code is amended to read:

1274. (a) A laboratory shall document to persons submitting cytologic samples for evaluation, on a quarterly basis, informational letters on all cases of HSIL (high-grade squamous intraepithelial lesions), adenocarcinoma, or other malignant neoplasm. Documentation may consist of followup correspondence, telephone calls, or requests included in the report. Copies of that documentation, and any responses received to those letters, shall be maintained on file by the laboratories for a period of five years.

(b) Whenever it becomes known to a clinical laboratory that an abnormality of HSIL (high-grade squamous intraepithelial lesions, adenocarcinoma, or other malignant neoplasm) has been identified for a patient for whom the clinical laboratory earlier reported a normal finding, all previous available cytologic slides on that patient shall be reexamined by the clinical laboratory.

(c) Records of the review of previous slides required by subdivision (b) shall be maintained by the clinical laboratory, including the name of the individual performing the earlier examination.

(d) A clinical laboratory shall maintain records of all false positive and false negative cases.

When any errors in the reporting of a smear evaluation are discovered, a corrected report shall be immediately sent, when medically applicable. Copies of corrected reports shall be maintained in the laboratory records for a period of 10 years.

SEC. 5. Section 2041 of the Business and Professions Code is amended to read:

2041. The term ''licensee'' as used in this chapter means the holder of a physician's and surgeon's certificate or doctor of podiatric medicine's certificate, as the case may be, who is engaged in the professional practice authorized by such certificate under the jurisdiction of the appropriate division, board, or examining committee.

SEC. 6. Section 2082 of the Business and Professions Code is amended to read:

2082. Each application shall include the following:

(a) A diploma issued by an approved medical school. The requirements of the school shall have been at the time of granting the diploma in no degree less than those required under this chapter or by any preceding medical practice act at the time that the diploma was granted. In lieu of a diploma, the applicant may submit evidence satisfactory to the Division of Licensing of having possessed the same.

(b) An official transcript or other official evidence satisfactory to the division showing each approved medical school in which a resident course of professional instruction was pursued covering the minimum requirements for certification as a physician and surgeon, and that a diploma and degree were granted by the school.

(c) Such other information concerning the professional instruction and preliminary education of the applicant as the division may require.

(d) An affidavit showing to the satisfaction of the division that the applicant is the person named in each diploma and transcript that he or she submits, that he or she is the lawful holder thereof, and that the diploma or transcript was procured in the regular course of professional instruction and examination without fraud or misrepresentation.

(e) Either fingerprint cards or a copy of a completed Livescan form from the applicant in order to establish the identity of the applicant and in order to determine whether the applicant has a record of any criminal convictions in this state or in any other jurisdiction, including foreign countries. The information obtained as a result of the fingerprinting of the applicant shall be used in accordance with Section 11105 of the Penal Code, and to determine whether the applicant is subject to denial of licensure under the provisions of Division 1.5 (commencing with Section 475) and Section 2221.

SEC. 7. Section 2087 of the Business and Professions Code is amended to read:

2087. If any medical school is not approved by the Division of Licensing or any applicant for licensure is rejected by it, then the school or the applicant may commence an action in the superior court as provided in Section 2019 against the division to compel it to approve the school or to issue the applicant a certificate or for any other appropriate relief. If the applicant is denied a certificate on the grounds of unprofessional conduct, the provisions of Article 12 (commencing with Section 2220) shall apply. In such an action the court shall proceed under Section 1094.5 of the Code of Civil Procedure, except that the court may not exercise an independent judgment on the evidence. The action shall be speedily determined by the court and shall take precedence over all matters pending therein except criminal cases, applications for injunction, or other matters to which special precedence may be given by law.

SEC. 8. Section 2107 of the Business and Professions Code is amended to read:

2107. (a) The Legislature intends that the Division of Licensing shall have the authority to substitute postgraduate education and training to remedy deficiencies in an applicant's medical school education and training. The Legislature further intends that applicants who substantially completed their clinical training shall be granted that substitute credit if their postgraduate education took place in an accredited program.

(b) To meet the requirements for licensure set forth in Sections 2089 and 2089.5, the Division of Licensing may require an applicant under this article to successfully complete additional education and training. In determining the content and duration of the required additional education and training, the division shall consider the applicant's medical education and performance on standardized national examinations, and may substitute approved postgraduate training in lieu of specified undergraduate requirements. Postgraduate training substituted for undergraduate training shall be in addition to the year of postgraduate training required by Sections 2102 and 2103.

SEC. 9. Section 2265 of the Business and Professions Code is repealed.

SEC. 10. Section 2274 of the Business and Professions Code is amended to read:

2274. (a) The use by any licensee of any certificate, of any letter, letters, word, words, term, or terms either as a prefix, affix, or suffix indicating that he or she is entitled to engage in a medical practice for which he or she is not licensed constitutes unprofessional conduct.

(b) Nothing in this section shall be construed to prohibit a physician and surgeon from using the designations specified in this section if he or she has been issued a retired license under Section 2439.

SEC. 11. Section 2317 of the Business and Professions Code is amended to read:

2317. If a person, not a regular employee of the board, is hired, under contract, or retained under any other arrangement, paid or unpaid, to provide expertise or nonexpert testimony to the Medical Board of California or to the California Board of Podiatric Medicine, including, but not limited to, the evaluation of the conduct of an applicant or a licensee, and that person is named as a defendant in an action for defamation, malicious prosecution, or any other civil cause of action directly resulting from opinions rendered, statements made, or testimony given to, or on behalf of, the division or committee or its representatives, the board shall provide for representation required to defend the defendant in that civil action. The board shall be liable for any judgment rendered against that person, except that the board shall not be liable for any punitive damages award. If the plaintiff prevails in a claim for punitive damages, the defendant shall be liable to the board for the full costs incurred in providing representation to the defendant. The Attorney General shall be utilized in those actions as provided in Section 2020.

SEC. 12. Section 2420 of the Business and Professions Code is amended to read:

2420. The provisions of this article apply to, determine the expiration of, and govern the renewal of, each of the following certificates, licenses, registrations, and permits issued by or under the Medical Board of California: physician's and surgeon's certificates, certificates to practice podiatric medicine, physical therapy licenses and approvals, registrations of research psychoanalysts, registrations of dispensing opticians, registrations of nonresident contact lens sellers, registrations of spectacle lens dispensers, registrations of contact lens dispensers, certificates to practice midwifery, and fictitious-name permits.

SEC. 13. Section 2423 of the Business and Professions Code is amended to read:

2423. (a) Notwithstanding Section 2422:

(1) All physician and surgeon's certificates, certificates to practice podiatric medicine, registrations of spectacle lens dispensers and contact lens dispensers, and certificates to practice midwifery shall expire at 12 midnight on the last day of the birth month of the licensee during the second year of a two-year term if not renewed.

(2) Registrations of dispensing opticians will expire at midnight on the last day of the month in which the license was issued during the second year of a two-year term if not renewed.

(b) The Division of Licensing shall establish by regulation procedures for the administration of a birth date renewal program,

including, but not limited to, the establishment of a system of staggered license expiration dates such that a relatively equal number of licenses expire monthly.

(c) To renew an unexpired license, the licensee shall, on or before the dates on which it would otherwise expire, apply for renewal on a form prescribed by the licensing authority and pay the prescribed renewal fee.

SEC. 14. Section 2462 of the Business and Professions Code is amended to read:

2462. The board shall consist of seven members, three of whom shall be public members. Not more than one member of the board shall be a full-time faculty member of a college or school of podiatric medicine.

The Governor shall appoint the four members qualified as provided in Section 2463 and one public member. The Senate Rules Committee and the Speaker of the Assembly shall each appoint a public member.

SEC. 14.2. Section 2475.1 is added to the Business and Professions Code, to read:

2475.1. Before a resident's license may be issued, each applicant shall show by evidence satisfactory to the board, submitted directly to the board by the national score reporting institution, that he or she has, within the past 10 years, passed Parts I and II of the examination administered by the National Board of Podiatric Medical Examiners of the United States or has passed a written examination that is recognized by the board to be the equivalent in content to the examination administered by the National Board of Podiatric Medical Examiners of the United States.

SEC. 15. Section 2514 is added to the Business and Professions Code, to read:

2514. Nothing in this chapter shall be construed to prevent a bona fide student who is enrolled or participating in a midwifery education program or who is enrolled in a program of supervised clinical training from engaging in the practice of midwifery in this state, as part of his or her course of study, if both of the following conditions are met:

(a) The student is under the supervision of a licensed midwife, who holds a clear and unrestricted license in this state, who is present on the premises at all times client services are provided, and who is practicing pursuant to Section 2507, or a physician and surgeon.

(b) The client is informed of the student's status.

SEC. 16. Section 2532.6 of the Business and Professions Code is amended to read:

2532.6. (a) The Legislature recognizes that the education and experience requirements of this chapter constitute only minimal requirements to assure the public of professional competence. The Legislature encourages all professionals licensed and registered by the

board under this chapter to regularly engage in continuing professional development and learning that is related and relevant to the professions of speech-language pathology and audiology.

(b) On and after January 1, 2001, and until January 1, 2002, the board shall not renew any license or registration pursuant to this chapter unless the applicant certifies to the board that he or she has completed, after April 12, 1999, and prior to his or her renewal date in 2001, not less than the minimum number of continuing professional development hours established by the board pursuant to subdivision (c) for the professional practice authorized by his or her license. On and after January 1, 2002, the board shall not renew any license or registration pursuant to this chapter unless the applicant certifies to the board that he or she has completed in the preceding two years not less than the minimum number of continuing professional development hours established by the board pursuant to subdivision (c) for the professional practice authorized by his or her license or registration.

(c) (1) The board shall prescribe the forms utilized for and the number of hours of required continuing professional development for persons licensed or registered under this chapter.

(2) The board shall have the right to audit the records of any applicant to verify the completion of the continuing professional development requirements.

(3) Applicants shall maintain records of completion of required continuing professional development coursework for a minimum of two years and shall make these records available to the board for auditing purposes upon request.

(d) The board shall establish exceptions from the continuing professional development requirements of this section for good cause as defined by the board.

(e) (1) The continuing professional development services shall be obtained from accredited institutions of higher learning, organizations approved as continuing education providers by either the American Speech-Language Hearing Association or the American Academy of Audiology, the California Medical Association's Institute for Medical Quality Continuing Medical Education Program, or other entities or organizations approved as continuing professional development providers by the board, in its discretion.

(2) No hours shall be credited for any course enrolled in by a licensee that has not first been approved and certified by the board, if the board has sufficient funding and staff resources to implement the approval and certification process.

(3) The continuing professional development services offered by these entities may, but are not required to, utilize pretesting and

posttesting or other evaluation techniques to measure and demonstrate improved professional learning and competency.

(4) An accredited institution of higher learning, an organization approved as continuing education providers by either the American Speech-Language Hearing Association or the American Academy of Audiology, and the California Medical Association's Institute for Medical Quality Continuing Education Program shall be exempt from any application or registration fees that the board may charge for continuing education providers.

(5) Unless a course offered by entities listed in paragraph (4) meets the requirements established by the board, the course may not be credited towards the continuing professional development requirements for license renewal.

(6) The licensee shall be responsible for obtaining the required course completion documents for courses offered by entities specified in paragraph (1).

(f) The board, by regulation, shall fund the administration of this section through professional development services provider and licensing fees to be deposited in the Speech-Language Pathology and Audiology Board Fund. The fees related to the administration of this section shall be sufficient to meet, but shall not exceed, the costs of administering the corresponding provisions of this section.

(g) The continuing professional development requirements adopted by the board shall comply with any guidelines for mandatory continuing education established by the Department of Consumer Affairs.

SEC. 17. Section 2570.14 of the Business and Professions Code is amended to read:

2570.14. An initial applicant who has not been actively engaged in the practice of occupational therapy within the past five years shall provide to the board, in addition to the requirements for licensure under Section 2570.6, any of the following:

(a) Evidence of continued competency as referred to in subdivision (b) of Section 2570.10 for the previous two-year period.

(b) Evidence of having completed the entry-level certification examination as described in subdivision (b) of Section 2570.7 within the previous two-year period.

SEC. 18. Section 2571 is added to the Business and Professions Code, to read:

2571. (a) An occupational therapist licensed pursuant to this chapter and certified by the board in the use of physical agent modalities may apply topical medications prescribed by the patient's physician and surgeon, certified nurse-midwife pursuant to Section 2746.51, nurse practitioner pursuant to Section 2936.1, or physician assistant pursuant

to Section 3502.1, if the licensee complies with regulations adopted by the board pursuant to this section.

(b) The board shall adopt regulations implementing this section after meeting and conferring with the Medical Board of California, the California State Board of Pharmacy, and the Physical Therapy Board of California specifying those topical medications applicable to the practice of occupational therapy, and protocols for their use.

(c) Nothing in this section shall be construed to authorize an occupational therapist to prescribe medications.

SEC. 19. Section 2902 of the Business and Professions Code is amended to read:

2902. As used in this chapter, unless the context clearly requires otherwise and except as in this chapter expressly otherwise provided the following definitions apply:

(a) ''Licensed psychologist'' means an individual to whom a license has been issued pursuant to the provisions of this chapter, which license is in force and has not been suspended or revoked.

(b) ''Board'' means the Board of Psychology.

(c) A person represents himself or herself to be a psychologist when the person holds himself or herself out to the public by any title or description of services incorporating the words ''psychology,'' ''psychological,'' ''psychologist,'' ''psychology consultation,'' ''psychology consultant,'' ''psychometry,'' ''psychometrics'' or ''psychometrist,'' ''psychotherapy,'' ''psychotherapist,'' ''psychoanalysis,'' or ''psychoanalyst,'' or when the person holds himself or herself out to be trained, experienced, or an expert in the field of psychology.

(d) ''Accredited,'' as used with reference to academic institutions, means the University of California, the California State University, or an institution that is accredited by a national or an applicable regional accrediting agency recognized by the United States Department of Education.

(e) ''Approved,'' as used with reference to academic institutions, means an institution having ''approval to operate'', as defined in Section 94718 of the Education Code.

SEC. 20. Section 2915.7 of the Business and Professions Code is amended to read:

2915.7. (a) A licensee who began graduate study prior to January 1, 2004, shall complete a three-hour continuing education course in aging and long-term care during his or her first renewal period after the operative date of this section, and shall submit to the board evidence acceptable to the board of the person's satisfactory completion of that course.

(b) The course should include, but is not limited to, the biological, social, and psychological aspects of aging.

(c) Any person seeking to meet the requirements of subdivision (a) of this section may submit to the board a certificate evidencing completion of equivalent courses in aging and long-term care taken prior to the operative date of this section, or proof of equivalent teaching or practice experience. The board, in its discretion, may accept that certification as meeting the requirements of this section.

(d) The board may not renew an applicant's license until the applicant has met the requirements of this section.

(e) A licensee whose practice does not include the direct provision of mental health services may apply to the board for an exception to the requirements of this section.

(f) This section shall become operative on January 1, 2005.

SEC. 21. Section 2936 of the Business and Professions Code is amended to read:

2936. The board shall adopt a program of consumer and professional education in matters relevant to the ethical practice of psychology. The board shall establish as its standards of ethical conduct relating to the practice of psychology, the code of ethics adopted and published by the American Psychological Association (APA). Those standards shall be applied by the board as the accepted standard of care in all licensing examination development and in all board enforcement policies and disciplinary case evaluations.

To facilitate consumers in receiving appropriate psychological services, all licensees and registrants shall be required to post, in a conspicuous location in their principal psychological business office, a notice which reads as follows:

"NOTICE TO CONSUMERS: The Department of Consumer Affair's Board of Psychology receives and responds to questions and complaints regarding the practice of psychology. If you have questions or complaints, you may contact the board on the Internet at www.psychboard.ca.gov, by calling 1-866-503-3221, or by writing to the following address:

Board of Psychology
1422 Howe Avenue, Suite 22
Sacramento, California 95825-3236"

SEC. 22. Section 3702.7 is added to the Business and Professions Code, to read:

3702.7. Mechanical or physiological ventilatory support as used in subdivision (d) of Section 3702 includes, but is not limited to, any

system, procedure, machine, catheter, equipment, or other device used in whole or in part, to provide ventilatory or oxygenating support.

SEC. 23. Section 3719.5 is added to the Business and Professions Code, to read:

3719.5. The board may require successful completion of one or more professional courses offered by the board, the American Association for Respiratory Care, or the California Society for Respiratory Care in any or all of the following circumstances:

(a) As part of continuing education.

(b) Prior to initial licensure.

(c) Prior to consideration of a reinstatement petition.

SEC. 24. Section 3750.5 of the Business and Professions Code is amended to read:

3750.5. In addition to any other grounds specified in this chapter, the board may deny, suspend, or revoke the license of any applicant or licenseholder who has done any of the following:

(a) Obtained or possessed in violation of law, or except as directed by a licensed physician and surgeon, dentist, or podiatrist administered to himself or herself, or furnished or administered to another, any controlled substances as defined in Division 10 (commencing with Section 11000) of the Health and Safety Code, or any dangerous drug as defined in Article 2 (commencing with Section 4015) of Chapter 9.

(b) Used any controlled substance as defined in Division 10 (commencing with Section 11000) of the Health and Safety Code, or any dangerous drug as defined in Article 2 (commencing with Section 4015) of Chapter 9.

(c) Applied for employment or worked in any health care profession or environment while under the influence of alcohol.

(d) Been convicted of a criminal offense involving the consumption or self-administration of any of the substances described in subdivisions (a) and (b), or the possession of, or falsification of a record pertaining to, the substances described in subdivision (a), in which event the record of the conviction is conclusive evidence thereof.

(e) Been committed or confined by a court of competent jurisdiction for intemperate use of or addiction to the use of any of the substances described in subdivisions (a), (b), and (c), in which event the court order of commitment or confinement is prima facie evidence of that commitment or confinement.

(f) Falsified, or made grossly incorrect, grossly inconsistent, or unintelligible entries in any hospital, patient, or other record pertaining to the substances described in subdivision (a).

SEC. 25. Section 3769.3 is added to the Business and Professions Code, to read:

3769.3. (a) Notwithstanding any other provision, the board may, by stipulation with the affected licensee, issue a public reprimand, after it has conducted an investigation, in lieu of filing or prosecuting a formal accusation.

(b) The stipulation shall contain the authority, grounds, and causes and circumstances for taking such action and by way of waiving the affected licensee's rights, inform the licensee of his or her rights to have a formal accusation filed and stipulate to a settlement thereafter or have the matter in the statement of issues heard before an administrative law judge in accordance with the Administrative Procedures Act.

(c) The stipulation shall be public information and shall be used as evidence in any future disciplinary or penalty action taken by the board.

SEC. 26. Section 4005 of the Business and Professions Code is amended to read:

4005. (a) The board may adopt rules and regulations, not inconsistent with the laws of this state, as may be necessary for the protection of the public. Included therein shall be the right to adopt rules and regulations as follows: for the proper and more effective enforcement and administration of this chapter; pertaining to the practice of pharmacy; relating to the sanitation of persons and establishments licensed under this chapter; pertaining to establishments wherein any drug or device is compounded, prepared, furnished, or dispensed; providing for standards of minimum equipment for establishments licensed under this chapter; pertaining to the sale of drugs by or through any mechanical device; and relating to pharmacy practice experience necessary for licensure as a pharmacist.

(b) Notwithstanding any provision of this chapter to the contrary, the board may adopt regulations permitting the dispensing of drugs or devices in emergency situations, and permitting dispensing of drugs or devices pursuant to a prescription of a person licensed to prescribe in a state other than California where the person, if licensed in California in the same licensure classification would, under California law, be permitted to prescribe drugs or devices and where the pharmacist has first interviewed the patient to determine the authenticity of the prescription.

(c) The board may, by rule or regulation, adopt, amend, or repeal rules of professional conduct appropriate to the establishment and maintenance of a high standard of integrity and dignity in the profession. Every person who holds a license issued by the board shall be governed and controlled by the rules of professional conduct adopted by the board.

(d) The adoption, amendment, or repeal by the board of these or any other board rules or regulations shall be in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 27. Section 4026.5 is added to the Business and Professions Code, to read:

4026.5. ''Good standing'' means a license issued by the board that is unrestricted by disciplinary action taken pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 28. Section 4030 of the Business and Professions Code is amended to read:

4030. ''Intern pharmacist'' means a person issued a license pursuant to Section 4208.

SEC. 29. Section 4059.5 of the Business and Professions Code is amended to read:

4059.5. (a) Except as otherwise provided in this chapter, dangerous drugs or dangerous devices may only be ordered by an entity licensed by the board and shall be delivered to the licensed premises and signed for and received by a pharmacist. Where a licensee is permitted to operate through an exemptee, the exemptee may sign for and receive the delivery.

(b) A dangerous drug or dangerous device transferred, sold, or delivered to a person within this state shall be transferred, sold, or delivered only to an entity licensed by the board, to a manufacturer, or to an ultimate user or the ultimate user's agent.

(c) Notwithstanding subdivisions (a) and (b), deliveries to a hospital pharmacy may be made to a central receiving location within the hospital. However, the dangerous drugs or dangerous devices shall be delivered to the licensed pharmacy premises within one working day following receipt by the hospital, and the pharmacist on duty at that time shall immediately inventory the drugs or devices.

(d) Notwithstanding any other provision of law, a dangerous drug or dangerous device may be ordered by and provided to a manufacturer, physician, dentist, podiatrist, optometrist, veterinarian, or laboratory, or a physical therapist acting within the scope of his or her license. A person or entity receiving delivery of a dangerous drug or device, or a duly authorized representative of the person or entity, shall sign for the receipt of the dangerous drug or dangerous device.

(e) A dangerous drug or dangerous device shall not be transferred, sold, or delivered to a person outside this state, whether foreign or domestic, unless the transferor, seller, or deliverer does so in compliance with the laws of this state and of the United States and of the state or country to which the drugs or devices are to be transferred, sold, or delivered. Compliance with the laws of this state and the United States and of the state or country to which the drugs or devices are to be delivered shall include, but not be limited to, determining that the

recipient of the drugs or devices is authorized by law to receive the drugs or devices.

(f) Notwithstanding subdivision (a), a pharmacy may take delivery of dangerous drugs and dangerous devices when the pharmacy is closed and no pharmacist is on duty if all of the following requirements are met:

(1) The drugs are placed in a secure storage facility in the same building as the pharmacy.

(2) Only the pharmacist-in-charge or a pharmacist designated by the pharmacist-in-charge has access to the secure storage facility after dangerous drugs or dangerous devices have been delivered.

(3) The secure storage facility has a means of indicating whether it has been entered after dangerous drugs or dangerous devices have been delivered.

(4) The pharmacy maintains written policies and procedures for the delivery of dangerous drugs and dangerous devices to a secure storage facility.

(5) The agent delivering dangerous drugs and dangerous devices pursuant to this subdivision leaves documents indicating the name and amount of each dangerous drug or dangerous device delivered in the secure storage facility.

The pharmacy shall be responsible for the dangerous drugs and dangerous devices delivered to the secure storage facility. The pharmacy shall also be responsible for obtaining and maintaining records relating to the delivery of dangerous drugs and dangerous devices to a secure storage facility.

SEC. 29.5. Section 4059.5 of the Business and Professions Code is amended to read:

4059.5. (a) Except as otherwise provided in this chapter, dangerous drugs or dangerous devices may only be ordered by an entity licensed by the board and shall be delivered to the licensed premises and signed for and received by a pharmacist. Where a licensee is permitted to operate through an exemptee, the exemptee may sign for and receive the delivery.

(b) A dangerous drug or dangerous device transferred, sold, or delivered to a person within this state shall be transferred, sold, or delivered only to an entity licensed by the board, to a manufacturer, or to an ultimate user or the ultimate user's agent.

(c) Notwithstanding subdivisions (a) and (b), deliveries to a hospital pharmacy may be made to a central receiving location within the hospital. However, the dangerous drugs or dangerous devices shall be delivered to the licensed pharmacy premises within one working day following receipt by the hospital, and the pharmacist on duty at that time shall immediately inventory the dangerous drugs or dangerous devices.

(d) Notwithstanding any other provision of law, a dangerous drug or dangerous device may be ordered by and provided to a manufacturer, physician, dentist, podiatrist, optometrist, veterinarian, or laboratory, or a physical therapist acting within the scope of his or her license. A person or entity receiving delivery of a dangerous drug or dangerous device, or a duly authorized representative of the person or entity, shall sign for the receipt of the dangerous drug or dangerous device.

(e) A dangerous drug or dangerous device shall not be transferred, sold, or delivered to a person outside this state, whether foreign or domestic, unless the transferor, seller, or deliverer does so in compliance with the laws of this state and of the United States and of the state or country to which the dangerous drugs or dangerous devices are to be transferred, sold, or delivered. Compliance with the laws of this state and the United States and of the state or country to which the dangerous drugs or dangerous devices are to be delivered shall include, but not be limited to, determining that the recipient of the dangerous drugs or dangerous devices is authorized by law to receive the dangerous drugs or dangerous devices.

(f) Notwithstanding subdivision (a), a pharmacy may take delivery of dangerous drugs and dangerous devices when the pharmacy is closed and no pharmacist is on duty if all of the following requirements are met:

(1) The drugs are placed in a secure storage facility in the same building as the pharmacy.

(2) Only the pharmacist-in-charge or a pharmacist designated by the pharmacist-in-charge has access to the secure storage facility after dangerous drugs or dangerous devices have been delivered.

(3) The secure storage facility has a means of indicating whether it has been entered after dangerous drugs or dangerous devices have been delivered.

(4) The pharmacy maintains written policies and procedures for the delivery of dangerous drugs and dangerous devices to a secure storage facility.

(5) The agent delivering dangerous drugs and dangerous devices pursuant to this subdivision leaves documents indicating the name and amount of each dangerous drug or dangerous device delivered in the secure storage facility.

The pharmacy shall be responsible for the dangerous drugs and dangerous devices delivered to the secure storage facility. The pharmacy shall also be responsible for obtaining and maintaining records relating to the delivery of dangerous drugs and dangerous devices to a secure storage facility.

(g) This section shall remain in effect only until January 1, 2006, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2006, deletes or extends that date.

SEC. 29.7. Section 4059.5 is added to the Business and Professions Code, to read:

4059.5. (a) Except as otherwise provided in this chapter, dangerous drugs or dangerous devices may only be ordered by an entity licensed by the board and shall be delivered to the licensed premises and signed for and received by a pharmacist. Where a licensee is permitted to operate through a designated representative, the designated representative may sign for and receive the delivery.

(b) A dangerous drug or dangerous device transferred, sold, or delivered to a person within this state shall be transferred, sold, or delivered only to an entity licensed by the board, to a manufacturer, or to an ultimate user or the ultimate user's agent.

(c) Notwithstanding subdivisions (a) and (b), deliveries to a hospital pharmacy may be made to a central receiving location within the hospital. However, the dangerous drugs or dangerous devices shall be delivered to the licensed pharmacy premises within one working day following receipt by the hospital, and the pharmacist on duty at that time shall immediately inventory the dangerous drugs or dangerous devices.

(d) Notwithstanding any other provision of law, a dangerous drug or dangerous device may be ordered by and provided to a manufacturer, physician, dentist, podiatrist, optometrist, veterinarian, or laboratory, or a physical therapist acting within the scope of his or her license. A person or entity receiving delivery of a dangerous drug or dangerous device, or a duly authorized representative of the person or entity, shall sign for the receipt of the dangerous drug or dangerous device.

(e) A dangerous drug or dangerous device shall not be transferred, sold, or delivered to a person outside this state, whether foreign or domestic, unless the transferor, seller, or deliverer does so in compliance with the laws of this state and of the United States and of the state or country to which the dangerous drugs or dangerous devices are to be transferred, sold, or delivered. Compliance with the laws of this state and the United States and of the state or country to which the dangerous drugs or dangerous devices are to be delivered shall include, but not be limited to, determining that the recipient of the dangerous drugs or dangerous devices is authorized by law to receive the dangerous drugs or dangerous devices.

(f) Notwithstanding subdivision (a), a pharmacy may take delivery of dangerous drugs and dangerous devices when the pharmacy is closed and no pharmacist is on duty if all of the following requirements are met:

(1) The drugs are placed in a secure storage facility in the same building as the pharmacy.

(2) Only the pharmacist-in-charge or a pharmacist designated by the pharmacist-in-charge has access to the secure storage facility after dangerous drugs or dangerous devices have been delivered.

(3) The secure storage facility has a means of indicating whether it has been entered after dangerous drugs or dangerous devices have been delivered.

(4) The pharmacy maintains written policies and procedures for the delivery of dangerous drugs and dangerous devices to a secure storage facility.

(5) The agent delivering dangerous drugs and dangerous devices pursuant to this subdivision leaves documents indicating the name and amount of each dangerous drug or dangerous device delivered in the secure storage facility.

The pharmacy shall be responsible for the dangerous drugs and dangerous devices delivered to the secure storage facility. The pharmacy shall also be responsible for obtaining and maintaining records relating to the delivery of dangerous drugs and dangerous devices to a secure storage facility.

(g) This section shall become operative on January 1, 2006.

SEC. 30. Section 4068 is added to the Business and Professions Code, to read:

4068. (a) Notwithstanding any provision of this chapter, a prescriber may dispense a dangerous drug, including a controlled substance, to an emergency room patient if all of the following apply:

(1) The hospital pharmacy is closed and there is no pharmacist available in the hospital.

(2) The dangerous drug is acquired by the hospital pharmacy.

(3) The dispensing information is recorded and provided to the pharmacy when the pharmacy reopens.

(4) The hospital pharmacy retains the dispensing information and, if the drug is a schedule II or schedule III controlled substance, reports the dispensing information to the Department of Justice pursuant to Section 11165 of the Health and Safety Code.

(5) The prescriber determines that it is in the best interest of the patient that a particular drug regimen be immediately commenced or continued, and the prescriber reasonably believes that a pharmacy located outside the hospital is not available and accessible at the time of dispensing to the patient.

(6) The quantity of drugs dispensed to any patient pursuant to this section are limited to that amount necessary to maintain uninterrupted therapy during the period when pharmacy services outside the hospital are not readily available or accessible, but shall not exceed a 72-hour supply.

(7) The prescriber shall ensure that the label on the drug contains all the information required by Section 4076.

(b) The prescriber shall be responsible for any error or omission related to the drugs dispensed.

SEC. 31. Section 4081 of the Business and Professions Code is amended to read:

4081. (a) All records of manufacture and of sale, acquisition, or disposition of dangerous drugs or dangerous devices shall be at all times during business hours open to inspection by authorized officers of the law, and shall be preserved for at least three years from the date of making. A current inventory shall be kept by every manufacturer, wholesaler, pharmacy, veterinary food-animal drug retailer, physician, dentist, podiatrist, veterinarian, laboratory, clinic, hospital, institution, or establishment holding a currently valid and unrevoked certificate, license, permit, registration, or exemption under Division 2 (commencing with Section 1200) of the Health and Safety Code or under Part 4 (commencing with Section 16000) of Division 9 of the Welfare and Institutions Code who maintains a stock of dangerous drugs or dangerous devices.

(b) The owner, officer, and partner of any pharmacy, wholesaler, or veterinary food-animal drug retailer shall be jointly responsible, with the pharmacist-in-charge or exemptee-in-charge, for maintaining the records and inventory described in this section.

(c) The pharmacist-in-charge or exemptee-in-charge shall not be criminally responsible for acts of the owner, officer, partner, or employee that violate this section and of which the pharmacist-in-charge or exemptee-in-charge had no knowledge, or in which he or she did not knowingly participate.

SEC. 31.5. Section 4081 of the Business and Professions Code is amended to read:

4081. (a) All records of manufacture and of sale, acquisition, or disposition of dangerous drugs or dangerous devices shall be at all times during business hours open to inspection by authorized officers of the law, and shall be preserved for at least three years from the date of making. A current inventory shall be kept by every manufacturer, wholesaler, pharmacy, veterinary food-animal drug retailer, physician, dentist, podiatrist, veterinarian, laboratory, clinic, hospital, institution, or establishment holding a currently valid and unrevoked certificate, license, permit, registration, or exemption under Division 2 (commencing with Section 1200) of the Health and Safety Code or under Part 4 (commencing with Section 16000) of Division 9 of the Welfare and Institutions Code who maintains a stock of dangerous drugs or dangerous devices.

(b) The owner, officer, and partner of any pharmacy, wholesaler, or veterinary food-animal drug retailer shall be jointly responsible, with the pharmacist-in-charge or exemptee-in-charge, for maintaining the records and inventory described in this section.

(c) The pharmacist-in-charge or exemptee-in-charge shall not be criminally responsible for acts of the owner, officer, partner, or employee that violate this section and of which the pharmacist-in-charge or exemptee-in-charge had no knowledge, or in which he or she did not knowingly participate.

(d) This section shall remain in effect only until January 1, 2006, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2006, deletes or extends that date.

SEC. 31.7. Section 4081 is added to the Business and Professions Code, to read:

4081. (a) All records of manufacture and of sale, acquisition, or disposition of dangerous drugs or dangerous devices shall be at all times during business hours open to inspection by authorized officers of the law, and shall be preserved for at least three years from the date of making. A current inventory shall be kept by every manufacturer, wholesaler, pharmacy, veterinary food-animal drug retailer, physician, dentist, podiatrist, veterinarian, laboratory, clinic, hospital, institution, or establishment holding a currently valid and unrevoked certificate, license, permit, registration, or exemption under Division 2 (commencing with Section 1200) of the Health and Safety Code or under Part 4 (commencing with Section 16000) of Division 9 of the Welfare and Institutions Code who maintains a stock of dangerous drugs or dangerous devices.

(b) The owner, officer, and partner of a pharmacy, wholesaler, or veterinary food-animal drug retailer shall be jointly responsible, with the pharmacist-in-charge or representative-in-charge, for maintaining the records and inventory described in this section.

(c) The pharmacist-in-charge or representative-in-charge shall not be criminally responsible for acts of the owner, officer, partner, or employee that violate this section and of which the pharmacist-in-charge or representative-in-charge had no knowledge, or in which he or she did not knowingly participate.

(d) This section shall become operative on January 1, 2006.

SEC. 32. Section 4101 of the Business and Professions Code is amended to read:

4101. (a) A pharmacist who takes charge of, or acts as pharmacist-in-charge of a pharmacy or other entity licensed by the board, who terminates his or her employment at the pharmacy or other entity, shall notify the board within 30 days of the termination of employment.

(b) An exemptee-in-charge of a wholesaler or veterinary food drug-animal retailer, who terminates his or her employment at that entity shall notify the board within 30 days of the termination of employment.

SEC. 33. Section 4107 is added to the Business and Professions Code, to read:

4107. The board may not issue more than one site license to a single premises except to issue a veterinary food-animal drug retailer license to a wholesaler or to issue a license to compound sterile injectable drugs to a pharmacy. For the purposes of this subdivision, ''premises'' means a location with its own address and an independent means of ingress and egress.

SEC. 34. Section 4114 of the Business and Professions Code is amended to read:

4114. (a) An intern pharmacist may perform all functions of a pharmacist at the discretion of and under the supervision of a pharmacist whose license is in good standing with the board.

(b) A pharmacist may not supervise more than two intern pharmacists at any one time.

SEC. 35. Section 4115 of the Business and Professions Code is amended to read:

4115. (a) Notwithstanding any other provision of law, a pharmacy technician may perform packaging, manipulative, repetitive, or other nondiscretionary tasks, only while assisting, and while under the direct supervision and control of, a pharmacist.

(b) This section does not authorize the performance of any tasks specified in subdivision (a) by a pharmacy technician without a pharmacist on duty, nor does this section authorize the use of a pharmacy technician to perform tasks specified in subdivision (a) except under the direct supervision and control of a pharmacist.

(c) This section does not authorize a pharmacy technician to perform any act requiring the exercise of professional judgment by a pharmacist.

(d) The board shall adopt regulations to specify tasks pursuant to subdivision (a) that a pharmacy technician may perform under the direct supervision and control of a pharmacist. Any pharmacy that employs a pharmacy technician to perform tasks specified in subdivision (a) shall do so in conformity with the regulations adopted by the board pursuant to this subdivision.

(e) (1) No person shall act as a pharmacy technician without first being registered with the board as a pharmacy technician as set forth in Section 4202.

(2) The registration requirements in paragraph (1) and Section 4202 shall not apply during the first year of employment for a person employed or utilized as a pharmacy technician to assist in the filling of prescriptions for an inmate of a correctional facility of the Department of the Youth Authority or the Department of Corrections, or for a person receiving treatment in a facility operated by the State Department of

Mental Health, the State Department of Developmental Services, or the Department of Veterans Affairs.

(f) (1) The performance of duties by a pharmacy technician shall be under the direct supervision and control of a pharmacist. The pharmacist on duty shall be directly responsible for the conduct of a pharmacy technician. A pharmacy technician may perform the duties, as specified in subdivision (a), only under the immediate, personal supervision and control of a pharmacist. Any pharmacist responsible for a pharmacy technician shall be on the premises at all times, and the pharmacy technician shall be within the pharmacist's view. A pharmacist shall indicate verification of the prescription by initialing the prescription label before the medication is provided to the patient, or by engaging in other verification procedures that are specifically approved by board regulations.

(2) This subdivision shall not apply to a person employed or utilized as a pharmacy technician to assist in the filling of prescriptions for an inpatient of a hospital or for an inmate of a correctional facility. Notwithstanding the exemption in this subdivision, the requirements of subdivisions (a) and (b) shall apply to a person employed or utilized as a pharmacy technician to assist in the filling of prescriptions for an inpatient of a hospital or for an inmate of a correctional facility.

(g) (1) A pharmacy with only one pharmacist shall have no more than one pharmacy technician performing the tasks specified in subdivision (a). The ratio of pharmacy technicians performing the tasks specified in subdivision (a) to any additional pharmacist shall not exceed 2:1, except that this ratio shall not apply to personnel performing clerical functions pursuant to Section 4116 or 4117. This ratio is applicable to all practice settings, except for an inpatient of a licensed health facility, a patient of a licensed home health agency, as specified in paragraph (2), an inmate of a correctional facility of the Department of the Youth Authority or the Department of Corrections, and for a person receiving treatment in a facility operated by the State Department of Mental Health, the State Department of Developmental Services, or the Department of Veterans Affairs.

(2) The board may adopt regulations establishing the ratio of pharmacy technicians performing the tasks specified in subdivision (a) to pharmacists applicable to the filling of prescriptions of an inpatient of a licensed health facility and for a patient of a licensed home health agency. Any ratio established by the board pursuant to this subdivision shall allow, at a minimum, at least one pharmacy technician for a single pharmacist in a pharmacy and two pharmacy technicians for each additional pharmacist, except that this ratio shall not apply to personnel performing clerical functions pursuant to Section 4116 or 4117.

(3) A pharmacist scheduled to supervise a second pharmacy technician may refuse to supervise a second pharmacy technician if the pharmacist determines, in the exercise of his or her professional judgment, that permitting the second pharmacy technician to be on duty would interfere with the effective performance of the pharmacist's responsibilities under this chapter. A pharmacist assigned to supervise a second pharmacy technician shall notify the pharmacist in charge in writing of his or her determination, specifying the circumstances of concern with respect to the pharmacy or the pharmacy technician that have led to the determination, within a reasonable period, but not to exceed 24 hours, after the posting of the relevant schedule. No entity employing a pharmacist may discharge, discipline, or otherwise discriminate against any pharmacist in the terms and conditions of employment for exercising or attempting to exercise in good faith the right established pursuant to this paragraph.

(h) Notwithstanding subdivisions (b) and (f), the board shall by regulation establish conditions to permit the temporary absence of a pharmacist for breaks and lunch periods pursuant to Section 512 of the Labor Code and the orders of the Industrial Welfare Commission without closing the pharmacy. During these temporary absences, a pharmacy technician may, at the discretion of the pharmacist, remain in the pharmacy but may only perform nondiscretionary tasks. The pharmacist shall be responsible for a pharmacy technician and shall review any task performed by a pharmacy technician during the pharmacist's temporary absence. Nothing in this subdivision shall be construed to authorize a pharmacist to supervise pharmacy technicians in greater ratios than those described in subdivision (g).

SEC. 36. Section 4127.7 is added to the Business and Professions Code, to read:

4127.7. On and after July 1, 2005, a pharmacy shall compound sterile injectable products from one or more nonsterile ingredients in one of the following environments:

(a) An ISO class 5 laminar airflow hood within an ISO class 7 cleanroom. The cleanroom must have a positive air pressure differential relative to adjacent areas.

(b) An ISO class 5 cleanroom.

(c) A barrier isolator that provides an ISO class 5 environment for compounding.

SEC. 37. Section 4170.5 is added to the Business and Professions Code, to read:

4170.5. (a) Veterinarians in a veterinary teaching hospital operated by an accredited veterinary medical school may dispense and administer dangerous drugs and devices and controlled substances from a common stock.

(b) The veterinary teaching hospital shall designate a pharmacist to be responsible for ordering the drugs for the common stock and the designated pharmacist-in-charge shall be professionally responsible to insure that inventories, security procedures, training, protocol development, recordkeeping, packaging, labeling, and dispensing occur in a manner that is consistent with the promotion and protection of the health and safety of the public.

(c) The veterinary teaching hospital's pharmacist-in-charge shall develop policies, procedures, and guidelines that recognize the unique relationship between the institution's pharmacists and veterinarians in the control, management, dispensation, and administration of drugs.

(d) The board may inspect a veterinary teaching hospital dispensing or administering drugs pursuant to this section.

SEC. 38. Section 4200 of the Business and Professions Code is amended to read:

4200. (a) The board may license as a pharmacist any applicant who meets all the following requirements:

(1) Is at least 18 years of age.

(2) (A) Has graduated from a college of pharmacy or department of pharmacy of a university recognized by the board; or

(B) If the applicant graduated from a foreign pharmacy school, the foreign-educated applicant has been certified by the Foreign Pharmacy Graduate Examination Committee.

(3) Has completed at least 150 semester units of collegiate study in the United States, or the equivalent thereof in a foreign country. No less than 90 of those semester units shall have been completed while in resident attendance at a school or college of pharmacy.

(4) Has earned at least a baccalaureate degree in a course of study devoted to the practice of pharmacy.

(5) Has completed 1,500 hours of pharmacy practice experience or the equivalent in accordance with Section 4209.

(6) Has passed a written and practical examination given by the board prior to December 31, 2003, or has passed the North American Pharmacist Licensure Examination and the Multi-State Pharmacy Jurisprudence Examination for California on or after January 1, 2004.

(b) Proof of the qualifications of an applicant for licensure as a pharmacist, shall be made to the satisfaction of the board and shall be substantiated by affidavits or other evidence as may be required by the board.

(c) Each person, upon application for licensure as a pharmacist under this chapter, shall pay to the executive officer of the board, the fees provided by this chapter. The fees shall be compensation to the board for investigation or examination of the applicant.

SEC. 39. Section 4200.1 is added to the Business and Professions Code, to read:

4200.1. (a) Notwithstanding Section 135, an applicant may take the North American Pharmacist Licensure Examination four times, and may take the Multi-State Pharmacy Jurisprudence Examination for California four times.

(b) Notwithstanding Section 135, an applicant may take the North American Pharmacist Licensure Examination and the Multi-State Pharmacy Jurisprudence Examination for California four additional times each if he or she successfully completes, at minimum, 16 additional semester units of education in pharmacy as approved by the board.

(c) The applicant shall comply with the requirements of Section 4200 for each application for reexamination made pursuant to subdivision (b).

(d) An applicant may use the same coursework to satisfy the additional educational requirement for each examination under subdivision (b), if the coursework was completed within 12 months of the date of his or her application for reexamination.

(e) For purposes of this section, the board shall treat each failing score on the pharmacist licensure examination administered by the board prior to January 1, 2004, as a failing score on both the North American Pharmacist Licensure Examination and the Multi-State Pharmacy Jurisprudence Examination for California.

(f) From January 1, 2004, to July 1, 2006, inclusive, the board shall collect data on the applicants who are admitted to, and take, the licensure examinations required by Section 4200. The board shall report to the Joint Committee on Boards, Commissions, and Consumer Protection before September 1, 2006, regarding the impact on those applicants of the examination limitations imposed by this section. The report shall include, but not be limited to, the following information:

(1) The number of applicants taking the examination and the number who fail the examination for the fourth time.

(2) The number of applicants who, after failing the examination for the fourth time, complete a pharmacy studies program in California or another state to satisfy the requirements of this section and who apply to take the licensure examination required by Section 4200.

(3) To the extent possible, the school from which the applicant graduated and the school's location and the pass/fail rates on the examination for each school.

(g) This section shall remain in effect only until January 1, 2008, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2008, deletes or extends that date.

SEC. 40. Section 4207 of the Business and Professions Code is amended to read:

4207. (a) Upon receipt of an application for a license and the applicable fee, the board shall make a thorough investigation to determine whether the applicant is qualified for the license being sought. The board shall also determine whether this article has been complied with, and shall investigate all matters directly related to the issuance of the license that may affect the public welfare.

(b) The board shall not investigate matters connected with the operation of a premises other than those matters solely related to the furnishing of dangerous drugs or dangerous devices that might adversely affect the public welfare.

(c) The board shall deny an application for a license if the applicant does not qualify for the license being sought.

(d) Notwithstanding any other provision of law, the board may request any information it deems necessary to complete the application investigation required by this section, and a request for information that the board deems necessary in carrying out this section in any application or related form devised by the board shall not be required to be adopted by regulation pursuant to the Administrative Procedures Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

SEC. 41. Section 4208 is added to the Business and Professions Code, to read:

4208. (a) At the discretion of the board, an intern pharmacist license may be issued for a period of:

(1) One to six years to a person who is currently enrolled in a school of pharmacy recognized by the board.

(2) Two years to a person who is a graduate of a school of pharmacy recognized by the board and who has applied to become licensed as a pharmacist in California.

(3) Two years to a foreign graduate who has met educational requirements described in paragraphs (1) and (2) of subdivision (a) of Section 4200.

(4) One year to a person who has failed the pharmacist licensure examination four times and has reenrolled in a school of pharmacy to satisfy the requirements of Section 4200.1.

(b) The board may issue an intern pharmacist license to an individual for the period of time specified in a decision of reinstatement adopted by the board.

(c) An intern pharmacist shall notify the board within 30 days of any change of address.

(d) An intern pharmacist whose license has been issued pursuant to paragraph (1) or paragraph (4) of subdivision (a) shall return his or her license, by registered mail, within 30 days of no longer being enrolled in a school of pharmacy. The intern pharmacist license will be canceled

by the board. Notwithstanding subdivision (c), an intern pharmacist license may be reinstated if the student reenrolls in a school of pharmacy recognized by the board to fulfill the education requirements of paragraphs (1) to (4), inclusive, of subdivision (a) of Section 4200.

SEC. 42. Section 4209 is added to the Business and Professions Code, to read:

4209. (a) (1) An intern pharmacist shall complete 1,500 hours of pharmacy practice before applying for the pharmacist licensure examination.

(2) This pharmacy practice shall comply with the Standards of Curriculum established by the Accreditation Council for Pharmacy Education or with regulations adopted by the board.

(b) An intern pharmacist shall submit proof of his or her experience on board-approved affidavits, or another form specified by the board, which shall be certified under penalty of perjury by a pharmacist under whose supervision such experience was obtained or by the pharmacist-in-charge at the pharmacy while the pharmacist intern obtained the experience.

(c) An applicant for the examination who has been licensed as a pharmacist in any state for at least one year, as certified by the licensing agency of that state, may submit this certification to satisfy the required 1,500 hours of intern experience. Certification of an applicant's licensure in another state shall be submitted in writing and signed, under oath, by a duly authorized official of the state in which the license is held.

SEC. 43. Section 4409 of the Business and Professions Code is amended to read:

4409. At the time a pharmacy license is renewed pursuant to subdivision (a) of Section 4110 or a pharmacist license is renewed pursuant to Section 4401, the pharmacy or pharmacist may make a contribution of at least twenty-five dollars ($25), to be submitted to the board, for the sole purpose of funding the California Pharmacist Scholarship and Loan Repayment Program established pursuant to Article 2 (commencing with Section 128198) of Chapter 3 of Part 3 of Division 107 of the Health and Safety Code. The contribution submitted pursuant to this section shall be paid into the State Treasury and credited to the California Pharmacist Scholarship and Loan Repayment Program Fund established pursuant to Section 128198.5 of the Health and Safety Code.

SEC. 44. Section 4980.395 of the Business and Professions Code is amended to read:

4980.395. (a) A licensee who began graduate study prior to January 1, 2004, shall complete a three-hour continuing education course in aging and long-term care during his or her first renewal period after the operative date of this section and shall submit to the board evidence,

acceptable to the board, of the person's satisfactory completion of the course.

(b) The course shall include, but is not limited to, the biological, social, and psychological aspects of aging.

(c) A person seeking to meet the requirements of subdivision (a) of this section may submit to the board a certificate evidencing completion of equivalent courses in aging and long-term care taken prior to the operative date of this section, or proof of equivalent teaching or practice experience. The board, in its discretion, may accept that certification as meeting the requirements of this section.

(d) The board may not renew an applicant's license until the applicant has met the requirements of this section.

(e) Continuing education courses taken pursuant to this section shall be applied to the 36 hours of approved continuing education required in Section 4980.54.

(f) This section shall become operative on January 1, 2005.

SEC. 45. Section 4990.4 of the Business and Professions Code is amended to read:

4990.4. ''Accredited school of social work,'' within the meaning of this chapter, is a school that is accredited by the Commission on Accreditation of the Council on Social Work Education.

SEC. 46. Section 4996.18 of the Business and Professions Code is amended to read:

4996.18. (a) A person who wishes to be credited with experience toward licensure requirements shall register with the board as an associate clinical social worker prior to obtaining that experience. The application shall be made on a form prescribed by the board and shall be accompanied by a fee of seventy-five dollars ($75). An applicant for registration shall (1) possess a master's degree from an accredited school or department of social work, and (2) not have committed any crimes or acts constituting grounds for denial of licensure under Section 480. On and after January 1, 1993, an applicant who possesses a master's degree from a school or department of social work that is a candidate for accreditation by the Commission on Accreditation of the Council on Social Work Education shall be eligible, and shall be required, to register as an associate clinical social worker in order to gain experience toward licensure if the applicant has not committed any crimes or acts that constitute grounds for denial of licensure under Section 480. That applicant shall not, however, be eligible for examination until the school or department of social work has received accreditation by the Commission on Accreditation of the Council on Social Work Education.

(b) Registration as an associate clinical social worker shall expire one year from the last day of the month during which it was issued. A registration may be renewed annually after initial registration by filing

on or before the date on which the registration expires, an application for renewal, paying a renewal fee of seventy-five dollars ($75), and notifying the board whether he or she has been convicted, as defined in Section 490, of a misdemeanor or felony, and whether any disciplinary action has been taken by any regulatory or licensing board in this or any other state, subsequent to the issuance of the initial registration or registrant's last renewal. Each person who registers or has registered as an associate clinical social worker, may retain that status for a total of six years.

(c) Notwithstanding the limitations on the length of an associate registration in subdivision (b), an associate may apply for, and the board shall grant, one-year extensions beyond the six-year period when no grounds exist for denial, suspension, or revocation of the registration pursuant to Section 480. An associate shall be eligible to receive a maximum of three one-year extensions. An associate who practices pursuant to an extension shall not practice independently and shall comply with all requirements of this chapter governing experience, including supervision, even if the associate has completed the hours of experience required for licensure. Each extension shall commence on the date when the last associate renewal or extension expires. An application for extension shall be made on a form prescribed by the board and shall be accompanied by a renewal fee of fifty dollars ($50). An associate who is granted this extension may work in all work settings authorized pursuant to this chapter.

(d) A registrant shall not provide clinical social work services to the public for a fee, monetary or otherwise, except as an employee.

(e) A registrant shall inform each client or patient prior to performing any professional services that he or she is unlicensed and is under the supervision of a licensed professional.

(f) Any experience obtained under the supervision of a spouse or relative by blood or marriage shall not be credited toward the required hours of supervised experience. Any experience obtained under the supervision of a supervisor with whom the applicant has a personal relationship that undermines the authority or effectiveness of the supervision shall not be credited toward the required hours of supervised experience.

(g) An applicant who possesses a master's degree from an accredited school or department of social work shall be able to apply experience the applicant obtained during the time the accredited school or department was in candidacy status by the Commission on Accreditation of the Council on Social Work Education toward the licensure requirements, if the experience meets the requirements of Section 4996.20, 4996.21, or 4996.23. This subdivision shall apply retroactively to persons who possess a master's degree from an accredited school or department of

social work and who obtained experience during the time the accredited school or department was in candidacy status by the Commission on Accreditation of the Council on Social Work Education.

(h) An applicant for registration or licensure trained in an educational institution outside the United States shall demonstrate to the satisfaction of the board that he or she possesses a master's of social work degree that is equivalent to a master's degree issued from a school or department of social work that is accredited by the Commission on Accreditation of the Council on Social Work Education. These applicants shall provide the board with a comprehensive evaluation of the degree and shall provide any other documentation the board deems necessary. The board has the authority to make the final determination as to whether a degree meets all requirements, including, but not limited to, course requirements regardless of evaluation or accreditation.

SEC. 47. Section 4996.20 of the Business and Professions Code is amended to read:

4996.20. The experience required by subdivision (c) of Section 4996.2 shall meet the following criteria:

(a) An applicant shall have at least 3,200 hours of post-master's experience, supervised by a licensed clinical social worker, in providing clinical social work services consisting of psychosocial diagnosis; assessment; treatment, including psychotherapy and counseling; client-centered advocacy; consultation; and evaluation as permitted by Section 4996.9. For persons applying for licensure on or after January 1, 1992, this experience shall have been gained in not less than two nor more than six years and shall have been gained within the six years immediately preceding the date on which the application for licensure was filed.

(b) Notwithstanding the requirements of subdivision (a) that 3,200 hours of experience shall be gained under the supervision of a licensed clinical social worker, up to 1,000 hours of the required experience may be gained under the supervision of a licensed mental health professional acceptable to the board.

For purposes of this section, ''supervision'' means responsibility for and control of the quality of social work services being provided. Consultation shall not be considered to be supervision. Supervision shall include at least one hour of direct supervision for each week of experience claimed. Not less than one-half of the hours of required supervision shall be individual supervision. The remaining hours may be group supervision. ''Individual supervision'' means one supervisor meets with one supervisee at a time. ''Group supervision'' means a supervisor meets with a group of no more than eight supervisees at a time.

(c) For purposes of this section, a ''private practice setting'' is any setting other than a governmental entity, a school, college or university, a nonprofit and charitable corporation or a licensed health facility. Employment in a private practice setting shall not commence until the applicant has been registered as an associate clinical social worker. A registrant employed in a private practice setting shall not:

(1) Pay his or her employer for supervision, and shall receive fair remuneration from his or her employer.

(2) Receive any remuneration from patients or clients and shall only be paid by his or her employer.

(3) Perform services at any place except where the registrant's employer regularly conducts business.

(4) Have any proprietary interest in the employer's business.

(d) A person employed in a setting other than a private practice setting may obtain supervision from a person not employed by the registrant's employer if that person has signed a written contract with the employer to take supervisory responsibility for the registrant's social work services.

(e) This section shall apply only to persons who apply for registration on or before December 31, 1998.

SEC. 48. Section 4996.26 of the Business and Professions Code is amended to read:

4996.26. (a) A licensee who began graduate study prior to January 1, 2004, shall complete a three-hour continuing education course in aging and long-term care during his or her first renewal period after the operative date of this section, and shall submit to the board evidence acceptable to the board of the person's satisfactory completion of the course.

(b) The course shall include, but is not limited to, the biological, social, and psychological aspects of aging.

(c) Any person seeking to meet the requirements of subdivision (a) of this section may submit to the board a certificate evidencing completion of equivalent courses in aging and long-term care taken prior to the operative date of this section, or proof of equivalent teaching or practice experience. The board, in its discretion, may accept that certification as meeting the requirements of this section.

(d) The board may not renew an applicant's license until the applicant has met the requirements of this section.

(e) Continuing education courses taken pursuant to this section shall be applied to the 36 hours of approved continuing education required in Section 4996.22.

(f) This section shall become operative on January 1, 2005.

SEC. 49. Section 5810 of the Business and Professions Code is amended to read:

5810. (a) This chapter shall be subject to the review required by Division 1.2 (commencing with Section 473).

(b) This chapter shall remain in effect only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends that date.

SEC. 50. Section 18629 of the Business and Professions Code is amended to read:

18629. ''School, college, or university'' means a secondary school, the University of California, a California State University, public community college, or any other private, postsecondary educational institution meeting the requirements of Section 94739, or Article 8 (commencing with Section 94900) or Article 9 (commencing with Section 94915) of Chapter 7 of Part 59 of the Education Code.

SEC. 51. Section 13401 of the Corporations Code is amended to read:

13401. As used in this part:

(a) ''Professional services'' means any type of professional services that may be lawfully rendered only pursuant to a license, certification, or registration authorized by the Business and Professions Code, the Chiropractic Act, or the Osteopathic Act.

(b) ''Professional corporation'' means a corporation organized under the General Corporation Law or pursuant to subdivision (b) of Section 13406 that is engaged in rendering professional services in a single profession, except as otherwise authorized in Section 13401.5, pursuant to a certificate of registration issued by the governmental agency regulating the profession as herein provided and that in its practice or business designates itself as a professional or other corporation as may be required by statute. However, any professional corporation or foreign professional corporation rendering professional services by persons duly licensed by the Medical Board of California or any examining committee under the jurisdiction of the board, the Osteopathic Medical Board of California, the Dental Board of California, the California State Board of Pharmacy, the Veterinary Medical Board, the California Architects Board, the Court Reporters Board of California, the Board of Behavioral Sciences, the Speech-Language Pathology and Audiology Board, or the Board of Registered Nursing shall not be required to obtain a certificate of registration in order to render those professional services.

(c) ''Foreign professional corporation'' means a corporation organized under the laws of a state of the United States other than this state that is engaged in a profession of a type for which there is authorization in the Business and Professions Code for the performance of professional services by a foreign professional corporation.

(d) ''Licensed person'' means any natural person who is duly licensed under the provisions of the Business and Professions Code, the

Chiropractic Act, or the Osteopathic Act to render the same professional services as are or will be rendered by the professional corporation or foreign professional corporation of which he or she is or intends to become, an officer, director, shareholder, or employee.

(e) ''Disqualified person'' means a licensed person who for any reason becomes legally disqualified (temporarily or permanently) to render the professional services that the particular professional corporation or foreign professional corporation of which he or she is an officer, director, shareholder, or employee is or was rendering.

SEC. 52. Section 11159.1 of the Health and Safety Code is amended to read:

11159.1. An order for controlled substances furnished to a patient in a clinic which has a permit issued pursuant to Article 13 (commencing with Section 4180) of Chapter 9 of Division 2 of the Business and Professions Code, except an order for a Schedule II controlled substance, shall be exempt from the prescription requirements of this article and shall be in writing on the patient's record, signed by the prescriber, dated, and shall state the name and quantity of the controlled substance ordered and the quantity actually furnished. The record of the order shall be maintained as a clinic record for a minimum of seven years. This section shall apply only to a clinic that has obtained a permit under the provisions of Article 13 (commencing with Section 4180) of Chapter 9 of Division 2 of the Business and Professions Code.

Clinics that furnish controlled substances shall be required to keep a separate record of the furnishing of those drugs which shall be available for review and inspection by all properly authorized personnel.

SEC. 53. Section 11207 of the Health and Safety Code is amended to read:

11207. (a) No person other than a pharmacist as defined in Section 4036 of the Business and Professions Code or an intern pharmacist, as defined in Section 4030 of the Business and Professions Code, who is under the personal supervision of a pharmacist, shall compound, prepare, fill or dispense a prescription for a controlled substance.

(b) Notwithstanding subdivision (a), a pharmacy technician may perform those tasks permitted by Section 4115 of the Business and Professions Code when assisting a pharmacist dispensing a prescription for a controlled substance.

SEC. 54. Sections 29.5 and 29.7 of this bill incorporate amendments to Section 4059.5 of the Business and Professions Code proposed by both this bill and SB 1307. Sections 29.5 and 29.7 shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 4059.5 of the Business and Professions Code, and (3) this bill is enacted after SB 1307, in which case Section 29 of this bill shall not become operative.

SEC. 55. Sections 31.5 and 31.7 of this bill incorporate amendments to Section 4081 of the Business and Professions Code proposed by both this bill and SB 1307. Sections 31.5 and 31.7 shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 4081 of the Business and Professions Code, and (3) this bill is enacted after SB 1307, in which case Section 31 of this bill shall not become operative.

SEC. 56. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 696

An act to amend Section 65582 of, to add Sections 65584.01, 65584.02, 65584.03, 65584.04, 65584.05, 65584.06, and 65584.07 to, and to repeal and add Section 65584 of, the Government Code, relating to general plans.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Section 65582 of the Government Code is amended to read:

65582. As used in this article:

(a) ''Community,'' ''locality,'' ''local government,'' or ''jurisdiction'' means a city, city and county, or county.

(b) ''Council of governments'' means a single or multicounty council created by a joint powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 1 of Title 1.

(c) ''Department'' means the Department of Housing and Community Development.

(d) ''Housing element'' or ''element'' means the housing element of the community's general plan, as required pursuant to this article and subdivision (c) of Section 65302.

SEC. 2. Section 65584 of the Government Code is repealed.

SEC. 3. Section 65584 is added to the Government Code, to read:

65584. (a) (1) For the fourth and subsequent revisions of the housing element pursuant to Section 65588, the department shall determine the existing and projected need for housing for each region pursuant to this article. For purposes of subdivision (a) of Section 65583, the share of a city or county of the regional housing need shall include that share of the housing need of persons at all income levels within the area significantly affected by the general plan of the city or county.

(2) While it is the intent of the Legislature that cities, counties, and cities and counties should undertake all necessary actions to encourage, promote, and facilitate the development of housing to accommodate the entire regional housing need, it is recognized, however, that future housing production may not equal the regional housing need established for planning purposes.

(b) The department, in consultation with each council of governments, shall determine each region's existing and projected housing need pursuant to Section 65584.01 at least two years prior to the scheduled revision required pursuant to Section 65588. The appropriate council of governments, or for cities and counties without a council of governments, the department, shall adopt a final regional housing need plan that allocates a share of the regional housing need to each city, county, or city and county at least one year prior to the scheduled revision for the region required by Section 65588. The allocation plan prepared by a council of governments shall be prepared pursuant to Sections 65584.04 and 65584.05 with the advice of the department.

(c) Notwithstanding any other provision of law, the due dates for the determinations of the department or for the councils of governments, respectively, regarding the regional housing need may be extended by the department by not more than 60 days if the extension will enable access to more recent critical population or housing data from a pending or recent release of the United States Census Bureau or the Department of Finance. If the due date for the determination of the department or the council of governments is extended for this reason, the department shall extend the corresponding housing element revision deadline pursuant to Section 65588 by not more than 60 days.

(d) The regional housing needs allocation plan shall be consistent with all of the following objectives:

(1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low and very low income households.

(2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns.

(3) Promoting an improved intraregional relationship between jobs and housing.

(4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent decennial United States census.

(e) For purposes of this section, ''household income levels'' are as determined by the department as of the most recent decennial census pursuant to the following code sections:

(1) Very low incomes as defined by Section 50105 of the Health and Safety Code.

(2) Lower incomes, as defined by Section 50079.5 of the Health and Safety Code.

(3) Moderate incomes, as defined by Section 50093 of the Health and Safety Code.

(4) Above moderate incomes are those exceeding the moderate income level of Section 50093 of the Health and Safety Code.

(f) Notwithstanding any other provision of law, determinations made by the department, a council of governments, or a city or county pursuant to this section or Section 65584.01, 65584.02, 65584.03, 65584.04, 65584.05, 65584.06, or 65584.07 are exempt from the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

SEC. 4. Section 65584.01 is added to the Government Code, to read:

65584.01. (a) For the fourth and subsequent revision of the housing element pursuant to Section 65588, the department, in consultation with each council of governments, where applicable, shall determine the existing and projected need for housing for each region in the following manner:

(b) The department's determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments. If the total regional population forecast for the planning period, developed by the council of governments and used for the preparation of the regional transportation plan, is within a range of 3 percent of the total regional population forecast for the planning period over the same time period by the Department of Finance, then the population forecast developed by the council of governments shall be the basis from which the department determines the existing and projected need for housing in the region. If the difference between the total population growth projected by the council of governments and the total population growth projected for the region by the Department of Finance is greater than 3 percent, then the

department and the council of governments shall meet to discuss variances in methodology used for population projections and seek agreement on a population projection for the region to be used as a basis for determining the existing and projected housing need for the region. If no agreement is reached, then the population projection for the region shall be the population projection for the region prepared by the Department of Finance as may be modified by the department as a result of discussions with the council of governments.

(c) (1) At least 26 months prior to the scheduled revision pursuant to Section 65588 and prior to developing the existing and projected housing need for a region, the department shall meet and consult with the council of governments regarding the assumptions and methodology to be used by the department to determine the region's housing needs. The council of governments shall provide data assumptions from the council's projections, including, if available, the following data for the region:

(A) Anticipated household growth associated with projected population increases.

(B) Household size data and trends in household size.

(C) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.

(D) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs.

(E) Other characteristics of the composition of the projected population.

(2) The department may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed in subparagraphs (A) to (E), inclusive, of paragraph (1) and the methodology it shall use and shall provide these determinations to the council of governments.

(d) (1) After consultation with the council of governments, the department shall make a determination of the region's existing and projected housing need based upon the assumptions and methodology determined pursuant to subdivision (c). Within 30 days following notice of the determination from the department, the council of governments may file an objection to the department's determination of the region's existing and projected housing need with the department.

(2) The objection shall be based on and substantiate either of the following:

(A) The department failed to base its determination on the population projection for the region established pursuant to subdivision (b), and

shall identify the population projection which the council of governments believes should instead be used for the determination and explain the basis for its rationale.

(B) The regional housing need determined by the department is not a reasonable application of the methodology and assumptions determined pursuant to subdivision (c). The objection shall include a proposed alternative determination of its regional housing need based upon the determinations made in subdivision (c), including analysis of why the proposed alternative would be a more reasonable application of the methodology and assumptions determined pursuant to subdivision (c).

(3) If a council of governments files an objection pursuant to this subdivision and includes with the objection a proposed alternative determination of its regional housing need, it shall also include documentation of its basis for the alternative determination. Within 45 days of receiving an objection filed pursuant to this section, the department shall consider the objection and make a final written determination of the region's existing and projected housing need that includes an explanation of the information upon which the determination was made.

SEC. 5. Section 65584.02 is added to the Government Code, to read:

65584.02. (a) For the fourth and subsequent revisions of the housing element pursuant to Section 65588, the existing and projected need for housing may be determined for each region by the department as follows, as an alternative to the process pursuant to Section 65584.01:

(1) In a region in which at least one subregion has accepted delegated authority pursuant to Section 65584.03, the region's housing need shall be determined at least 26 months prior to the housing element update deadline pursuant to Section 65588. In a region in which no subregion has accepted delegation pursuant to Section 65584.03, the region's housing need shall be determined at least 24 months prior to the housing element deadline.

(2) At least six months prior to the department's determination of regional housing need pursuant to paragraph (1), a council of governments may request the use of population and household forecast assumptions used in the regional transportation plan. For a housing element update due date pursuant to Section 65588 that is prior to January 2007, the department may approve a request that is submitted prior to December 31, 2004, notwithstanding the deadline in this paragraph. This request shall include all of the following:

(A) Proposed data and assumptions for factors contributing to housing need beyond household growth identified in the forecast. These factors shall include allowance for vacant or replacement units, and may include other adjustment factors.

(B) A proposed planning period that is not longer than the period of time covered by the regional transportation improvement plan or plans of the region pursuant to Section 14527, but a period not less than five years, and not longer than six years.

(C) A comparison between the population and household assumptions used for the Regional Transportation Plan with population and household estimates and projections of the Department of Finance.

The council of governments may include a request to extend the housing element deadline pursuant to Section 65588 to a date not to exceed two years, for the purpose of coordination with the scheduled update of a regional transportation plan pursuant to federal law.

(b) The department shall consult with the council of governments regarding requests submitted pursuant to paragraph (2) of subdivision (a). The department may seek advice and consult with the Demographic Research Unit of the Department of Finance, the State Department of Transportation, a representative of a contiguous council of governments, and any other party as deemed necessary. The department may request that the council of governments revise data, assumptions, or methodology to be used for the determination of regional housing need, or may reject the request submitted pursuant to paragraph (2) of subdivision (a). Subsequent to consultation with the council of governments, the department will respond in writing to requests submitted pursuant to paragraph (1) of subdivision (a).

(c) If the council of governments does not submit a request pursuant to subdivision (a), or if the department rejects the request of the council of governments, the determination for the region shall be made pursuant to Sections 65584 and 65584.01.

SEC. 6. Section 65584.03 is added to the Government Code, to read:

65584.03. (a) At least 28 months prior to the scheduled housing element update required by Section 65588, at least two or more cities and a county, or counties, may form a subregional entity for the purpose of allocation of the subregion's existing and projected need for housing among its members in accordance with the allocation methodology established pursuant to Section 65584.04. The purpose of establishing a subregion shall be to recognize the community of interest and mutual challenges and opportunities for providing housing within a subregion. A subregion formed pursuant to this section may include a single county and each of the cities in that county or any other combination of geographically contiguous local governments and shall be approved by the adoption of a resolution by each of the local governments in the subregion as well as by the council of governments. All decisions of the subregion shall be approved by vote as provided for in rules adopted by the local governments comprising the subregion or shall be approved by

vote of the county or counties, if any, and the majority of the cities with the majority of population within a county or counties.

(b) Upon formation of the subregional entity, the entity shall notify the council of governments of this formation. If the council of governments has not received notification from an eligible subregional entity at least 28 months prior to the scheduled housing element update required by Section 65588, the council of governments shall implement the provisions of Sections 65584 and 65584.04. The delegate subregion and the council of governments shall enter into an agreement that sets forth the process, timing, and other terms and conditions of the delegation of responsibility by the council of governments to the subregion.

(c) At least 25 months prior to the scheduled revision, the council of governments shall determine the share of regional housing need assigned to each delegate subregion. The share or shares allocated to the delegate subregion or subregions by a council of governments shall be in a proportion consistent with the distribution of households assumed for the comparable time period of the applicable regional transportation plan. Prior to allocating the regional housing needs to any delegate subregion or subregions, the council of governments shall hold at least one public hearing, and may consider requests for revision of the proposed allocation to a subregion. If a proposed revision is rejected, the council of governments shall respond with a written explanation of why the proposed revised share has not been accepted.

(d) Each delegate subregion shall fully allocate its share of the regional housing need to local governments within its subregion. If a delegate subregion fails to complete the regional housing need allocation process among its member jurisdictions in a manner consistent with this article and with the delegation agreement between the subregion and the council of governments, the allocations to member jurisdictions shall be made by the council of governments.

SEC. 7. Section 65584.04 is added to the Government Code, to read:

65584.04. (a) At least two years prior to a scheduled revision required by Section 65588, each council of governments, or delegate subregion as applicable, shall develop a proposed methodology for distributing the existing and projected regional housing need to cities, counties, and cities and counties within the region or within the subregion, where applicable pursuant to this section. The methodology shall be consistent with the objectives listed in subdivision (d) of Section 65584.

(b) (1) No more than six months prior to the development of a proposed methodology for distributing the existing and projected housing need, each council of governments shall survey each of its member jurisdictions to request, at a minimum, information regarding

the factors listed in subdivision (d) that will allow the development of a methodology based upon the factors established in subdivision (d).

(2) The council of governments shall seek to obtain the information in a manner and format that is comparable throughout the region and utilize readily available data to the extent possible.

(3) The information provided by a local government pursuant to this section shall be used, to the extent possible, by the council of governments, or delegate subregion as applicable, as source information for the methodology developed pursuant to this section. The survey shall state that none of the information received may be used as a basis for reducing the total housing need established for the region pursuant to Section 65584.01.

(4) If the council of governments fails to conduct a survey pursuant to this subdivision, a city, county, or city and county may submit information related to the items listed in subdivision (d) prior to the public comment period provided for in subdivision (c).

(c) Public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs. Participation by organizations other than local jurisdictions and councils of governments shall be solicited in a diligent effort to achieve public participation of all economic segments of the community. The proposed methodology, along with any relevant underlying data and assumptions, and an explanation of how information about local government conditions gathered pursuant to subdivision (b) has been used to develop the proposed methodology, and how each of the factors listed in subdivision (d) is incorporated into the methodology, shall be distributed to all cities, counties, any subregions, and members of the public who have made a written request for the proposed methodology. The council of governments, or delegate subregion, as applicable, shall conduct at least one public hearing to receive oral and written comments on the proposed methodology.

(d) To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

(1) Each member jurisdiction's existing and projected jobs and housing relationship.

(2) The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:

(A) Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local

jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.

(B) The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions.

(C) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area.

(3) The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.

(4) The market demand for housing.

(5) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county.

(6) The loss of units contained in assisted housing developments, as defined in paragraph (8) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.

(7) High housing costs burdens.

(8) The housing needs of farmworkers.

(9) Any other factors adopted by the council of governments.

(e) The council of governments, or delegate subregion, as applicable, shall explain in writing how each of the factors described in subdivision (d) was incorporated into the methodology and how the methodology is consistent with subdivision (d) of Section 65584. The methodology may include numerical weighting.

(f) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county shall not be a justification for a determination or a reduction in the share of a city or county of the regional housing need.

(g) In addition to the factors identified pursuant to subdivision (d), the council of governments, or delegate subregion, as applicable, shall identify any existing local, regional, or state incentives, such as a priority for funding or other incentives available to those local governments that

are willing to accept a higher share than proposed in the draft allocation to those local governments by the council of governments or delegate subregion pursuant to Section 65584.05.

(h) Following the conclusion of the 60-day public comment period described in subdivision (c) on the proposed allocation methodology, and after making any revisions deemed appropriate by the council of governments, or delegate subregion, as applicable, as a result of comments received during the public comment period, each council of governments, or delegate subregion, as applicable, shall adopt a final regional, or subregional, housing need allocation methodology and provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion as applicable, and to the department.

SEC. 8. Section 65584.05 is added to the Government Code, to read:

65584.05. (a) At least one and one-half years prior to the scheduled revision required by Section 65588, each council of governments and delegate subregion, as applicable, shall distribute a draft allocation of regional housing needs to each local government in the region or subregion, where applicable, based on the methodology adopted pursuant to Section 65584.04. The draft allocation shall include the underlying data and methodology on which the allocation is based. It is the intent of the Legislature that the draft allocation should be distributed prior to the completion of the update of the applicable regional transportation plan. The draft allocation shall distribute to localities and subregions, if any, within the region the entire regional housing need determined pursuant to Section 65584.01 or within subregions, as applicable, the subregion's entire share of the regional housing need determined pursuant to Section 65584.03.

(b) Within 60 days following receipt of the draft allocation, a local government may request from the council of governments or the delegate subregion, as applicable, a revision of its share of the regional housing need in accordance with the factors described in paragraphs (1) to (9), inclusive, of subdivision (d) of Section 65584.04, including any information submitted by the local government to the council of governments pursuant to subdivision (b) of that section. The request for a revised share shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation.

(c) Within 60 days after the request submitted pursuant to subdivision (b), the council of governments or delegate subregion, as applicable, shall accept the proposed revision, modify its earlier determination, or indicate, based upon the information and methodology described in Section 65584.04, why the proposed revision is inconsistent with the regional housing need.

(d) If the council of governments or delegate subregion, as applicable, does not accept the proposed revised share or modify the revised share to the satisfaction of the requesting party, the local government, may appeal its draft allocation based upon either or both of the following criteria:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04, or a significant and unforeseen change in circumstances has occurred in the local jurisdiction that merits a revision of the information submitted pursuant to that subdivision.

(2) The council of governments or delegate subregion, as applicable, failed to determine its share of the regional housing need in accordance with the information described in, and the methodology established pursuant to Section 65584.04.

(e) The council of governments or delegate subregion, as applicable, shall conduct public hearings to hear all appeals within 60 days of the date established to file appeals. The local government shall be notified within 10 days by certified mail, return receipt requested, of at least one public hearing on its appeal. The date of the hearing shall be at least 30 days and not more than 35 days from the date of the notification. Before taking action on an appeal, the council of governments or delegate subregion, as applicable, shall consider all comments, recommendations, and available data based on accepted planning methodologies submitted by the appellant. The final action of the council of governments or delegate subregion, as applicable, on an appeal shall be in writing and shall include information and other evidence explaining how its action is consistent with this article. The final action on an appeal may require the council of governments or delegate subregion, as applicable, to adjust the allocation of a local government that is not the subject of an appeal.

(f) The council of governments or delegate subregion, as applicable, shall issue a proposed final allocation within 45 days of the completion of the 60-day period for hearing appeals. The proposed final allocation plan shall include responses to all comments received on the proposed draft allocation and reasons for any significant revisions included in the final allocation.

(g) In the proposed final allocation plan, the council of governments or delegate subregion, as applicable, shall adjust allocations to local governments based upon the results of the appeals process specified in this section. If the adjustments total 7 percent or less of the regional housing need determined pursuant to Section 65584.01, or, as applicable, total 7 percent or less of the subregion's share of the regional housing need as determined pursuant to Section 65584.03, then the council of governments or delegate subregion, as applicable, shall

distribute the adjustments proportionally to all local governments. If the adjustments total more than 7 percent of the regional housing need, then the council of governments or delegate subregion, as applicable, shall develop a methodology to distribute the amount greater than the 7 percent to local governments. In no event shall the total distribution of housing need equal less than the regional housing need, as determined pursuant to Section 65584.01, nor shall the subregional distribution of housing need equal less than its share of the regional housing need as determined pursuant to Section 65584.03. Two or more local governments may agree to an alternate distribution of appealed housing allocations between the affected local governments. If two or more local governments agree to an alternative distribution of appealed housing allocations that maintains the total housing need originally assigned to these communities, then the council of governments shall include the alternative distribution in the final allocation plan.

(h) Within 45 days of the issuance of the proposed final allocation plan by the council of governments and each delegate subregion, as applicable, the council of governments shall hold a public hearing to adopt a final allocation plan. To the extent that the final allocation plan fully allocates the regional share of statewide housing need, as determined pursuant to Section 65584.01, the council of governments shall have final authority to determine the distribution of the region's existing and projected housing need as determined pursuant to Section 65584.01. Within 60 days of adoption by the council of governments, the department shall determine whether or not the final allocation plan is consistent with the existing and projected housing need for the region, as determined pursuant to Section 65584.01. The department may revise the determination of the council of governments if necessary to obtain this consistency.

(i) Any authority of the council of governments to review and revise the share of a city or county of the regional housing need under this section shall not constitute authority to revise, approve, or disapprove the manner in which the share of the city or county of the regional housing need is implemented through its housing program.

SEC. 9. Section 65584.06 is added to the Government Code, to read:

65584.06. (a) For cities and counties without a council of governments, the department shall determine and distribute the existing and projected housing need, in accordance with Section 65584 and this section. If the department determines that a county or counties, supported by a resolution adopted by the board or boards of supervisors, and a majority of cities within the county or counties representing a majority of the population of the county or counties, possess the capability and resources and has agreed to accept the responsibility, with respect to its jurisdiction, for the distribution of the regional housing

need, the department shall delegate this responsibility to the cities and county or counties.

(b) The distribution of regional housing need shall, based upon available data and in consultation with the cities and counties, take into consideration market demand for housing, the distribution of household growth within the county assumed in the regional transportation plan where applicable, employment opportunities and commuting patterns, the availability of suitable sites and public facilities, agreements between a county and cities in a county to direct growth toward incorporated areas of the county, or other considerations as may be requested by the affected cities or counties and agreed to by the department. As part of the allocation of the regional housing need, the department shall provide each city and county with data describing the assumptions and methodology used in calculating its share of the regional housing need. Consideration of suitable housing sites or land suitable for urban development is not limited to existing zoning ordinances and land use restrictions of a locality, but shall include consideration of the potential for increased residential development under alternative zoning ordinances and land use restrictions.

(c) Within 90 days following the department's determination of a draft distribution of the regional housing need to the cities and the county, a city or county may propose to revise the determination of its share of the regional housing need in accordance with criteria set forth in the draft distribution. The proposed revised share shall be based upon comparable data available for all affected jurisdictions, and accepted planning methodology, and shall be supported by adequate documentation.

(d) (1) Within 60 days after the end of the 90-day time period for the revision by the cities or county, the department shall accept the proposed revision, modify its earlier determination, or indicate why the proposed revision is inconsistent with the regional housing need.

(2) If the department does not accept the proposed revision, then, within 30 days, the city or county may request a public hearing to review the determination.

(3) The city or county shall be notified within 30 days by certified mail, return receipt requested, of at least one public hearing regarding the determination.

(4) The date of the hearing shall be at least 10 but not more than 15 days from the date of the notification.

(5) Before making its final determination, the department shall consider all comments received and shall include a written response to each request for revision received from a city or county.

(e) If the department accepts the proposed revision or modifies its earlier determination, the city or county shall use that share. If the

department grants a revised allocation pursuant to subdivision (d), the department shall ensure that the total regional housing need is maintained. The department's final determination shall be in writing and shall include information explaining how its action is consistent with this section. If the department indicates that the proposed revision is inconsistent with the regional housing need, the city or county shall use the share that was originally determined by the department. The department, within its final determination, may adjust the allocation of a city or county that was not the subject of a request for revision of the draft distribution.

(f) The department shall issue a final regional housing need allocation for all cities and counties within 45 days of the completion of the local review period.

SEC. 10. Section 65584.07 is added to the Government Code, to read:

65584.07. (a) During the period between adoption of a final regional housing needs allocation until the due date of the housing element update pursuant to Section 65588, the council of governments, or the department, whichever assigned the county's share, shall reduce the share of regional housing needs of a county if all of the following conditions are met:

(1) One or more cities within the county agree to increase its share or their shares in an amount equivalent to the reduction.

(2) The transfer of shares shall only occur between a county and cities within that county.

(3) The county's share of low-income and very low income housing shall be reduced only in proportion to the amount by which the county's share of moderate- and above moderate-income housing is reduced.

(4) The council of governments or the department, whichever assigned the county's share, shall approve the proposed reduction, if it determines that the conditions set forth in paragraphs (1), (2), and (3) above have been satisfied. The county and city or cities proposing the transfer shall submit an analysis of the factors and circumstances, with all supporting data, justifying the revision to the council of governments or the department. The council of governments shall submit a copy of its decision regarding the proposed reduction to the department.

(b) The county and cities which have executed transfers of regional housing need pursuant to this section shall amend their housing elements and submit them to the department for review pursuant to Section 65585.

All materials and data used to justify any revision shall be made available upon request to any interested party within seven days upon payment of reasonable costs of reproduction unless the costs are waived due to economic hardship. A fee may be charged to interested parties for any additional costs caused by the amendments made to former

subdivision (c) of Section 65584 that reduced from 45 to 7 days the time within which materials and data were required to be made available to interested parties.

(c) In the event an incorporation of a new city occurs after the council of governments, or the department for areas with no council of governments, has made its final allocation under this section, the city and county may reach a mutually acceptable agreement on a revised determination and report the revision to the council of governments and the department, or to the department for areas with no council of governments. If the affected parties cannot reach a mutually acceptable agreement, then either party may request the council of governments, or the department for areas with no council of governments, to consider the facts, data, and methodology presented by both parties and make the revised determination.

The revised determination shall be made within one year of the incorporation of the new city based upon the methodology described in subdivision (a) and shall reallocate a portion of the affected county's share of regional housing needs to the new city. The revised determination shall neither reduce the total regional housing needs nor change the previous allocation of the regional housing needs assigned by the council of governments or the department, where there is no council of governments, to other cities within the affected county.

SEC. 11. This act shall only become operative if Assembly Bill 2348 of the 2003–04 Regular Session is enacted and becomes operative on or before January 1, 2005.

SEC. 12. 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.

CHAPTER 697

An act to amend Sections 11000, 11000.1, 11004.5, 11018.1, and 11018.5 of, to add Chapter 2 (commencing with Section 11210) to Part 2 of Division 4 of, to repeal Sections 11003.5, 11004.6, 11018.8, 11018.9, 11018.10, 11018.11, and 11024 of, and to repeal Article 8.5 (commencing with Section 10250) of Chapter 3 of Part 1 of Division 4 of, the Business and Professions Code, to amend Sections 1365.1 and

1367.1 of the Civil Code, to amend Section 25021 of the Corporations Code, to amend Section 30610 of the Public Resources Code, and to amend Sections 998, 2188.8, 2188.9, and 7280 of the Revenue and Taxation Code, relating to time-share developments.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Article 8.5 (commencing with Section 10250) of Chapter 3 of Part 1 of Division 4 of the Business and Professions Code is repealed.

SEC. 2. Section 11000 of the Business and Professions Code is amended to read:

11000. (a) ''Subdivided lands'' and ''subdivision'' refer to improved or unimproved land or lands, wherever situated within California, divided or proposed to be divided for the purpose of sale or lease or financing, whether immediate or future, into five or more lots or parcels. However, land or lands sold by lots or parcels of not less than 160 acres which are designated by lot or parcel description by government surveys and appear as such on the current assessment roll of the county in which the land or lands are situated shall not be deemed to be ''subdivided lands'' or ''a subdivision'' within the meaning of this section, unless the land or lands are divided or proposed to be divided for the purpose of sale for oil and gas purposes, in which case the land or lands shall be deemed to be ''subdivided lands'' or ''a subdivision'' within the meaning of this section. This chapter also does not apply to the leasing of apartments, offices, stores, or similar space within an apartment building, industrial building, commercial building, or mobilehome park, as defined under Section 18214 of the Health and Safety Code, except that the offering of leases for a term in excess of five years to tenants within a mobilehome park as a mandatory requirement and prerequisite to tenancy within the mobilehome park shall be subject to the provisions of this chapter. The leasing of apartments in a community apartment project, as defined in Section 11004 in an apartment or similar space within a commercial building or complex, shall be subject to the provisions of this chapter.

(b) Nothing in this section shall in any way modify or affect any of the provisions of Section 66424 of the Government Code.

(c) Subdivisions, as defined in Section 10249.1, which are located entirely outside California shall be exempt from the provisions of this part.

SEC. 3. Section 11000.1 of the Business and Professions Code is amended to read:

11000.1. (a) ''Subdivided lands'' and ''subdivision,'' as defined by Sections 11000 and 11004.5, also include improved or unimproved land or lands, a lot or lots, or a parcel or parcels, of any size, in which, for the purpose of sale or lease or financing, whether immediate or future, five or more undivided interests are created or are proposed to be created.

(b) This section does not apply to the creation or proposed creation of undivided interests in land if any one of the following conditions exists:

(1) The undivided interests are held or to be held by persons related one to the other by blood or marriage.

(2) The undivided interests are to be purchased and owned solely by persons who present evidence satisfactory to the Real Estate Commissioner that they are knowledgeable and experienced investors who comprehend the nature and extent of the risks involved in the ownership of these interests. The Real Estate Commissioner shall grant an exemption from this part if the undivided interests are to be purchased by no more than 10 persons, each of whom furnishes a signed statement to the commissioner that he or she (A) is fully informed concerning the real property to be acquired and his or her interest in that property including the risks involved in ownership of undivided interests, (B) is purchasing the interest or interests for his or her own account and with no present intention to resell or otherwise dispose of the interest for value, and (C) expressly waives protections afforded to a purchaser by this part.

(3) The undivided interests are created as the result of a foreclosure sale.

(4) The undivided interests are created by a valid order or decree of a court.

(5) The offering and sale of the undivided interests have been expressly qualified by the issuance of a permit from the Commissioner of Corporations pursuant to the Corporate Securities Law of 1968 (Division 1 (commencing with Section 25000) of Title 4 of the Corporations Code).

SEC. 4. Section 11003.5 of the Business and Professions Code is repealed.

SEC. 5. Section 11004.5 of the Business and Professions Code is amended to read:

11004.5. In addition to any provisions of Section 11000 of this code the reference therein to ''subdivided lands'' and ''subdivision'' shall include all of the following:

(a) Any planned development, as defined in Section 11003 of this code, containing five or more lots.

(b) Any community apartment project, as defined by Section 11004 of this code, containing five or more apartments.

(c) Any condominium project containing five or more condominiums as defined in Section 783 of the Civil Code.

(d) Any stock cooperative as defined in Section 11003.2, including any legal or beneficial interests therein, having or intended to have five or more shareholders.

(e) Any limited-equity housing cooperative, as defined in Section 11003.4.

(f) In addition, the following interests shall be subject to the provisions of this chapter and the regulations of the commissioner adopted pursuant thereto:

(1) Any accompanying memberships or other rights or privileges created in, or in connection with, any of the forms of development referred to in subdivision (a), (b), (c), (d), (e), or (f) above by any deeds, conveyances, leases, subleases, assignments, declarations of restrictions, articles of incorporation, bylaws or contracts applicable thereto.

(2) Any interests or memberships in any owners' association as described in Section 11003.1 created in connection with any of the forms of the development referred to in subdivision (a), (b), (c), (d), (e), or (f) above.

(g) Notwithstanding this section, time-share plans, exchange programs, incidental benefits, and short term product subject to Chapter 2 (commencing with Section 11210) of Part 2 of Division 4 of the Business and Professions Code are not ''subdivisions'' or ''subdivided lands'' subject to this chapter.

SEC. 6. Section 11004.6 of the Business and Professions Code is repealed.

SEC. 7. Section 11018.1 of the Business and Professions Code is amended to read:

11018.1. (a) A copy of the public report of the commissioner, when issued, shall be given to the prospective purchaser by the owner, subdivider or agent prior to the execution of a binding contract or agreement for the sale or lease of any lot or parcel in a subdivision. The requirement of this section extends to lots or parcels offered by the subdivider after repossession. A receipt shall be taken from the prospective purchaser in a form and manner as set forth in regulations of the Real Estate Commissioner.

(b) A copy of the public report shall be given by the owner, subdivider or agent at any time, upon oral or written request, to any member of the public. A copy of the public report and a statement advising that a copy of the public report may be obtained from the owner, subdivider or agent at any time, upon oral or written request, shall be posted in a conspicuous place at any office where sales or leases or offers to sell or lease lots within the subdivision are regularly made.

(c) At the same time that a public report is required to be given by the owner, subdivider, or agent pursuant to subdivision (a) with respect to a common interest development, as defined, in subdivision (c) of Section 1351 of the Civil Code, the owner, subdivider, or agent shall give the prospective purchaser a copy of the following statement:

''COMMON INTEREST DEVELOPMENT GENERAL INFORMATION

The project described in the attached Subdivision Public Report is known as a common-interest development. Read the public report carefully for more information about the type of development. The development includes common areas and facilities which will be owned or operated by an owners' association. Purchase of a lot or unit automatically entitles and obligates you as a member of the association and, in most cases, includes a beneficial interest in the areas and facilities. Since membership in the association is mandatory, you should be aware of the following information before you purchase:

Your ownership in this development and your rights and remedies as a member of its association will be controlled by governing instruments which generally include a Declaration of Restrictions (also known as CC&R's), Articles of Incorporation (or association) and bylaws. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law. Study these documents carefully before entering into a contract to purchase a subdivision interest.

In order to provide funds for operation and maintenance of the common facilities, the association will levy assessments against your lot or unit. If you are delinquent in the payment of assessments, the association may enforce payment through court proceedings or your lot or unit may be liened and sold through the exercise of a power of sale. The anticipated income and expenses of the association, including the amount that you may expect to pay through assessments, are outlined in the proposed budget. Ask to see a copy of the budget if the subdivider has not already made it available for your examination.

A homeowner association provides a vehicle for the ownership and use of recreational and other common facilities which were designed to attract you to buy in this development. The association also provides a means to accomplish architectural control and to provide a base for homeowner interaction on a variety of issues. The purchaser of an interest in a common-interest development should contemplate active participation in the affairs of the association. He or she should be willing to serve on the board of directors or on committees created by the board. In short, ''they'' in a common interest development is ''you.'' Unless you serve as a member of the governing board or on a committee appointed by the board, your control of the operation of the common

areas and facilities is limited to your vote as a member of the association. There are actions that can be taken by the governing body without a vote of the members of the association which can have a significant impact upon the quality of life for association members.

Until there is a sufficient number of purchasers of lots or units in a common interest development to elect a majority of the governing body, it is likely that the subdivider will effectively control the affairs of the association. It is frequently necessary and equitable that the subdivider do so during the early stages of development. It is vitally important to the owners of individual subdivision interests that the transition from subdivider to resident-owner control be accomplished in an orderly manner and in a spirit of cooperation.

When contemplating the purchase of a dwelling in a common interest development, you should consider factors beyond the attractiveness of the dwelling units themselves. Study the governing instruments and give careful thought to whether you will be able to exist happily in an atmosphere of cooperative living where the interests of the group must be taken into account as well as the interests of the individual. Remember that managing a common interest development is very much like governing a small community ... the management can serve you well, but you will have to work for its success.''

Failure to provide the statement in accordance with this subdivision shall not be deemed a violation subject to Section 10185.

SEC. 8. Section 11018.5 of the Business and Professions Code is amended to read:

11018.5. With respect to the subdivisions and interests of the type described in Section 11004.5, and in addition to the other grounds for denial of a public report as set forth in this code, the commissioner shall issue a public report if the commissioner finds the following with respect to any such subdivision or interest:

(a) (1) Reasonable arrangements have been made to assure completion of the subdivision and all offsite improvements included in the offering.

(2) If the condominium or community apartment project, stock cooperative or planned development, or premises or facilities within the common area are not completed prior to the issuance of a final subdivision public report on the project, the subdivider shall specify a reasonable date for completion and shall comply with one of the following conditions:

(A) Arranges for lien and completion bond or bonds in an amount and subject to such terms, conditions and coverage as the commissioner may approve to assure completion of the improvements lien free.

(B) All funds from the sale of lots or parcels or such portions thereof as the commissioner shall determine are sufficient to assure construction of the improvement or improvements, shall be impounded in a neutral escrow depository acceptable to the commissioner until the improvements have been completed and all applicable lien periods have expired; provided, however, the commissioner determines the time for the completion is reasonable.

(C) An amount sufficient to cover the costs of construction shall be deposited in a neutral escrow depository acceptable to the commissioner under a written agreement providing for disbursements from that escrow as work is completed.

(D) If the project is a condominium situated on a single parcel as shown on an approved final subdivision map, arrange for (i) lien and completion bond or bonds in an amount sufficient to assure lien-free completion of all common area improvements not located in a residential structure, and (ii) placement of all funds, or such portions thereof as the commissioner shall determine are sufficient, from the sales of condominium interests in a neutral escrow depository acceptable to the commissioner. The funds for purchase or lease of the condominium interest shall remain in the escrow account until the residential structure in which the purchaser's separate unit is located has been completed, and all lien periods applicable to the purchaser's separate and undivided interests in the entire project arising out of the work of improvement performed by either the subdivider or any successor in interest to the subdivider have expired or have been insured against in a manner satisfactory to the commissioner.

(E) Such other alternative plan as may be approved by the commissioner.

(b) The deeds, conveyances, leases, subleases, or instruments or assignment to be used are adequate to transfer to the purchasers the legal interests and uses which the owner or subdivider represents the purchasers will receive.

(c) After transfer of title to the first lot, apartment, or condominium in the subdivision to any purchaser, the provisions of the declaration of restrictions, articles of incorporation, bylaws, management contracts (and the provisions of any and all other documents establishing, in whole or in part, the plan for use, enjoyment, maintenance, and preservation of the subdivision) as last submitted to the commissioner prior to issuance of the final public report, shall be binding upon the purchaser and occupant of every other lot, apartment, or condominium in the subdivision, including, except with regard to a limited-equity housing cooperative, purchasers acquiring title by foreclosure, whether judicial or nonjudicial, or by deed in lieu thereof, under any mortgage or deed of trust, whether or not the mortgage or deed of trust was recorded prior

to recordation of the covenants, conditions and restrictions applicable to the first lot, apartment, or condominium.

(d) Reasonable arrangements have been made for delivery of control over the subdivision and all offsite land and improvements included in the offering, to the purchasers of lots, apartments, or condominiums in the subdivision.

(e) Reasonable arrangements have been or will be made as to the interest of each of the purchasers of lots, apartments, or condominiums in the subdivision with respect to the management, maintenance, preservation, operation, use, right of resale, and control of their lots, apartments, or condominiums, and such other areas or interests, whether or not within, or pertaining to, areas within the boundaries of the subdivision, as have been or will be made subject to the plan of control proposed by the owner and subdivider, and which are included in the offering.

''Purchaser,'' as used in this section, shall include within its meaning a lessee of the legal interests described in Section 11003 of this code.

SEC. 9. Section 11018.8 of the Business and Professions Code is repealed.

SEC. 10. Section 11018.9 of the Business and Professions Code is repealed.

SEC. 11. Section 11018.10 of the Business and Professions Code is repealed.

SEC. 12. Section 11018.11 of the Business and Professions Code is repealed.

SEC. 13. Section 11024 of the Business and Professions Code is repealed.

SEC. 14. Chapter 2 (commencing with Section 11210) is added to Part 2 of Division 4 of the Business and Professions Code, to read:

CHAPTER 2. THE VACATION OWNERSHIP AND TIME-SHARE ACT OF 2004

Article 1. General Provisions

11210. This chapter may be cited as the Vacation Ownership and Time-share Act of 2004.

11211. The purposes of this chapter are to do all of the following:

(a) Provide full and fair disclosure to the purchasers and prospective purchasers of time-share plans.

(b) Require certain time-share plans offered for sale or created and existing in this state to be subject to the provisions of this chapter.

(c) Recognize that the tourism industry in this state is a vital part of the state's economy; that the sale, promotion, and use of time-share plans

is an emerging, distinct segment of the tourism industry; that this segment of the tourism industry continues to grow, both in volume of sales and in complexity and variety of product structures; and that a uniform and consistent method of regulation is necessary in order to safeguard California's tourism industry and the state's economic well-being.

(d) In order to protect the quality of California time-share plans and the consumers who purchase them, it is the intent of the Legislature that this chapter be interpreted broadly in order to encompass all forms of time-share plans with a duration of at least three years that are created with respect to accommodations that are located in the state or that are offered for sale in the state, including, but not limited to, condominiums, cooperatives, vacation clubs, and multisite vacation plans.

(e) It is the intent of the Legislature that this chapter not be interpreted to preempt the application of, the enforcement of, or alter the standards of, the general consumer protection laws of this state set forth in Sections 17200 to 17209, inclusive, and Sections 17500 to 17539.1, inclusive, of the Business and Professions Code.

11211.5. (a) This chapter applies to all of the following:

(1) Time-share plans with an accommodation or component site in this state.

(2) Time-share plans without an accommodation or component site in this state, if those time-share plans are sold or offered to be sold to any individual located within this state.

(3) Exchange programs as defined in this chapter.

(4) Short-term products as defined in this chapter.

(b) This chapter does not apply to any of the following:

(1) Time-share plans, whether or not an accommodation is located in this state, consisting of 10 or fewer time-share interests. Use of an exchange program by owners of time-share interests to secure access to other accommodations shall not affect this exemption.

(2) Time-share plans, whether or not an accommodation is located in this state, the use of which extends over any period of three years or less.

(3) Time-share plans, whether or not an accommodation is located in this state, under which the prospective purchaser's total financial obligation will be equal to or less than three thousand dollars ($3,000) during the entire term of the time-share plan.

(c) For purposes of determining the term of a time-share plan, the period of any renewal or renewal option shall be included.

(d) Single site time-share plans located outside the state and component sites of multisite time-share plans located outside the state, that are offered for sale or sold in this state are subject only to Sections 11210 to 11219, inclusive, Sections 11225 to 11245, inclusive, Sections 11250 to 11256, inclusive, paragraphs (1), (2), (3), and (4) of subdivision

(a), and subdivisions (b) and (c), of Section 11265, subdivision (g) of Section 11266, subdivisions (a) and (c) of Section 11267, Sections 11272 and 11273, subdivisions (b), (c), and (d) of Section 11274, and Sections 11280 to 11287, inclusive.

11211.7. (a) Any time-share plan registered pursuant to this chapter to which the Davis-Stirling Common Interest Development Act (Chapter 1 (commencing with Section 1350) of Part 4 of Division 2 of the Civil Code) might otherwise apply is exempt from that act, except for Sections 1354, 1355, 1355.5, 1356, 1357, 1358, 1361, 1361.5, 1362, 1363.05, 1364, 1365.5, 1370, and 1371 of the Civil Code.

(b) (1) To the extent that a single site time-share plan or component site of a multisite time-share plan located in the state is structured as a condominium or other common interest development, and there is any inconsistency between the applicable provisions of this chapter and the Davis-Stirling Common Interest Development Act, the applicable provisions of this chapter shall control.

(2) To the extent that a time-share plan is part of a mixed use project where the time-share plan comprises a portion of a condominium or other common interest development, the applicable provisions of this chapter shall apply to that portion of the project uniquely comprising the time-share plan, and the Davis-Stirling Common Interest Development Act shall apply to the project as a whole.

(c) (1) The offering of any time-share plan, exchange program, incidental benefit, or short term product in this state that is subject to the provisions of this chapter shall be exempt from Sections 1689.5 to 1689.14, inclusive, of the Civil Code (Home Solicitation Sales), Sections 1689.20 to 1689.24, inclusive, of the Civil Code (Seminar Sales), and Sections 1812.100 to 1812.129, inclusive, of the Civil Code (Contracts for Discount Buying Services).

(2) A developer or exchange company that, in connection with a time-share sales presentation or offer to arrange an exchange, offers a purchaser the opportunity to utilize the services of an affiliate, subsidiary, or third-party entity in connection with wholesale or retail air or sea transportation, shall not, in and of itself, cause the developer or exchange company to be considered a seller of travel subject to Sections 17550 to 17550.34, inclusive, of the Business and Professions Code, so long as the entity that actually provides or arranges the air or sea transportation is registered as a seller of travel with the California Attorney General's office or is otherwise exempt under those sections.

(d) To the extent certain sections in this chapter require information and disclosure that by their terms only apply to real property time-share plans, those requirements shall not apply to personal property time-share plans.

11212. As used in this chapter, the following definitions apply:

(a) ''Accommodation'' means any apartment, condominium or cooperative unit, cabin, lodge, hotel or motel room, or other private or commercial structure containing toilet facilities therein that is designed and available, pursuant to applicable law, for use and occupancy as a residence by one or more individuals, or any unit or berth on a commercial passenger ship, which is included in the offering of a time-share plan.

(b) ''Advertisement'' means any written, oral, or electronic communication that is directed to or targeted to persons within the state or such a communication made from this state or relating to a time-share plan located in this state and contains a promotion, inducement, or offer to sell a time-share plan, including, but not limited to, brochures, pamphlets, radio and television scripts, electronic media, telephone and direct mail solicitations, and other means of promotion.

(c) ''Association'' means the organized body consisting of the purchasers of time-share interests in a time-share plan.

(d) ''Assessment'' means the share of funds required for the payment of common expenses which is assessed from time to time against each purchaser by the managing entity.

(e) ''Commissioner'' means the Real Estate Commissioner.

(f) ''Component site'' means a specific geographic location where accommodations that are part of a multisite time-share plan are located. Separate phases of a time-share property in a specific geographic location and under common management shall not be deemed a component site.

(g) ''Conspicuous type'' means either of the following:

(1) Type in upper and lower case letters two point sizes larger than the nearest nonconspicuous type, exclusive of headings, on the page on which it appears but in at least 10-point type.

(2) Conspicuous type may be utilized in contracts for purchase or public permits only where required by law or as authorized by the commissioner.

(h) ''Department'' means the Department of Real Estate.

(i) ''Developer'' means and includes any person who creates a time-share plan or is in the business of selling time-share interests, other than those employees or agents of the developer who sell time-share interests on the developer's behalf, or employs agents to do the same, or any person who succeeds to the interest of a developer by sale, lease, assignment, mortgage, or other transfer, but the term includes only those persons who offer time-share interests for disposition in the ordinary course of business.

(j) ''Dispose'' or ''disposition'' means a voluntary transfer or assignment of any legal or equitable interest in a time-share plan, other than the transfer, assignment, or release of a security interest.

(k) ''Exchange company'' means any person owning or operating, or both owning and operating, an exchange program.

(*l*) ''Exchange program'' means any method, arrangement, or procedure for the voluntary exchange of time-share interests or other property interests. The term does not include the assignment of the right to use and occupy accommodations to owners of time-share interests within a single site time-share plan. Any method, arrangement, or procedure that otherwise meets this definition in which the purchaser's total contractual financial obligation exceeds three thousand dollars ($3,000) per any individual, recurring time-share period, shall be regulated as a time-share plan in accordance with this chapter. For purposes of determining the purchaser's total contractual financial obligation, amounts to be paid as a result of renewals and options to renew shall be included in the term except for the following: (1) amounts to be paid as a result of any optional renewal that a purchaser, in his or her sole discretion may elect to exercise, (2) amounts to be paid as a result of any automatic renewal in which the purchaser has a right to terminate during the renewal period at any time and receive a pro rata refund for the remaining unexpired renewal term, or (3) amounts to be paid as a result of an automatic renewal in which the purchaser receives a written notice no less than 30 nor more than 90 days prior to the date of renewal informing the purchaser of the right to terminate prior to the date of renewal. Notwithstanding these exceptions, if the contractual financial obligation exceeds three thousand dollars ($3,000) for any three-year period of any renewal term, amounts to be paid as a result of that renewal shall be included in determining the purchaser's total contractual financial obligation.

(m) ''Incidental benefit'' is an accommodation, product, service, discount, or other benefit, other than an exchange program, that is offered to a prospective purchaser of a time-share interest prior to the end of the rescission period set forth in Section 11238, the continuing availability of which for the use and enjoyment of owners of time-share interests in the time-share plan is limited to a term of not more than three years, subject to renewal or extension. The term shall not include an offer of the use of the accommodation, product, service, discount, or other benefit on a free or discounted one-time basis.

(n) ''Managing entity'' means the person who undertakes the duties, responsibilities, and obligations of the management of a time-share plan.

(o) ''Offer'' means any inducement, solicitation, or other attempt, whether by marketing, advertisement, oral or written presentation, or any other means, to encourage a person to acquire a time-share interest in a time-share plan, other than as security for an obligation.

(p) ''Person'' means a natural person, corporation, limited liability company, partnership, joint venture, association, estate, trust,

government, governmental subdivision or agency, or other legal entity, or any combination thereof.

(q) ''Promotion'' means a plan or device, including one involving the possibility of a prospective purchaser receiving a vacation, discount vacation, gift, or prize, used by a developer, or an agent, independent contractor, or employee of any of the same on behalf of the developer, in connection with the offering and sale of time-share interests in a time-share plan.

(r) ''Public report'' means a preliminary public report, conditional public report, final public report, or other such disclosure document authorized for use in connection with the offering of time-share interests pursuant to this chapter.

(s) ''Purchaser'' means any person, other than a developer, who by means of a voluntary transfer for consideration acquires a legal or equitable interest in a time-share plan other than as security for an obligation.

(t) ''Purchase contract'' means a document pursuant to which a developer becomes legally obligated to sell, and a purchaser becomes legally obligated to buy, a time-share interest.

(u) ''Reservation system'' means the method, arrangement, or procedure by which a purchaser, in order to reserve the use or occupancy of any accommodation of a multisite time-share plan for one or more time-share periods, is required to compete with other purchasers in the same multisite time-share plan, regardless of whether the reservation system is operated and maintained by the multisite time-share plan managing entity, an exchange company, or any other person. If a purchaser is required to use an exchange program as the purchaser's principal means of obtaining the right to use and occupy accommodations in a multisite time-share plan, that arrangement shall be deemed a reservation system. When an exchange company utilizes a mechanism for the exchange of use of time-share periods among members of an exchange program, that utilization is not a reservation system of a multisite time-share plan.

(v) ''Short-term product'' means the right to use accommodations on a one-time or recurring basis for a period or periods not to exceed 30 days per stay and for a term of three years or less, and that includes an agreement that all or a portion of the consideration paid by a person for the short-term product will be applied to or credited against the price of a future purchase of a time-share interest or that the cost of a future purchase of a time-share interest will be fixed or locked-in at a specified price.

(w) ''Time-share instrument'' means one or more documents, by whatever name denominated, creating or governing the operation of a

time-share plan and includes the declaration dedicating accommodations to the time-share plan.

(x) ''Time-share interest'' means and includes either of the following:

(1) A ''time-share estate,'' which is the right to occupy a time-share property, coupled with a freehold estate or an estate for years with a future interest in a time-share property or a specified portion thereof.

(2) A ''time-share use,'' which is the right to occupy a time-share property, which right is neither coupled with a freehold interest, nor coupled with an estate for years with a future interest, in a time-share property.

(y) ''Time-share period'' means the period or periods of time when the purchaser of a time-share plan is afforded the opportunity to use the accommodations of a time-share plan.

(z) ''Time-share plan'' means any arrangement, plan, scheme, or similar device, other than an exchange program, whether by membership agreement, sale, lease, deed, license, right to use agreement, or by any other means, whereby a purchaser, in exchange for consideration, receives ownership rights in or the right to use accommodations for a period of time less than a full year during any given year, on a recurring basis for more than one year, but not necessarily for consecutive years. A time-share plan may be either of the following:

(1) A ''single site time-share plan,'' which is the right to use accommodations at a single time-share property.

(2) A ''multisite time-share plan,'' which includes either of the following:

(A) A ''specific time-share interest,'' which is the right to use accommodations at a specific time-share property, together with use rights in accommodations at one or more other component sites created by or acquired through the time-share plan's reservation system.

(B) A ''nonspecific time-share interest,'' which is the right to use accommodations at more than one component site created by or acquired through the time-share plan's reservation system, but including no specific right to use any particular accommodations.

(aa) ''Time-share property'' means one or more accommodations subject to the same time-share instrument, together with any other property or rights to property appurtenant to those accommodations.

11213. Each time-share estate, as specified in paragraph (1) of subdivision (x) of Section 11212, constitutes, for purposes of title, a separate estate or interest in real property including ownership in real property for tax purposes.

11214. (a) The developer shall supervise, manage, and control all aspects of the offering of the time-share plan by or on behalf of the developer, including, but not limited to, promotion, advertising, contracting, and closing. The developer is responsible for each

time-share plan registered with the commissioner and for the actions of any sales or marketing entity utilized by the developer in the offering or selling of any registered time-share plan.

(b) Any violation of this chapter that occurs during the offering activities shall be deemed to be a violation by the developer as well as by the person who actually committed the violation.

11215. (a) The time-share instrument shall prohibit a person from seeking or obtaining, through any legal procedures, judicial partition of the time-share interest or sale of the time-share interest, in lieu of partition and shall subordinate all rights that a time-share interest owner might otherwise have as a tenant-in-common in real property to the terms of the time-share instrument.

(b) Subdivision (a) shall not be deemed to prohibit a sale of an accommodation upon termination of the time-share plan or the removal of an accommodation from the time-share plan in accordance with applicable provisions of the time-share instrument.

11216. (a) An exchange program is not a part of a time-share plan offering and, except as provided in this section and Section 11238, shall not be subject to either this chapter or the regulations of the commissioner adopted pursuant to this chapter.

(b) If a developer offers a purchaser the opportunity to subscribe to or to become a member of an exchange program, the developer shall provide to the purchaser in writing all of the information set forth in paragraphs (1) to (17), inclusive. If the exchange company is offering directly to the purchaser the opportunity to subscribe to or become a member of an exchange company, the exchange company shall provide to the purchaser in writing all of the information set forth in paragraphs (1) to (17), inclusive. In either case, the written information shall be provided prior to or concurrently with the execution of any contract or subscription for membership in the exchange program.

(1) The name and address of the exchange company.

(2) The names of all officers, directors, and shareholders of the exchange company.

(3) Whether the exchange company or any of its officers or directors have any legal or beneficial interest in any developer or managing entity for any time-share plan participating in the exchange program and, if so, the identity of the time-share plan and the nature of the interest.

(4) A copy of the form of the contract between the purchaser and the exchange company, along with a statement that the purchaser's contract with the exchange company is a contract separate and distinct from the purchaser's contract with the seller of time-share interests.

(5) Whether the purchaser's participation in the exchange program is dependent upon the continued affiliation of the applicable time-share plan with the exchange program.

(6) Whether the purchaser's participation in the exchange program is voluntary.

(7) A fair and accurate description of the terms and conditions of the purchaser's contractual relationship with the exchange program and the procedure by which changes thereto may be made.

(8) A fair and accurate description of the procedures necessary to qualify for and effectuate exchanges.

(9) A fair and accurate description of all limitations, restrictions, and priorities employed in the operation of the exchange program, including, but not limited to, limitations on exchanges based on seasonality, accommodation size, or levels of occupancy, expressed in conspicuous type. If those limitations, restrictions, or priorities are not uniformly applied by the exchange company, the information shall include a clear description of the manner in which they are applied.

(10) Whether exchanges are arranged on a space available basis and whether any guarantees of fulfillment of specific requests for exchanges are made by the exchange company.

(11) Whether and under what circumstances an owner, in dealing with the exchange program, may lose the right to use and occupy an accommodation of the time-share plan during a reserved use period with respect to any properly applied for exchange without being provided with substitute accommodations by the exchange program.

(12) The fees or range of fees for participation by owners in the exchange program, a statement of whether any such fees may be altered by the exchange company and the circumstances under which alterations may be made.

(13) The name and address of the site of each accommodation included within a time-share plan participating in the exchange program.

(14) The number of accommodations in each time-share plan that are available for occupancy and that qualify for participation in the exchange program, expressed within the following numerical groups: 1–5; 6–10; 11–20; 21–50; and 51 and over.

(15) The number of currently enrolled owners for each time-share plan participating in the exchange program, expressed within the following numerical groups: 1–100; 101–249; 250–499; 500–999; and 1,000 and over; and a statement of the criteria used to determine those owners who are currently enrolled with the exchange program.

(16) The disposition made by the exchange company of use periods deposited with the exchange program by owners enrolled in the exchange program and not used by the exchange company in effecting exchanges.

(17) The following information for the preceding calendar year, which shall be independently audited by a certified public accountant in accordance with the standards of the Accounting Standards Board of the

American Institute of Certified Public Accountants and reported annually no later than August 1 of each year:

(A) The number of owners currently enrolled in the exchange program.

(B) The number of time-share plans that have current affiliation agreements with the exchange program.

(C) The percentage of confirmed exchanges, which is the number of exchanges confirmed by the exchange program divided by the number of exchanges properly applied for, together with a complete and accurate statement of the criteria used to determine whether an exchange request was properly applied for.

(D) The number of use periods for which the exchange program has an outstanding obligation to provide an exchange to an owner who relinquished a use period during a particular year in exchange for a use period in any future year.

(E) The number of exchanges confirmed by the exchange program during the year.

(F) A statement in conspicuous type to the effect that the percentage described in subparagraph (C) is a summary of the exchange requests entered with the exchange program in the period reported and that the percentage does not indicate the probabilities of an owner's being confirmed to any specific choice or range of choices.

(c) All written, visual, and electronic communications relating to an exchange company or an exchange program shall be filed with the commissioner upon its request.

(d) The failure of an exchange company to observe the requirements of this section, and the use of any unfair or deceptive act or practice in connection with the operation of an exchange program, is a violation of this chapter.

(e) An exchange company may elect to deny exchange privileges to any owner whose use of the accommodations of the owner's time-share plan is denied, and no exchange program or exchange company shall be liable to any of its members or any third parties on account of any such denial of exchange privileges.

11217. (a) The following communications shall not be deemed an advertisement or promotion and are exempt from this chapter so long as the communications are in compliance with Section 11245:

(1) Any stockholder communication, such as an annual report or interim financial report, proxy material, a registration statement, a securities prospectus, a registration, a property report, or other material required to be delivered to a prospective purchaser by an agency of any state or the federal government.

(2) Any oral or written statement disseminated by a developer to broadcast or print media, other than paid advertising or promotional

material, regarding plans for the acquisition or development of time-share property. However, any rebroadcast or any other dissemination of the oral statements to a prospective purchaser by a developer or any person in any manner, or any distribution of copies of newspaper magazine articles or press releases, or any other dissemination of the written statements to a prospective purchaser by a developer or any person in any manner, shall constitute an advertisement.

(3) Any advertisement or promotion in any medium to the general public if the advertisement or promotion clearly states that it is not an offer in any jurisdiction in which any applicable registration requirements have not been fully satisfied.

(4) Any audio, written, or visual publication or material relating to the availability of any accommodations for transient rental, so long as a sales presentation is not a term or condition of the availability of the accommodations and so long as the failure of any transient renter to take a tour of a time-share property or attend a sales presentation does not result in any reduction in the level of services that would otherwise be available to the transient renter.

(b) Any communication regarding a time-share interest that is addressed to any person who has previously executed a contract for the sale or purchase of that time-share interest and that does not constitute a solicitation of a time-share interest, shall be exempt from this chapter.

11218. A time-share interest in a time-share plan shall be deemed an interest in subdivided lands or a subdivision for purposes of subdivision (f) of Section 25100 of the Corporations Code.

11219. (a) Time-share plans registered as Qualified Resort Vacation Club Projects under prior law shall continue to operate under that prior law notwithstanding anything in this chapter to the contrary.

(b) (1) All registrations of time-share plans in effect on the effective date of this chapter shall remain in full force and effect and shall be considered registered pursuant to this chapter.

(2) All time-share plans included in this subdivision are subject to Sections 11217, 11219, 11238, 11239, 11245, 11250, and 11280 to 11286, inclusive, and shall be required to comply with the other provisions of this chapter at the time they seek amendment or renewal of their existing registrations. When an amendment or renewal of a time-share plan is filed with the commissioner, the existing registration continues in full force and effect while the amendment or renewal is pending before the commissioner.

(c) Any existing injunction or temporary restraining order validly obtained that prohibits unregistered practice of time-share developers, time-share plans, or their agents shall not be invalidated by the

enactment of this chapter and shall continue to have full force and effect on and after the effective date of this chapter.

Article 2. Registration, Sale Requirements, and Fees

11225. A person shall not be required to register a time-share plan with the commissioner pursuant to this chapter if any of the following applies:

(a) The person is an owner of a time-share interest who has acquired the time-share interest for the person's own use and occupancy and who later offers it for resale.

(b) The person is a managing entity or an association that is not otherwise a developer of a time-share plan in its own right, solely while acting as an association or under a contract with an association to offer or sell a time-share interest transferred to the association through foreclosure, deed in lieu of foreclosure, or gratuitous transfer, if these acts are performed in the regular course of, or as an incident to, the management of the association for its own account in the time-share plan. Notwithstanding the exemption from registration, the association or managing entity shall provide each purchaser of a time-share interest covered by this subdivision a copy of the time-share instruments, a copy of the then-current budget, a written statement of the then-current assessment amounts, and shall provide the purchaser the opportunity to rescind the purchase within seven days after receipt of these documents. Immediately prior to the space reserved in the contract for the signature of the purchaser, the association or managing entity shall disclose, in conspicuous type, substantially the following notice of cancellation:

YOU MAY CANCEL THIS CONTRACT WITHOUT ANY PENALTY OR OBLIGATION WITHIN SEVEN CALENDAR DAYS OF RECEIPT OF THE PUBLIC REPORT OR AFTER THE DATE YOU SIGN THIS CONTRACT, WHICHEVER DATE IS LATER. IF YOU DECIDE TO CANCEL THIS CONTRACT, YOU MUST NOTIFY THE ASSOCIATION (OR MANAGING ENTITY) IN WRITING OF YOUR INTENT TO CANCEL. YOUR NOTICE OF CANCELLATION SHALL BE EFFECTIVE UPON THE DATE SENT AND SHALL BE SENT TO (NAME OF ASSOCIATION OR MANAGING ENTITY) AT (ADDRESS OF ASSOCIATION OR MANAGING ENTITY). YOUR NOTICE OF CANCELLATION MAY ALSO BE SENT BY FACSIMILE TO (FACSIMILE NUMBER OF THE ASSOCIATION OR MANAGING ENTITY) OR BY HAND-DELIVERY. ANY ATTEMPT TO OBTAIN A WAIVER OF YOUR CANCELLATION RIGHT IS VOID AND OF NO EFFECT.

(c) The person is conveyed, assigned, or transferred more than seven time-share interests from a developer in a single voluntary or involuntary transaction and subsequently conveys, assigns, or transfers all of the time-share interests received from the developer to a single purchaser in a single transaction.

(d) (1) The developer is offering or disposing of a time-share interest to a purchaser who has previously acquired a time-share interest from the same developer if the developer has a time-share plan registered under this chapter, which was originally approved by the commissioner within the preceding seven years, and the developer complies in all respects with the provisions of Section 11245, and, further, provides the purchaser with (A) a cancellation period of at least seven days, (B) all the time-share disclosure documents that are required to be provided to purchasers as if the sale occurred in the state or jurisdiction where the time-share property is located, and (C) the following disclaimer in conspicuous type:

WARNING: THE CALIFORNIA DEPARTMENT OF REAL ESTATE HAS NOT EXAMINED THIS OFFERING, INCLUDING, BUT NOT LIMITED TO, THE CONDITION OF TITLE, THE STATUS OF BLANKET LIENS ON THE PROJECT (IF ANY), ARRANGEMENTS TO ASSURE PROJECT COMPLETION, ESCROW PRACTICES, CONTROL OVER PROJECT MANAGEMENT, RACIALLY DISCRIMINATORY PRACTICES (IF ANY), TERMS, CONDITIONS, AND PRICE OF THE OFFER, CONTROL OVER ANNUAL ASSESSMENTS (IF ANY), OR THE AVAILABILITY OF WATER, SERVICES, UTILITIES, OR IMPROVEMENTS. IT MAY BE ADVISABLE FOR YOU TO CONSULT AN ATTORNEY OR OTHER KNOWLEDGEABLE PROFESSIONAL WHO IS FAMILIAR WITH REAL ESTATE AND DEVELOPMENT LAW IN THE STATE WHERE THIS TIME-SHARE PROPERTY IS SITUATED.

(2) By making such an offering or disposition, the person is deemed to consent to the jurisdiction of the commissioner in the event of a dispute with the purchaser in connection with the offering or disposition.

(e) It is a single site time-share plan located outside of the boundaries of the United States or component site of a specific time-share interest multisite time-share plan located wholly outside of the boundaries of the United States, or a nonspecific time-share interest multisite time-share plan in which all component sites are located wholly outside of the boundaries of the United States. However, it is unlawful and a violation of this chapter for a person, in this state, to sell or lease or offer for sale or lease a time-share interest in such a time-share plan, located outside

the United States, unless the printed material, literature, advertising, or invitation in this state relating to that sale, lease, or offer clearly and conspicuously contains the following disclaimer in capital letters of at least 10-point type:

> WARNING: THE CALIFORNIA DEPARTMENT OF REAL ESTATE HAS NOT EXAMINED THIS OFFERING, INCLUDING, BUT NOT LIMITED TO, THE CONDITION OF TITLE, THE STATUS OF BLANKET LIENS ON THE PROJECT (IF ANY), ARRANGEMENTS TO ASSURE PROJECT COMPLETION, ESCROW PRACTICES, CONTROL OVER PROJECT MANAGEMENT, RACIALLY DISCRIMINATORY PRACTICES (IF ANY), TERMS, CONDITIONS, AND PRICE OF THE OFFER, CONTROL OVER ANNUAL ASSESSMENTS (IF ANY), OR THE AVAILABILITY OF WATER, SERVICES, UTILITIES, OR IMPROVEMENTS. IT MAY BE ADVISABLE FOR YOU TO CONSULT AN ATTORNEY OR OTHER KNOWLEDGEABLE PROFESSIONAL WHO IS FAMILIAR WITH REAL ESTATE AND DEVELOPMENT LAW IN THE COUNTRY WHERE THIS TIME-SHARE PROPERTY IS SITUATED.

(1) If an offer of time-share interest in a time-share plan described in subdivision (e) is not initially made in writing, the foregoing disclaimer shall be received by the offeree in writing prior to a visit to a location, sales presentation, or contact with a person representing the offeror, when the visit or contact was scheduled or arranged by the offeror or its representative. The deposit of the disclaimer in the United States mail, addressed to the offeree and with first-class postage prepaid, at least five days prior to the scheduled or arranged visit or contact, shall be deemed to constitute delivery for purposes of this section.

(2) If any California resident is presented with an agreement or purchase contract to lease or purchase a time-share interest as described in subdivision (e), where an offer to lease or purchase that time-share interest was made to that resident in California, a copy of the disclaimer set forth in subdivision (e) shall be inserted in at least 10-point type at the top of the first page of that agreement or purchase contract and shall be initialed by that California resident.

(3) Nothing contained in this subdivision shall be deemed to exempt from registration in this state a nonspecific time-share interest multisite time-share plan in which any component site in the time-share plan is located in the United States.

11226. (a) Any person who, to any individual located in the state, sells, offers to sell, or attempts to solicit prospective purchasers to

purchase a time-share interest, or any person who creates a time-share plan with an accommodation in the state, shall register the time-share plan with the commissioner, unless the time-share plan is otherwise exempt under this chapter.

(b) A developer, or any of its agents, shall not sell, offer, or dispose of a time-share interest in the state unless all necessary registration requirements are provided and approved by the commissioner, or the sale, offer, or disposition is otherwise permitted by this chapter, or while an order revoking or suspending a registration is in effect.

(c) In registering a time-share plan, the developer shall provide all of the following information:

(1) The developer's legal name, any assumed names used by the developer, principal office street address, mailing address, primary contact person, and telephone number.

(2) The name of the developer's authorized or registered agent in the state upon whom claims can be served or service of process be had, the agent's street address in California, and telephone number.

(3) The name, street address, mailing address, primary contact person, and telephone number of any time-share plan being registered.

(4) The name, street address, mailing address, and telephone number of any managing entity of the time-share plan.

(5) A public report that complies with the requirements of Section 11234 or for a time-share plan located outside of the state a public report that has been authorized for use by the situs state regulatory agency and that contains disclosures as determined by the commissioner upon review to be substantially equivalent to or greater than the information required to be disclosed pursuant to Section 11234.

(6) A description of the inventory control system that will ensure compliance with Section 11250.

(7) Any other information regarding the developer, time-share plan, or managing entities as established by regulation.

(d) An applicant for a public report for a time-share plan shall present evidence of the following for each accommodation of the time-share plan:

(1) That the accommodation is presently suitable for human occupancy or that financial arrangements have been made to complete construction or renovation of the accommodation to make it suitable for human occupancy on or before the first date for occupancy by a time-share interest owner.

(2) That the accommodation is owned or leased by the developer of the time-share plan or is the subject of an enforceable option or contract under which the developer will build, purchase, or lease the accommodation. Notwithstanding this subdivision, the developer shall present evidence prior to the receipt of a final public report that the

accommodation to be sold is owned or leased by the developer and that the accommodation is free and clear of encumbrances in accordance with Sections 11244 and 11255.

(e) If an accommodation in a time-share plan is located within a local governmental jurisdiction or subdivision of real property in which the dedication of accommodations to time-sharing is expressly prohibited by ordinance or recorded restriction, either absolutely or without a permit or other entitlement from the governing body, the applicant for a public report shall present evidence of a permit or other entitlement by the appropriate authority for the local government or the subdivision.

(f) (1) The developer shall amend or supplement its disclosure documents and registration information, to reflect any material change in any information required by this chapter or the regulations implementing this chapter. The developer shall notify the commissioner of the material change prior to implementation of the change, unless the change is beyond the control of the developer; in which event, the developer shall provide written notice to the commissioner as soon as reasonably practicable after the occurrence of the event necessitating the change. All amendments, supplements, and facts relevant to the material change shall be filed with the commissioner within 20-calendar days of the material change.

(2) The developer may continue to sell time-share interests in the time-share plan so long as, prior to closing, the developer provides a notice to each purchaser that describes the material change and provides to each purchaser the previously approved public report.

(A) If the change is material and adverse to the purchaser, all purchaser funds shall be held in escrow, or pursuant to alternative assurances permitted by subdivision (c) of Section 11243, and no closing shall occur until the amendment relating to the material and adverse change has been approved by the commissioner. After the amendment relating to the material and adverse change has been approved and the amended public report has been issued, the amended public report shall be sent to the purchaser, and an additional seven-day rescission period shall commence. The developer shall be required to maintain evidence of the receipt by each such purchaser of the amended public report.

(B) If the commissioner refuses to approve the amendment relating to the material and adverse change, all sales made using the notice shall be subject to rescission and all funds returned.

(3) The developer shall update the public report to reflect any changes to the time-share plan that are not material and adverse, including the addition of any component sites, within a reasonable time, and may continue to sell and close time-share interests prior to the date that the amended public report is approved.

11227. (a) Subject to subdivision (h), the commissioner shall issue a final public report if all registration requirements have been met as set forth in this chapter and if all deficiencies and substantive inadequacies in the substantially complete application for a final public report for the time-share plan have been corrected.

(b) The commissioner may issue a conditional public report prior to issuing a final public report for a time-share plan if the requirements of subdivision (c) are met, all deficiencies and substantive inadequacies in the substantially complete application for a final public report for the time-share plan have been corrected, the material elements of the offering to be made under the authority of the conditional public report have been established, and all requirements for the issuance of the conditional public report have been met, except for one or more of the following requirements, as may be applicable:

(1) A final map has not been recorded.

(2) A condominium plan has not been recorded.

(3) A declaration of covenants, conditions, and restrictions has not been recorded.

(4) A declaration of annexation has not been recorded.

(5) A recorded subordination of existing liens to the time-share instruments or declaration of annexation or escrow instructions to effect recordation prior to the first sale, are lacking.

(6) Filed articles of incorporation are lacking.

(7) A current preliminary report of a licensed title insurance company issued after filing of the final map and recording of the time-share instrument covering all time-share interests to be included in the public report has not been provided.

(8) Other requirements the commissioner determines are likely to be timely satisfied by the applicant.

(c) An applicant for a conditional public report shall submit the following information and documents with the applicable filing fee:

(1) A copy of the statement set forth in subdivision (e).

(2) A sales agreement or lease to be used in any transaction conducted under authority of the conditional public report. The sales agreement or lease shall include all of the following provisions:

(A) No escrow will close, funds will not be released from escrow, and the interest contracted for will not be conveyed until a current final public report for the time-share plan is furnished to the purchaser.

(B) The contract may be rescinded, in which event the entire sum of money paid or advanced by the purchaser shall be returned if (i) a final public report has not been issued within six months after the date of issuance of the conditional public report if the conditional public report is not renewed, (ii) the final public report is not issued within 12 months after the initial conditional public report is received if the conditional

public report has been renewed for an additional six-month period, or (iii) the purchaser or lessee is dissatisfied with the final public report because of a material and adverse change.

(3) Escrow instructions to be used in any transaction conducted under authority of the conditional public report that includes at least the following information:

(A) The name and address of the escrow depository.

(B) A description of the nature of the transaction.

(C) Provisions ensuring compliance with Section 11243.

(D) Provisions ensuring that no escrow will close, funds will not be released from escrow, and the interest contracted for will not be conveyed until a current final public report for the time-share plan is furnished to the purchaser or lessee.

(E) Provisions for the return of money as prescribed in subparagraph (B) of paragraph (2).

(d) A decision by the commissioner to not issue a conditional public report shall be noticed in writing to the applicant within five business days after his or her decision and that notice shall specifically state the reasons why the report is not being issued.

(e) A person may sell or lease, or offer for sale or lease, time-share interests in a time-share plan pursuant to a conditional public report if, as a condition of the sale or lease or offer for sale or lease, delivery of legal title or other interest contracted for will not take place until issuance of a final public report and provided that the requirements of subdivision (c) are met.

(f) A developer, principal, or his or her agent shall provide a prospective purchaser a copy of the conditional public report and a written statement including all of the following information:

(1) Specification of the information required for issuance of a final public report.

(2) Specification of the information required in the final public report that is not available in the conditional public report, along with a statement of the reasons why that information is not available at the time of issuance of the conditional public report.

(3) A statement that no person acting as a principal or agent shall sell or lease, or offer for sale or lease, time-share interests in a time-share plan for which a conditional public report has been issued except as provided in this chapter.

(4) Specification of the requirements of subdivision (e).

(g) The prospective purchaser shall sign a receipt that he or she has received and has read the conditional public report and the written statement provided pursuant to subdivision (f).

(h) The term of a conditional public report may not exceed six months unless renewed pursuant to this subdivision. The conditional public

report may be renewed for one additional six-month period if the commissioner determines that the requirements for issuance of a final public report are likely to be satisfied during the renewal term. The renewal of a conditional public report shall not act to afford a purchaser who received the initial conditional public report any additional rescission rights other than those provided to a purchaser when a final public report is issued and a material and adverse change has been made.

(i) For single site time-share plans and component sites of a multisite time-share plan located outside of the state, a disclosure document that has been authorized for use by the state regulatory agency in the state in which the time-share plan or component site is located that contains the disclosures as determined by the commissioner upon review to be substantially equivalent to or greater than the information required to be disclosed pursuant to Section 11234, shall be accepted in lieu of a public report required pursuant to this section. The disclosure document shall contain a cover page issued by the commissioner certifying the approval of its use in lieu of the public report required herein.

(j) Notwithstanding anything in this section to the contrary, the commissioner may grant a 12-month preliminary public report allowing the developer to begin offering and selling time-share interests, in a time-share plan regardless of whether the accommodations of the time-share plan are located within or outside of the state, while the registration is pending with the commissioner. The commissioner may grant one additional 12-month period if the developer is actively and diligently pursuing registration under this chapter. The preliminary public report shall automatically terminate with respect to those time-share interests covered by a final public report that is issued before the scheduled termination date of the preliminary report. To obtain a preliminary public report, the developer shall provide all of the following:

(1) Submit the reservation instrument to be used in a form previously approved by the department with at least the following provisions:

(A) The right of both the developer and the potential purchaser to unilaterally cancel the reservation at any time.

(B) The payment to the potential purchaser of his or her total deposit following cancellation of the reservation by either party.

(C) The placing of the deposit into an interest bearing escrow account.

(2) Agree to provide each potential purchaser with a copy of the preliminary public report and an executed receipt for a copy before any money or other thing of value has been accepted by or on behalf of the developer in connection with the reservation.

(3) Agree to provide a copy of the reservation instrument signed by the potential purchaser and by or on behalf of the developer to the

potential purchaser, and place any deposit taken from the potential purchaser into a neutral escrow depository acceptable to the commissioner.

11228. The term of a final public report shall be limited to five years. A renewal shall be issued if the developer, owner, or agent makes application for renewal of any report and has submitted the additional information that the commissioner may require.

11229. (a) In connection with its review of the registration application of a time-share plan, the commissioner may make an examination of any time-share property submitted for registration pursuant to this chapter, and shall, unless there are grounds for denial, issue to the developer a public report authorizing the sale or lease in this state of the time-share interests within the time-share plan submitted pursuant to this chapter. The report shall contain the data obtained in accordance with Section 11234.

(b) The commissioner may deny the issuance of the public report based on the applicant's failure to comply with any of the provisions of this chapter or the regulations of the commissioner pertaining thereto, including, but not limited to, all of the following:

(1) The sale or lease would constitute misrepresentation to, or deceit or fraud of, the purchasers or lessees.

(2) Inability to deliver title or other interest contracted for.

(3) Inability to demonstrate, in accordance with this chapter, that adequate financial arrangements have been made for all offsite improvements included in the offering.

(4) Inability to demonstrate, in accordance with this chapter, that adequate financial arrangements have been made for any community, recreational, or other facilities included in the offering.

(5) Failure to make a showing that the parcels can be used for the purpose for which they are offered.

(6) Failure to provide in the contract or other writing the use or uses for which the parcels are offered, together with any covenants or conditions relative thereto.

(c) Any developer objecting to the denial of a public report may, within 30 days after receipt of the order of denial, file a written request for a hearing. The commissioner shall hold the hearing within 20 days thereafter unless the party requesting the hearing requests a postponement. If the hearing is not held within 20 days after request for a hearing is received plus the period of the postponement or if a proposed decision is not rendered within 45 days after submission and an order adopting or rejecting the proposed decision is not issued within 15 days thereafter, the order of denial shall be rescinded and a public report issued.

11230. If the time-share plan, including any accommodations, or amenities within the common area are not completed prior to the issuance of a final public report for the time-share plan, the developer shall specify a reasonable date for completion and shall comply with any one of the following conditions:

(a) Arranges for lien and completion bond or bonds, enforceable by the association, in an amount and subject to the terms, conditions, and coverage necessary to assure completion of the improvements lien-free. The bond shall not exceed 120 percent of the cost for completion, and the bond shall provide for the reduction of the bond amount as work is completed.

(b) All funds from the sale of time-share interests as the commissioner shall determine are sufficient to assure construction of the improvement or improvements shall be bonded or impounded in a neutral escrow depository acceptable to the commissioner until the improvements have been completed and all applicable lien periods have expired.

(c) An amount sufficient to cover the costs of construction shall be deposited in a neutral escrow depository acceptable to the commissioner under a written escrow agreement providing for disbursements from the escrow as work is completed.

(d) An alternative plan that may be approved by the commissioner.

11231. Every registration required to be filed with the commissioner under this chapter shall be reviewed and issued the specified public report in accordance with the following schedule:

(a) Time-share registration. Registration shall be effective only upon the issuance of a public report by the commissioner that shall occur no later than 60 calendar days after the actual receipt by the commissioner of the properly completed application. The commissioner shall provide a list of deficiencies in the application, if any, within 60 calendar days of receipt. This same time period applies when amending a public report to add additional phases or component sites of the time-share plan.

(b) Preliminary public report registration. A preliminary public report shall be issued within 15 calendar days of receipt, unless the commissioner provides to the applicant a written list of deficiencies in the application, if any, within 15 calendar days of receipt of an application.

(c) Amended public report where no additional phases or component sites are added. An effective date for an amendment to a public report should occur no more than 45 calendar days after actual receipt by the commissioner of the amendment. The commissioner shall provide a list of deficiencies regarding the amendments, if any, within 45 calendar days of receipt.

11232. (a) The commissioner may by regulation prescribe filing fees in connection with applications to the Department of Real Estate for a public report pursuant to the provisions of this chapter that are lower than the maximum fees specified in subdivision (b) if the commissioner determines that the lower fees are sufficient to offset the costs and expenses incurred in the administration of this chapter. The commissioner shall hold at least one hearing each calendar year to determine if lower fees than those specified in subdivision (b) should be prescribed.

(b) The filing fees for an application for a public report to be issued under authority of this chapter shall not exceed the following for each time-share plan, location, or phase of the time-share plan in which interests are to be offered for sale or lease:

(1) One thousand seven hundred dollars ($1,700) plus ten dollars ($10) for each time-share interest to be offered for an original public report application.

(2) Six hundred dollars ($600) plus ten dollars ($10) for each time-share plan interest to be offered that was not permitted to be offered under the public report to be renewed for a renewal public report or permit application.

(3) Five hundred dollars ($500) plus ten dollars ($10) for each time-share interest to be offered under the amended public report for which a fee has not previously been paid for an amended public report application.

(4) Five hundred dollars ($500) for a conditional public report application.

(c) Fees collected by the commissioner under authority of this chapter shall be deposited into the Real Estate Fund pursuant to Chapter 6 (commencing with Section 10450) of Part 1. Fees received by the commissioner pursuant to this article shall be deemed earned upon receipt. No part of any fee is refundable unless the commissioner determines that it was paid as a result of mistake or inadvertency. This section shall remain in effect unless it is superseded pursuant to Section 10266 or subdivision (a) of Section 10266.5, whichever is applicable.

11233. An applicant for a public report for a time-share plan in which the use and occupancy of the time-share interest purchased in the time-share plan is determined according to a point system shall include in the application the following information:

(a) Whether additional points may be acquired by purchase or otherwise, in the future and the manner in which future purchases of points may be made.

(b) The transferability of points to other persons, other years or other time-share plans.

(c) A copy of the then-current point value use directory, along with rules and procedures for changes by the developer or the association in the manner in which point values may be used.

(1) No change exceeding 10 percent per annum in the manner in which point values may be used may be made without the assent of at least 25 percent of the voting power of the association other than the developer.

(2) No time-share interest owner shall be prevented from using a time-share plan as a result of changes in the manner in which point values may be used.

(3) In the event point values are changed or adjusted, no time-share owner shall be prevented from using his or her home resort in the same manner as was provided for under the original purchase contract.

(d) Any limitations or restrictions upon the use of point values.

(e) A description of an inventory control system that will ensure compliance with Section 11250.

11234. A developer shall prepare, for issuance by the commissioner, a public report that shall fully and accurately disclose those facts concerning the time-share developer and time-share plan that are required by this chapter or by regulation. The developer shall provide the public report to each purchaser of a time-share interest in any time-share plan at the time of purchase. The public report shall be in writing and dated and shall require the purchaser to certify in writing the receipt thereof. The public report for a single site time-share plan is subject to the requirements of subdivision (a). The public report for a specific time-share interest multisite time-share plan is subject to the requirements of both subdivisions (a) and (b). The public report for a nonspecific time-share interest multisite time-share plan is subject to the requirements of subdivision (c). For time-share plans located outside of the state, a public report that has been authorized for use by the situs state regulatory agency and that contains disclosures as determined by the commissioner upon review to be substantially equivalent to or greater than the information required to be disclosed pursuant to this section may be used by the developer to meet the requirements of this section.

(a) Public reports for a single site and those component sites of a specific time-share interest multisite time-share plan that are offered in this state shall include the following:

(1) The name and address of the developer and the type of time-share plan being offered and the name and address of the time-share project.

(2) A description of the existing or proposed accommodations, including the type and number of time-share interests in the accommodations, and if the accommodations are proposed or not yet complete or fully functional, an estimated date of completion.

(3) The number of accommodations and time-share interests, expressed in periods of seven-day use availability or other time increments applicable to the time-share plan, committed to the multisite time-share plan, and available for use by purchasers and a representation about the percentage of useable time authorized for sale, and if that percentage is 100 percent, then a statement describing how adequate periods of time for maintenance and repair will be provided.

(4) A description of any existing or proposed amenities of the time-share plan and, if the amenities are proposed or not yet complete or fully functional, the estimated date of completion.

(5) The extent to which financial arrangements have been made for the completion of any incomplete, promised improvements.

(6) A description of the duration, phases, and operation of the time-share plan.

(7) The name and principal address of the managing entity and a description of the procedures, if any, for altering the powers and responsibilities of the managing entity and for removing or replacing it.

(8) The current annual budget as required by Section 11240, along with the projected assessments and a description of the method for calculating and apportioning the assessments among purchasers, all of which shall be attached as an exhibit to the public report.

(9) Any initial or special fee due from the purchaser at closing together with a description of the purpose and the method of calculating the fee.

(10) A description of any financing offered by or available through the developer.

(11) A description of any liens, defects, or encumbrances on or affecting the title to the time-share interests.

(12) A description of any bankruptcies, pending civil or criminal suits, adjudications, or disciplinary actions of which the developer has knowledge, that would have a material effect on the developer's ability to perform its obligations.

(13) Any current or expected fees or charges to be paid by time-share purchasers for the use of any amenities related to the time-share plan.

(14) A description and amount of insurance coverage provided for the protection of the purchaser.

(15) The extent to which a time-share interest may become subject to a tax lien or other lien arising out of claims against purchasers of different time-share interests.

(16) A statement disclosing any right of first refusal or other restraint on the transfer of all or any portion of a time-share interest.

(17) A statement disclosing that any deposit made in connection with the purchase of a time-share interest shall be held by an escrow agent until expiration of any right to cancel the contract and that any deposit

shall be returned to the purchaser if he or she elects to exercise his or her right of cancellation. Alternatively, if the commissioner has accepted from the developer a surety bond, irrevocable letter of credit, or other financial assurance, each of which shall be enforceable by the association, in lieu of placing deposits in an escrow account: (A) a statement disclosing that the developer has provided a surety bond, irrevocable letter of credit, or other financial assurance in an amount equal to or in excess of the funds that would otherwise be placed in an escrow account, (B) a description of the type of financial assurance that has been obtained, (C) a statement that if the purchaser elects to exercise his or her right of cancellation as provided in the contract, the developer shall return the deposit, and (D) a description of the person or entity to whom the purchaser should apply for payment.

(18) A statement that the assessments collected from the purchasers will be kept in a segregated account separate from the assessments collected from the purchasers of other time-share plans managed by the same managing entity, along with a statement identifying the location of the account and a disclosure of the rights of owners to inspect the records pertaining to their accounts.

(19) If the time-share plan provides purchasers with the opportunity to participate in an exchange program, a description of the name and address of the exchange company and the method by which a purchaser accesses the exchange program.

(20) Any other information that the developer, with the approval of the commissioner, desires to include in the public report.

(21) Any other information reasonably requested by the commissioner.

(b) Public reports for specific time-share interest multisite time-share plans shall include the following additional disclosures:

(1) A description of each component site, including the name and address of each component site.

(2) The number of accommodations and time-share interests, expressed in periods of seven-day use availability or other time increments applicable to each component site of the time-share plan, committed to the multisite time-share plan and available for use by purchasers and a representation about the percentage of useable time authorized for sale, and if that percentage is 100 percent, then a statement describing how adequate periods of time for maintenance and repair will be provided.

(3) Each type of accommodation in terms of the number of bedrooms, bathrooms, and sleeping capacity, and a statement of whether or not the accommodation contains a full kitchen. For purposes of this description, a ''full kitchen'' means a kitchen having a minimum of a dishwasher, range, sink, oven, and refrigerator.

(4) A description of amenities available for use by the purchaser at each component site.

(5) A description of the reservation system, which shall include the following:

(A) The entity responsible for operating the reservation system, its relationship to the developer, and the duration of any agreement for operation of the reservation system.

(B) A summary of the rules and regulations governing access to and use of the reservation system.

(C) The existence of and an explanation regarding any priority reservation features that affect a purchaser's ability to make reservations for the use of a given accommodation on a first-come-first-served basis.

(6) The name and principal address of the managing entity for the multisite time-share plan and a description of the procedures, if any, for altering the powers and responsibilities of the managing entity and for removing or replacing it.

(7) A description of any right to make any additions, substitutions, or deletions of accommodations, amenities, or component sites, and a description of the basis upon which accommodations, amenities, or component sites may be added to, substituted in, or deleted from the multisite time-share plan.

(8) A description of the purchaser's liability for any fees associated with the multisite time-share plan.

(9) The location of each component site of the multisite time-share plan, the historical occupancy of each component site for the prior 12-month period, if the component site was part of the multisite time-share plan during the 12-month time period, as well as any periodic adjustment or amendment to the reservation system that may be needed in order to respond to actual purchaser use patterns and changes in purchaser use demand for the accommodations existing at that time within the multisite time-share plan.

(10) Any other information that the developer, with the approval of the commissioner, desires to include in the time-share disclosure statement.

(c) Public reports for nonspecific time-share interest multisite time-share plans shall include the following:

(1) The name and address of the developer.

(2) A description of the type of interest and usage rights the purchaser will receive.

(3) A description of the duration and operation of the time-share plan.

(4) A description of the type of insurance coverage provided for each component site.

(5) An explanation of who holds title to the accommodations of each component site.

(6) A description of each component site, including the name and address of each component site.

(7) The number of accommodations and time-share interests, expressed in periods of seven-day use availability or other time increments applicable to the multisite time-share plan for each component site committed to the multisite time-share plan and available for use by purchasers and a representation about the percentage of useable time authorized for sale, and if that percentage is 100 percent, then a statement describing how adequate periods of time for maintenance and repair will be provided.

(8) Each type of accommodation in terms of the number of bedrooms, bathrooms, and sleeping capacity, and a statement of whether or not the accommodation contains a full kitchen. For purposes of this description, a ''full kitchen'' means a kitchen having a minimum of a dishwasher, range, sink, oven, and refrigerator.

(9) A description of amenities available for use by the purchaser at each component site.

(10) A description of any incomplete amenities at any of the component sites along with a statement as to any assurance for completion and the estimated date the amenities will be available.

(11) The location of each component site of the multisite time-share plan, the historical occupancy of each component site for the prior 12-month period, if the component site was part of the multisite time-share plan during such 12-month time period, as well as any periodic adjustment or amendment to the reservation system that may be needed in order to respond to actual purchaser use patterns and changes in purchaser use demand for the accommodations existing at that time within the multisite time-share plan.

(12) A description of any right to make any additions, substitutions, or deletions of accommodations, amenities, or component sites, and a description of the basis upon which accommodations, amenities, or component sites may be added to, substituted in, or deleted from the multisite time-share plan.

(13) A description of the reservation system that shall include all of the following:

(A) The entity responsible for operating the reservation system, its relationship to the developer, and the duration of any agreement for operation of the reservation system.

(B) A summary of the rules and regulations governing access to and use of the reservation system.

(C) The existence of and an explanation regarding any priority reservation features that affect a purchaser's ability to make reservations for the use of a given accommodation on a first-come-first-served basis.

(14) A description of any liens, defects, or encumbrances that materially affect the purchaser's use rights.

(15) The name and principal address of the managing entity for the multisite time-share plan and a description of the procedures, if any, for altering the powers and responsibilities of the managing entity and for removing or replacing it, and a description of the relationship between a multisite time-share plan managing entity and the managing entity of the component sites of a multisite time-share plan, if different from the multisite time-share plan managing entity.

(16) The current annual budget as provided in Section 11240, along with the projected assessments and a description of the method for calculating and apportioning the assessments among purchasers, all of which shall be attached as an exhibit to the public report.

(17) Any current fees or charges to be paid by time-share purchasers for the use of any amenities related to the time-share plan and a statement that the fees or charges are subject to change.

(18) Any initial or special fee due from the purchaser at closing, together with a description of the purpose and method of calculating the fee.

(19) A description of any financing offered by or available through the developer.

(20) A description of any bankruptcies, pending civil or criminal suits, adjudications, or disciplinary actions of which the developer has knowledge, which would have a material effect on the developer's ability to perform its obligations.

(21) A statement disclosing any right of first refusal or other restraint on the transfer of all or any portion of a time-share interest.

(22) A statement disclosing that any deposit made in connection with the purchase of a time-share interest shall be held by an escrow agent until expiration of any right to cancel the contract and that any deposit shall be returned to the purchaser if he or she elects to exercise his or her right of cancellation. Alternatively, if the commissioner has accepted from the developer a surety bond, irrevocable letter of credit, or other financial assurance in lieu of placing deposits in an escrow account: (A) a statement disclosing that the developer has provided a surety bond, irrevocable letter of credit, or other financial assurance in an amount equal to or in excess of the funds that would otherwise be placed in an escrow account, (B) a description of the type of financial assurance that has been arranged, (C) a statement that if the purchaser elects to exercise his or her right of cancellation as provided in the contract, the developer shall return the deposit, and (D) a description of the person or entity to whom the purchaser should apply for payment.

(23) If the time-share plan provides purchasers with the opportunity to participate in an exchange program, a description of the name and

address of the exchange company and the method by which a purchaser accesses the exchange program.

(24) Any other information that the developer, with the approval of the commissioner, desires to include in the time-share disclosure statement.

(d) The commissioner may establish by regulation provisions regarding the delivery of the public report and other required information through alternative media forms.

(e) The commissioner may, upon finding that the subject matter is otherwise adequately covered or the information is unnecessary or inapplicable, waive any requirement set forth in this section.

11235. (a) A person who has entered into a contract to purchase a short-term product shall have the right to rescind the contract until midnight of the seventh calendar day, or a later time as provided in the contract, following the day on which the contract is first made, in which event the purchaser shall be entitled to a refund of 100 percent of the consideration paid under the contract, without deduction.

(b) The developer or other person who offers a short-term product shall clearly and conspicuously disclose, in writing, to all purchasers of a short-term product, all of the following:

(1) The right of rescission provided for in subdivision (a).

(2) That reservations for accommodations under the contract are subject to availability and that there is no guarantee that a purchaser will be able to obtain specific accommodations during a specific time period, if applicable.

(3) Specific blackout dates, if applicable.

(4) That the earlier the purchaser requests a reservation, the greater the opportunity to received a confirmed reservation.

(5) That, if the purchaser later purchases a time-share interest, the developer shall provide the purchaser with the then-current public report for the time-share plan being purchased and that the purchaser shall have until midnight of the seventh calendar day following receipt of the public report to cancel the purchase of the time-share interest.

(c) If a purchaser is unable to obtain a confirmed reservation for a specific accommodation and time period requested, the developer or other person who offers the short-term product shall attempt to provide the purchaser with a substantially similar alternative to the reservation requested. If the developer or other person who offers the short-term product is unable to provide the reservation requested or an acceptable alternative during the initial term of the contract, the purchaser may request and be granted an extension of the contract for a period of 12 months.

(d) The contract for the purchase of a short-term product shall include the date of the contract and shall contain, in immediate proximity to the

space reserved for the signature of the purchaser, a conspicuous statement as follows:

"YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT AT ANY TIME PRIOR TO MIDNIGHT OF THE SEVENTH (7TH) [or later] CALENDAR DAY AFTER THE DATE OF THIS CONTRACT AND RECEIVE A FULL REFUND. YOU MAY EXERCISE YOUR RIGHT TO CANCEL BY SENDING A FACSIMILE, OR BY DEPOSIT, FIRST-CLASS POSTAGE PREPAID, INTO THE UNITED STATES MAIL TO THE FOLLOWING ADDRESS: (SPECIFIC CONTACT INFORMATION)"

(e) A purchaser of a short-term product may exercise the right of rescission by giving written notice to the owner of the short-term product as specified in subdivision (b), using a preprinted form provided by the developer. The developer or other person who offers the short-term product shall cause any deposit given by a purchaser who has exercised the right to rescind described in subdivision (a) to be returned to the purchaser not later than the last to occur of 10 business days following receipt of the purchaser's written notice of rescission, or 10 business days following the date upon which any deposit becomes good and immediately available funds.

(f) A developer or other person who offers a short-term product shall do one of the following:

(1) Place any purchase money funds received from the purchaser of a short-term product into an independent escrow depository until the seven-day period for rescission described in subdivision (a) has expired.

(2) Post a bond to secure the return of a purchaser's purchase money funds in a form and in an amount prescribed by the commissioner.

(3) Make alternative arrangements satisfactory to the commissioner to secure the owner's obligation to return the purchase money funds.

(g) If applicable, the developer shall disclose to the purchaser the type of alternative arrangement to be used and, in the event of a claim, to whom the purchaser should apply for payment under the alternative arrangement.

(h) The developer shall compensate the association for any services acquired from the association or for any of the association's property used when fulfilling a short-term product in excess of services or use of property provided to other owners.

(i) If the contract for a short-term product is negotiated primarily in Spanish, Chinese, Tagalog, Vietnamese, or Korean, orally or in writing, the developer shall provide to the prospective purchaser prior to the commencement of the rescission period an unexecuted translation of the

contract in the language in which the contract was negotiated. The terms of the short-term contract that is executed in the English language shall determine the rights and obligations of the parties.

11236. (a) A receipt on the form specified herein shall be taken by or on behalf of the developer from each person executing a reservation agreement under authority of a preliminary public report and each person who has made a written offer to purchase or lease a time-share interest under authority of a preliminary, conditional, or final public report.

(b) The developer or his or her agent shall retain each receipt for a final public report for a period of three years from the date of the receipt and shall make the receipts available for inspection by the commissioner or his or her designated representative during regular business hours.

(c) The form approved by the commissioner for the acknowledgment of receipt of a preliminary, conditional, or final public report shall be as follows:

"RECEIPT FOR PUBLIC REPORT

The Law and Regulations of the commissioner require that you as a prospective purchaser or lessee be afforded an opportunity to read the public report for this time-share before you execute a contract to purchase or lease a time-share interest or before any money or other consideration toward purchase or lease of a time-share interest is accepted from you.

You must be afforded an opportunity to read the report before a written reservation or any deposit in connection therewith is accepted from you.

DO NOT SIGN THIS RECEIPT UNTIL YOU HAVE RECEIVED A COPY OF THE REPORT AND HAVE READ IT.

I have read the commissioner's public report on ____ (File No., Tract No., or Name). I understand the report is not a recommendation or endorsement of the time-share, but is for information only. The date of the public report which I received and read is ____.

Developer Is Required to Retain This Receipt for Three Years.

11237. (a) If a purchaser of a time-share interest in a time-share plan is offered the opportunity to acquire an incidental benefit in connection with the sale of a time-share interest, the developer shall provide the

purchaser with a disclosure statement containing all of the following information:

(1) A general description of the incidental benefit, including the terms and conditions governing the use of the incidental benefit.

(2) A statement that the continued availability of the incidental benefit is not necessary for the use and enjoyment of the purchaser's use of any accommodation of the time-share plan.

(3) A statement that the purchaser's use of or participation in the incidental benefit is completely voluntary, and payment of any fee or other cost associated with the incidental benefit is required only upon that use or participation.

(4) A listing of the fees, if any, that the purchaser will be required to pay to use the incidental benefit.

(5) A statement that no costs of acquisition, operation, maintenance, or repair of the incidental benefit shall be passed on to purchasers of time-share interests in the time-share plan as a common expense of the time-share plan.

(b) A developer shall include in its initial application for registration, a description of any incidental benefits which may be used by the developer. The developer may, but shall not be required to describe the incidental benefits in the public report for the time-share plan.

(c) The incidental benefit disclosure is not required to be filed with the commissioner prior to the use of the disclosure. However, the commissioner may request and review the records of the developer to ensure that the incidental benefit disclosure required by this section has been given to purchasers and to ensure that the statements required to be made in the disclosure are accurate as to the operation of each incidental benefit offered by the developer. The developer shall deliver the records to the commissioner within 10 business days of the commissioner's request.

11238. (a) The purchase contract entered into by any person who has made an offer to purchase a time-share interest or interests, any incidental benefit, made on the same day or within seven calendar days after the person attended a sales presentation for a time-share interest, or any right under an exchange program, made on the same day or within seven calendar days after the person attended a sales presentation for a time-share interest, shall be voidable by the purchaser, without penalty, within seven calendar days, or a longer period as provided in the contract, after the receipt of the public report or the execution of the purchase contract, whichever is later.

(1) The purchase contract shall provide notice of the seven-day cancellation period, together with the name and mailing address to which any notice of cancellation shall be delivered.

(2) Notice of cancellation shall be deemed timely if given not later than midnight of the seventh calendar day.

(b) A person who has made an offer to purchase a time-share interest, incidental benefit, or rights under an exchange program as described above may exercise the right of cancellation granted by this section by giving written notification of the notice to cancel to the developer at the place of business designated by the developer in the purchase contract.

(c) If the notice of cancellation is by United States mail, a rebuttable presumption shall exist that notice was given on the date that it is postmarked. If the notice is sent by facsimile, it shall be considered given on the date of a confirmed transmission. If the notice is by means of a writing sent other than by United States mail or telegraph, it shall be considered as given at the time of delivery at the place of business designated by the developer. Exercising the rescission rights of the time-share interest shall also automatically rescind any agreement for the purchase of an incidental benefit or an enrollment into an exchange program where the agreements were entered into in conjunction with the purchase of the time-share interest.

(d) Each developer shall utilize and furnish each purchaser with a fully completed and executed copy of a contract pertaining to the sale of a time-share interest, which contract shall include the following information:

(1) The actual date the contract is executed by each party.

(2) The names and addresses of the developer and time-share plan.

(3) The initial purchase price and any additional charges to which the purchaser may be subject to in connection with the purchase of the time-share interest, including, but not limited to, financing, or other amounts that will be collected from the purchaser on or before closing, such as the current year's annual assessment for common expenses.

(4) The estimated date of completion of construction of each accommodation promised to be completed which is not completed at the time the contract is executed.

(5) A brief description of the nature and duration of the time-share interest being sold, including whether any interest in real property is being conveyed.

(6) The specific number of years of the term of the time-share plan.

(7) Immediately prior to the space reserved in the contract for the signature of the purchaser, the developer shall disclose, in conspicuous type, substantially the following notice of cancellation:

> You may cancel this contract without any penalty or obligation within seven calendar days of receipt of the public report or after the date you sign this contract, whichever date is later. If you decide to cancel this contract, you must notify the developer in writing of

your intent to cancel. Your notice of cancellation shall be effective upon the date sent and shall be sent to (name of developer) at (address of developer). Your notice of cancellation may also be sent by facsimile to (facsimile number of the developer) or by hand-delivery. Any attempt to obtain a waiver of your cancellation right is void and of no effect.

(8) The purchase contract for an interest in a single site or specific time-share interest multisite time-share plan without an accommodation in this state shall include the following additional disclosure in conspicuous type:

The accommodations of this time-share plan are located outside of California. As such, the management (including all matters relating to the association, the association budget, and any management contract) of this time-share plan is not governed by California law, but by the applicable law, if any, of the jurisdiction in which the accommodations are located as stated in the public report. You should review the governing documents related to the association, the association's budget, and the management of the time-share plan.

(e) If rescission is sought and granted for a violation of this section, the court may also award reasonable attorneys' fees and costs to the prevailing purchaser.

11239. (a) To inform a purchaser of his or her right of cancellation under Section 11238, the developer shall attach to the face page of every copy of a public report given to a prospective purchaser, the cancellation notice set forth in subdivision (b) thereof printed in conspicuous type.

(b) The form and content of the notice shall be as follows:

NOTICE OF CANCELLATION RIGHTS

You may cancel the purchase of the time-share interest(s) in the time-share plan identified below without any penalty or obligation and are legally entitled to the return of all money and other considerations that you have given toward the purchase. If you decide to cancel your purchase, you must notify the developer in writing of your intent to cancel within seven calendar days of receipt of the public report or the date you sign the purchase contract, whichever date is later. Your notice of cancellation shall be effective upon the date sent and shall be sent to the developer at the address or facsimile number provided in your purchase contract. Any attempt to obtain a waiver of your cancellation right is void and of

no effect.

(c) Each notice shall also contain the following form. The form shall have all developer-related information completed by the developer and may be used by a purchaser to cancel the sale of the time-share interest:

(Name of Developer) (Address of Developer)
(Facsimile Number of Developer)
(Name of Time-share Plan)
(DRE Registration File Number)
RE: ELECTION TO CANCEL THE SALE OF A TIME-SHARE INTEREST(S)
I hereby elect to cancel my purchase of the time-share interest(s) in the above-name time-share plan.

(Date)	
(Signature)	(Print Name)
(Signature)	(Print Name)

11240. An estimated operating budget for the time-share plan shall be filed with the commissioner along with the other information required to be registered pursuant to this chapter, and shall contain the following information:

(a) The estimated annual expenses of the time-share plan along with the estimated revenue of the association from all sources, including the amounts collectible from purchasers as assessments. The estimated payments by the purchaser for assessments shall also be stated in the estimated amounts for the times when they will be due. Expenses shall be shown in a manner that enables the purchaser to calculate the annual expenses associated with the time-share interest being purchased. Expenses that are personal to purchasers that are not uniformly incurred by all purchasers or that are not provided for or contemplated by the time-share plan documents may be excluded from this estimate.

(b) (1) The estimated items of expenses of the time-share plan and the association, except as excluded under subdivision (a), including, but not limited to, if applicable, the following items, that shall be stated either as association expenses collectible by assessments or as expenses of the purchaser payable to persons other than the association:

(2) Expenses for the association:

(A) Administration of the association.

(B) Management fees.
(C) Maintenance.
(D) Rent for accommodations.
(E) Taxes upon time-share property.
(F) Taxes upon leased areas.
(G) Insurance.
(H) Security provisions.
(I) Other expenses.
(J) Operating capital.
(K) Equitable apportionment of expenses between time-share and non-time-share uses of the common area, if applicable.

(L) Reserves for deferred maintenance and reserves for capital expenditures. All reserves for any accommodations and common areas of a time-share plan located in this state shall be based upon the estimated life and replacement cost of accommodations and common elements of the time-share plan. For any accommodations and common elements of a time-share plan located outside of this state, the developer shall disclose the amount of reserves for deferred maintenance and capital expenditures required by the law of the situs state, if applicable, and maintained for those accommodations and common elements, which amount of reserves shall be based on the estimated life and replacement cost of each reserve item. The developer or the association shall include in the budget a reasonable reserve accumulation plan. A plan that (i) provides for reserves to be funded within five years at a level of 50 percent of the amount specified in the reserve study as fully funded, and (ii) requires those reserves collected in any given year to equal or exceed the amount of reserve expenditures estimated for that year shall be deemed to be a reasonable reserve accumulation plan. The funding of reserves may be based on collection of reserve amounts in conjunction with annual assessments, or on some alternative mechanism, including, but not limited to, a bond, letter of credit, or similar mechanism. Collection of required reserve amounts solely by one or more special assessments is not reasonable. If control of the association is in owners other than the developer, and such owners vote not to maintain reserves or to maintain reserves at less than 50 percent, the failure to maintain the required level of reserves shall not be cause for denying the developer a public report.

(c) The estimated amounts shall be stated for a period of at least 12 months and may distinguish between the period prior to the time that purchasers elect a majority of the board of administration and the period after that date.

(d) The budget of a phase time-share plan shall contain a note identifying the number of time-share interests covered by the budget, indicating the number of time-share interests, if any, estimated to be

declared as part of the time-share plan during that calendar year, and projecting the common expenses for the time-share plan based upon the number of time-share interests estimated to be declared as part of the time-share plan during that calendar year.

(e) For single site time-share plans and component sites of a multisite time-share plan located outside of the state, the budget shall include the subject matter set forth in subdivisions (a) to (d), inclusive. The budget shall be in compliance with the applicable laws of the state or jurisdiction in which the time-share property or component site is located, and if there is a conflict between the affirmative standards set forth in the laws of the situs state and the requirements set forth in this section, the law of the situs state shall control. If the budget provides for the matters contained in subdivisions (a) to (d), inclusive, the budget shall be deemed to be in compliance with the requirements of this section, and the developer shall not be required to make revisions in order to comply with this section.

(f) The budget shall include a certification subscribed and sworn by an expert in the preparation of time-share plan budgets, who may be (1) an independent public accountant, (2) a certified public accountant, who is an employee of the developer, or (3) at the discretion of the commissioner, another qualified individual or entity. If the budget certification is prepared by a certified public accountant who is an employee of the developer who is not the chief financial officer, the certification shall also be signed on behalf of the developer by an appropriate officer, if the developer is a corporation, or the managing member, if the developer is a limited liability company. The certification concerning the adequacy of the budget shall be in the following form:

> On behalf of the developer of the captioned time-share plan, I/my firm has reviewed or prepared the budget containing projections of income and expenses for time-share operation. My/our experience in this field includes:
>
> I/we have reviewed the budget and investigated the facts set forth in the budget and the facts underlying it with due diligence in order to form a basis for this certification.
>
> I/we certify that the projections in the budget appear reasonable and adequate based on present prices (adjusted to reflect continued inflation and present levels of consumption for comparable units similarly situated) or, for an existing project, based on historical data for the project.

I/we certify that the budget:

(1) Sets forth in detail the terms of the transaction as it relates to the budget and is complete, current, and accurate.
(2) Affords potential investors, purchasers, and participants an adequate basis upon which to found their judgment.
(3) Does not omit any material fact.
(4) Does not contain any untrue statement of a material fact.
(5) Does not contain any fraud, deception, concealment, or suppression.
(6) Does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances.
(7) Does not contain any representation or statement which is false, where I/we:

(A) Knew the truth.
(B) With reasonable effort could have known the truth.
(C) Made no reasonable effort to ascertain the truth.
(D) Did not have knowledge concerning the representation or statement made.

I/we understand that a copy of this certification is intended to be incorporated into the public report so that prospective purchasers may rely on it.

This certification is made under the penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the laws of California.

The certification shall be dated within 90 days prior to the date of the submission of the budget to the commissioner. The expert's certification shall be based on experience in the management of hotel, resort, or time-share properties and disclose the approximate number of properties managed and length of time managed, together with other relevant real estate experience, qualifications, and licenses.

(g) Any budget that is not certified by an independent certified public accountant or an employee of the developer who is licensed as a certified public accountant may be reviewed by the commissioner to confirm the accuracy of the certification.

(h) The certified budget for the time-share plan shall be prepared and submitted by the developer to the commissioner annually for as long as the registration is in effect. If the budget is increased more than 20 percent in any year, the developer shall submit to the commissioner, along with the increased budget, evidence that the requirements of paragraph (5) of subdivision (a) of Section 11265 have been met. The budget shall be submitted at least 15 days prior to the first day of the period that it covers. Upon the submission of each annual budget, the exhibit to the public report specified in paragraph (8) of subdivision (a) of, and paragraph (16) of subdivision (c) of, Section 11234 shall be updated. The updating of the exhibit shall not be considered to constitute an amendment of the public report.

(i) The audited financial statements of the association prepared pursuant to paragraph (2) of subdivision (b) of Section 11272 shall be delivered to the commissioner upon request.

(j) At the time an application is submitted for renewal of the public report or any amendment of the public report that affects the budget for the time-share plan, the developer shall submit with the application a copy of the most recent audited financial statement for the time-share plan, along with a certified copy of the budget reflecting the amendment or renewal. If the commissioner, upon reasonable comparison of the budget and the prior year's audited financial statements, determines that the budget is deficient, the commissioner may subject the budget to a substantive review.

11241. (a) The developer is obligated for the expenses associated with unsold inventory held by the developer. The obligation can be fulfilled in either of the following ways:

(1) The developer shall pay the full maintenance fee for each of the interests owned by the developer.

(2) The developer shall enter into a subsidy agreement with the association to subsidize the association budget by covering any shortfall from expenses incurred and assessments collected from other owners.

(b) To assure the fulfillment of the obligations of the developer of a time-share plan to either pay assessments as an owner of time-share interests in the time-share plan or to pay a subsidy, the commissioner shall require that the developer furnish a surety bond, cash deposit, letter of credit, or other alternate assurance enforceable by the association and acceptable to the commissioner and that assurance shall be in the amount required by subdivision (c) and shall be in compliance with either paragraph (1) or (2) of subdivision (c).

(c) The amount of the assurance shall be equal to the lesser of 50 percent of the anticipated cost of operation and maintenance of the time-share plan, including the establishment of reserves for replacement and major repair, for an operational period of one year or 100 percent of

the assessments attributed to the total amount of the total unsold time-share interests owned by the developer and registered pursuant to this chapter. The security shall be delivered to a neutral escrow depository, or to the trustee if title to the time-share property has been delivered to the trustee, along with instructions signed by the developer for the benefit of the association which shall provide as follows:

(1) Where the developer pays full maintenance fees on unsold inventory the security shall remain available to pay any assessments for which the developer is liable and delinquent until the depository or trustee has received both of the following:

(A) Written notice, from the developer that sales of 80 percent of the time-share interest in the time-share plan have been closed.

(B) Written notice from the association that the developer is not delinquent in the payment of assessments for which it is obligated.

(2) Where the developer subsidizes the association in lieu of paying full maintenance fees, the developer shall enter into a subsidy agreement in accordance with the provisions of Section 11242.

(d) If there is a dispute between the developer and the association with respect to the question of satisfaction of the conditions for exoneration or release of the security, the issue shall, at the request of either party, be submitted to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The fee payable to the American Arbitration Association to initiate the arbitration shall be remitted by the developer. The cost of arbitration shall ultimately be borne as determined by the arbitrator under these rules.

11242. (a) In any time-share plan in which the developer undertakes to subsidize the cost of operating and maintaining the time-share plan, the developer shall do all of the following:

(1) Enter into a contract with the association that specifies in detail the obligations of the developer and the methods to be used in valuing the goods and services furnished under the time-share plan. The department will not approve a subsidization program unless provisions are made for the accumulation of reserves for replacement and major maintenance of the time-share property in accordance with accepted property management practices and the transfer of the reserve fund to the association on termination of the program.

(2) Furnish the association with an executed copy of the subsidization contract within 10 days after closing of escrow of the first sale or lease of a time-share interest.

(3) Furnish the assurance required by Section 11241.

(b) The assurance specified in paragraph (3) of subdivision (a) shall be delivered to the trustee or an escrow depository acceptable to the department along with an executed copy of the subsidization contract

and instructions to the escrow signed by the developer and on behalf of the association. The instructions shall provide for both of the following:

(1) The escrow agent shall not release or exonerate the security device until it has received written notice, from the association that the developer has faithfully performed all of his or her obligations under the subsidization contract.

(2) If there is a dispute between the developer and the association with respect to the questions of satisfaction of the conditions for exoneration or release of the security, the issue or issues shall, at the request of either party, be submitted to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

(c) The fee payable to the American Arbitration Association to initiate arbitration shall be submitted by the developer. The costs of arbitration shall be borne by the party as determined by the arbitrator pursuant to the rules specified in paragraph (2) of subdivision (b).

11243. The developer shall comply with the following escrow requirements:

(a) A developer of a time-share plan shall deposit into an escrow account in an acceptable escrow depository 100 percent of all funds that are received during the purchaser's rescission period. An acceptable escrow depository includes, when qualified to do business in this state, escrow agents licensed by the Commissioner of Corporations, banks, trust companies, savings and loan associations, title insurers, and underwritten title companies. The deposit of these funds shall be evidenced by an executed escrow agreement between the escrow agent and the developer, that shall include provisions that state the following:

(1) Funds may be disbursed to the developer by the escrow agent from the escrow account only after expiration of the purchaser's rescission period and in accordance with the purchase contract, subject to subdivision (b).

(2) If a prospective purchaser properly cancels the purchase contract pursuant to its terms, the funds shall be paid to the prospective purchaser or paid to the developer if the prospective purchaser's funds have been previously refunded by the developer.

(b) If a developer contracts to sell a time-share interest and the construction of any property in which the time-share interest is located has not been completed, the developer, upon expiration of the rescission period, shall continue to maintain in an escrow account all funds received by or on behalf of the developer from the prospective purchaser under his or her purchase contract. The commissioner shall establish, by regulation, the types of documentation which shall be required for evidence of completion, including, but not limited to, a certificate of occupancy, a certificate of substantial completion, or an inspection by the State Fire Marshal designee or an equivalent public safety inspection

agency in the applicable jurisdiction. Unless the developer submits financial assurances, in accordance with subdivision (c), funds shall not be released from escrow until a certificate of occupancy, or its equivalent, has been obtained and the rescission period has passed, and the time-share interest can be transferred free and clear of blanket encumbrances, including mechanics' liens. Funds to be released from escrow shall be released as follows:

(1) If a prospective purchaser properly cancels the purchase contract pursuant to its terms, the funds shall be paid to the prospective purchaser or paid to the developer if the prospective purchaser's funds have been previously refunded by the developer.

(2) If a prospective purchaser defaults in the performance of the prospective purchaser's obligations under the purchase contract, the funds shall be paid to the developer.

(3) If the funds of a prospective purchaser have not been previously disbursed in accordance with the provisions of this subdivision, they may be disbursed to the developer by the escrow agent upon the issuance of acceptable evidence of completion of construction.

(c) In lieu of the provisions in subdivisions (a) and (b), the commissioner may accept from the developer a surety bond, escrow bond, irrevocable letter of credit, or other financial assurance or arrangement acceptable to the commissioner. Any acceptable financial assurance shall be in an amount equal to or in excess of the lesser of (1) the funds that would otherwise be placed in escrow, or (2) in an amount equal to the cost to complete the incomplete property in which the time-share interest is located. However, in no event shall the amount be less than the amount of funds that would otherwise be placed in escrow pursuant to paragraph (1) of subdivision (a).

(d) The developer shall provide escrow account information to the commissioner and shall execute in writing an authorization consenting to an audit or examination of the account by the commissioner on forms provided by the commissioner. The developer shall comply with the reconciliation and records requirements established by regulation by the commissioner. The developer shall make documents related to the escrow account or escrow obligation available to the commissioner upon the department's request. The escrow agent shall maintain any disputed funds in the escrow account until either of the following occurs:

(1) Receipt of written direction agreed to by signature of all parties.

(2) Deposit of the funds with a court of competent jurisdiction in which a civil action regarding the funds has been filed.

11244. (a) Excluding any encumbrance placed against the purchaser's time-share interest securing the purchaser's payment of purchase money financing for the purchase, the developer shall not be entitled to the release of any funds escrowed under Section 11243 with

respect to each time-share interest and any other property or rights to property appurtenant to the time-share interest, including any amenities represented to the purchaser as being part of the time-share plan, until the developer has provided satisfactory evidence to the commissioner of one of the following:

(1) The time-share interest, including, but not limited to, a time-share interest in any component sites of a nonspecific time-share interest multisite time-share plan, together with any other property or rights to property appurtenant to the time-share interest, including any amenities represented to the purchaser as being part of the time-share plan, are free and clear of any of the claims of the developer, any owner of the underlying fee, a mortgagee, judgment creditor, or other lienor, or any other person having an interest in or lien or encumbrance against the time-share interest or appurtenant property or property rights.

(2) The developer, any owner of the underlying fee, a mortgagee, judgment creditor, or other lienor, or any other person having an interest in or lien or encumbrance against the time-share interest or appurtenant property or property rights, including any amenities represented to the purchaser as being part of the time-share plan, has recorded a subordination and notice to creditors document in the appropriate public records of the jurisdiction in which the time-share interest is located. The subordination document shall expressly and effectively provide that the interest holder's right, lien, or encumbrance shall not adversely affect, and shall be subordinate to, the rights of the owners of the time-share interests in the time-share plan regardless of the date of purchase, from and after the effective date of the subordination document.

(3) The developer, any owner of the underlying fee, a mortgagee, judgment creditor, or other lienor, or any other person having an interest in or lien or encumbrance against the time-share interest or appurtenant property or property rights, including any amenities represented to the purchaser as being part of the time-share plan, has transferred the subject accommodations, amenities, or all use rights in the amenities to a nonprofit organization or owners' association to be held for the use and benefit of the owners of the time-share plan, which shall act as a fiduciary to the purchasers, the developer has transferred control of the entity to the owners or does not exercise its voting rights in the entity with respect to the subject accommodations or amenities. Prior to the transfer, any lien or other encumbrance against the accommodation or facility shall be made subject to a subordination and notice to creditors' instrument pursuant to paragraph (2).

(4) Alternative arrangements have been made which are adequate to protect the rights of the purchasers of the time-share interests and approved by the commissioner.

(b) Nothing in this section shall prevent a developer from accessing any escrow funds if the developer has complied with subdivision (c) of Section 11243.

(c) The developer shall notify the commissioner of the extent to which an accommodation may become subject to a tax or other lien arising out of claims against other purchasers in the same time-share plan. The commissioner may require the developer to notify a prospective purchaser of any such potential tax or lien that would materially and adversely affect the prospective purchaser.

11245. (a) No person subject to this chapter shall do any of the following:

(1) Make any material misrepresentation that is false or misleading in connection with any advertisement or promotion of a time-share plan.

(2) Make a prediction of any increases in the resale price or resale value of the time-share interest.

(3) Materially misrepresent the size, nature, extent, qualities, or characteristics of the offered time-share plan.

(4) Materially misrepresent the conditions under which a purchaser may exchange the right to use accommodations in one location for the right to use accommodations in another location.

(5) Materially misrepresent the current or future availability of a resale or rental program offered by or on behalf of the developer.

(6) Materially misrepresent the nature or extent of any incidental benefit.

(7) Fail to deliver any item offered in connection with a promotion to a prospective purchaser upon the conclusion of the sales presentation, or fail to deliver any item offered in connection with a promotion to a prospective purchaser, upon request, reasonably approximate to the conclusion of the length of time for the sales presentation that was previously represented to the prospective purchaser.

(8) Fail to disclose, in a manner that meets the requirements of Section 17537.1 or 17537.2 of the Business and Professions Code, that a certificate, coupon, or raincheck redeemable for fulfillment for goods or services will be provided in connection with a promotion for the purchase of a time-share interest, if that is the case.

(9) State that the purchase of a time-share interest constitutes a financial investment.

(10) Fail to clearly and conspicuously disclose, prior to the execution of any purchase contract, the annual maintenance and association dues or any separately billed taxes, when applicable.

(11) Fail to clearly disclose in writing any automatic charging or billing procedure, and fail thereafter to obtain the express written authorization from the prospective purchaser for any purchase,

subscription, or enrollment that results in that automatic charging or billing of initial or periodic amounts to the prospective purchaser.

(12) If the contract for a time-share interest is negotiated primarily in Spanish, Chinese, Tagalog, Vietnamese, or Korean, orally or in writing, and the developer fails to provide to the prospective purchaser prior to the commencement of the rescission period an unexecuted translation of the contract in the language in which the contract was negotiated.

(13) Fail to inform, verbally or in writing, any prospective purchaser that he or she can take as much time as he or she requires in order to read the public report, and any and all other documents necessary to consummate a sale before leaving the premises or signing a contract, and not allowing, upon request, the prospective purchaser the time and opportunity to do so. If the prospective purchaser requests that he or she be able to return the next calendar day to complete the review of the documents before signing, the developer shall accommodate such a request, and the return visit shall not disqualify the prospective purchaser from receiving any price reduction or other incentive for purchasing on the day of the scheduled sales presentation. Further, it shall not be fraudulent or misleading for a developer to honor the request even if presented as an incentive only available on the day of the offer.

(14) Inform prospective purchasers that they are finalists in winning an item offered in connection with a promotion or have already won a specific prize, unless it is true.

(15) Offer as a promotional incentive any travel certificate or coupon redeemable for transportation, accommodations, or other travel-related service that does not allow the recipient to activate or redeem the incentive without incurring any additional telephone expenses charged by or on behalf of the developer other than the usual toll costs imposed by the prospective purchaser's telephone service.

(16) Offer as a promotional incentive any travel certificate or coupon redeemable for fixed air transportation or hotel accommodations or other travel-related service that entitles the prospective purchaser to a trip of a specified duration unless the offeror states at the time of the offer that there are terms or conditions that must be followed in order to utilize the incentive and that the details of the terms will be sent to the consumer in writing in time to be received by the consumer prior to leaving his or her house to attend the scheduled sales presentation. The writing shall include the approximate times of the air or sea transportation's departure and return, if applicable, and all other material conditions, including any limitations as to the dates or times available for use of the incentive.

(17) Misrepresent or fail to disclose that a prospective purchaser is required to attend a sales presentation to obtain a prize or promotional item, if attendance is a requirement of the promotion.

(18) Fail to inform any prospective purchaser who contacts the developer with a request to cancel a purchase within the rescission period provided by this chapter all of the procedures necessary to effectively cancel the purchase.

(19) Fail to cancel a purchase upon the receipt of a valid timely written notice of rescission. No person may obtain from the person a waiver or cancellation of the rescission.

(20) Fail to provide any refund of moneys, within the required timeframe, due to the prospective purchaser upon receipt of a valid timely written notice of rescission.

(21) Fail to provide a mechanism for an equitable apportionment of expenses between the time-share owner's association and any commercial operation on the property not operated by the time-share owner's association.

(b) For any time-share plan in which the managing entity is an affiliate of the developer, neither the developer nor the managing entity shall, during any applicable priority reservation period, hold out for rental to the public on a given day, developer owned or controlled time-share periods in a number greater than the total number of time-share periods owned or controlled by the developer in a particular season, multiplied by a fraction wherein the numerator is the number of time-share periods owned or controlled by the developer in that particular season, and the denominator is the total number or time-share periods in that particular season. For example, if the developer owns or controls 1,000 time-share periods in a particular season, out of a total of 4,000 time-share periods available during that season, then the developer may not hold out for rental to the public during any applicable priority reservation period, more than 250 time-share periods on a given day during that season (1,000 × 1,000/4,000=250). The number of time-share interests permitted to be rented under this subdivision shall be in addition to any time-share interests that the developer may have the right to rent or use by virtue of having acquired those rights from another owner. The developer or managing entity may, at any time, rent any inventory transferred to the developer or managing entity by another owner in exchange for hotel accommodations, future use rights, or other considerations. For any use or rental by a developer of time-share interests owned or controlled by the developer, the developer shall reimburse the association for any increased expenses for housekeeping services that exceed the amount allocated in the assessment for maintenance for the use or rental.

11246. With each application for an amendment or renewal of a public report, and with the initial submittal of an application for a time-share plan in which sales have occurred prior to obtaining a California public report, the developer shall submit to the commissioner

a certification by an independent third party acceptable to the commissioner and dated not more than three months prior to the submittal of the application, stating that the inventory control system, described in paragraph (6) of subdivision (c) of Section 11226 functions in accordance with the description set forth in that section. The certification shall be based on a random sampling of transactions performed within the six months preceding the date of the application. Inventory control systems that cover time-share estates for which the developer offers, and the title insurance company agrees to provide title insurance, shall not require certification. Independent title insurance companies licensed to do business as such in this state and independent certified public accountants shall be deemed acceptable third parties in accordance with this section.

Article 3. Time-Share Plan Requirements

11250. A time-share plan may be created in any accommodation unless otherwise prohibited. All time-share plans shall maintain a one-to-one purchaser to accommodation ratio, which means the ratio of the number of purchasers eligible to use the accommodations of a time-share plan on a given night to the number of accommodations available for use within the plan on that night, such that the total number of purchasers eligible to use the accommodations of the time-share plan during a given calendar year never exceeds the total number of accommodations available for use in the time-share plan during that year. For purposes of the calculation under this section, each purchaser must be counted at least once, and no individual accommodation may be counted more than 365 times per calendar year or more than 366 times per leap year. A purchaser who is delinquent in the payment of time-share plan assessments shall continue to be considered eligible to use the accommodations of the time-share plan for purposes of calculating the one-to-one purchaser to accommodation ratio.

11251. (a) The developer of a single site time-share plan and for the component sites of a multisite time-share plan located in the state, shall cause to be recorded prior to the closing of the first sale of a time-share interest in each accommodation in the time-share plan, covenants dedicating the accommodations to the time-share plan and incorporating all covenants of the grantor or lessor of the time-share interests, and the following provisions:

(1) Organization of an association of time-share interest owners.

(2) A description of the real property for the common ownership or use of the time-share interest owners. Where the time-share plan is a personal property time-share plan, a description of the personal property for common use of the time-share interest owners.

(3) A description of the method for calculating and collecting regular and special assessments from time-share interest owners to defray expenses of the time-share property and for related purposes.

(4) A description of the method for terminating the membership and selling the interest of a time-share interest owner for failure to pay regular or special assessments.

(5) A description of the method for the disciplining of time-share interest owners for the late payment of assessments.

(6) Provisions requiring comprehensive general liability insurance and adequate property and casualty insurance covering the time-share property.

(7) Restrictions upon partition of an accommodation of the time-share plan.

(8) A description of the method for amending the covenants affecting the time-share plan.

(9) Where applicable, a description of the method relating to the annexation or de-annexation of additional accommodations, phases, or properties to the time-share plan.

(10) A description of the procedures in the event of condemnation, destruction, or extensive damage to an accommodation, including provisions for the disposition of insurance proceeds or damages payable on account of damage or condemnation.

(11) A method of the procedures on regular termination of the time-share plan.

(12) Where applicable, allocation of the cost of maintenance and operation between different elements or mixed uses within the portions of a project or relating to reciprocal rights and obligations between the time-share project and other property.

(13) A description of the method for entry into accommodations of the time-share plan under authority granted by the association for the purpose of cleaning, maid service, maintenance, and repair including emergency repairs and for the purpose of abating a nuisance or a known or suspected dangerous or unlawful activity.

(14) Delineate all reserved rights of the developer.

(15) For projects located within the state, the covenants shall, insofar as reasonably possible, satisfy the requirements of Section 1468 or Sections 1469 and 1470 of the Civil Code for real property located in this state.

(b) For single site time-share plans and component sites of a multisite time-share plan located outside of the state, the developer shall cause to be recorded a declaration dedicating the accommodations to the time-share plan and incorporating all covenants of the grantor or lessor of the time-share interests. The declaration shall include the subject matter set forth in paragraphs (1) to (14), inclusive, of subdivision (a).

If there is no provision for the recording of a declaration in the state or jurisdiction in which the time-share property or component site is located, alternatively, the developer shall establish that the declaration is otherwise enforceable in the state or jurisdiction in which the time-share property or component site is located. The declaration shall be in compliance with the applicable laws of the state or jurisdiction in which the time-share property or component site is located, and if a conflict exists between laws of the situs state and the requirements set forth in this section, the law of the situs state shall control. If the declaration provides for the matters contained in paragraphs (1) to (14), inclusive, of subdivision (a), the declaration shall be deemed to be in compliance with the requirements of subdivision (a) and this subdivision and the developer shall not be required to make revisions in order to comply with subdivision (a) and this subdivision.

(c) The developer of a time-share plan located within the state shall make provisions in the time-share instruments for all of the following:

(1) A description of the services to be made available to time-share interest owners under the time-share plan.

(2) A description, to be contained in the declaration or the bylaws of the association, of the procedures regarding transfer to the association of control over the time-share property and services comprising the time-share plan.

(3) A description of the method for preparation and availability to time-share interest owners of budgets, financial statements, and other information related to the time-share plan.

(4) A description of the methods for employing and for terminating the employment of a managing entity for the time-share plan.

(5) A description of the method for adoption of standards and rules of conduct for the use of accommodations by time-share interest owners.

(6) A description of the method for establishment of the rights of time-share interest owners to the use of an accommodation according to schedule or under a first-reserved, first-served priority system.

(7) A description of the method for compensating use periods or monetary compensation for an owner of a time-share estate if an accommodation cannot be made available for the period of use to which the owner is entitled by schedule or under a reservation system because of an error by the association or managing entity.

(8) A description of the method for the use of accommodations for transient accommodations or other income-producing purpose during periods of nonuse by time-share interest owners.

(9) A description of the method for the inspection of the books and records of the association by time-share interest owners.

(10) A description of the method for collective decisionmaking and the undertaking of action by or in the name of the association including,

where applicable, representation of time-share accommodations in an association for the time-share in which the accommodations are located.

(d) For single site time-share plans and component sites of a multisite time-share plan located outside of the state, the developer shall cause to be included in the time-share instrument the subject matter set forth in subdivision (c). The time-share instruments shall be in compliance with the applicable laws of the state or jurisdiction in which the time-share property or component site is located, and if there is a conflict between laws of the situs state and the requirements set forth in this section, the law of the situs state shall control. If the time-share instruments provide for the matters contained in subdivision (c), the time-share instruments shall be deemed to be in compliance with the requirements of subdivision (c) and this subdivision and the developer shall not be required to make revisions in order to comply with subdivision (c) and this subdivision.

11252. In a time-share plan offering time-share use interests, the developer shall not encumber the accommodations of the time-share plan in a manner that could materially and adversely affect the use rights of the purchasers of the accommodations without the written assent of not less than 51 percent of the time-share interest owners other than the developer. This section shall not prevent the developer from encumbering the purchaser's use rights so long as the developer has sufficient protection as permitted by Section 11244.

11253. For single site time-share plans and component sites of multisite time-share plans located in this state, the time-share instrument shall require that the following insurance be at all times maintained in force to protect time-share interest owners in the time-share plan:

(a) Insurance against property damage as a result of fire and other hazards commonly insured against, covering all real and personal property comprising the time-share plan in an amount not less than 80 percent of the full replacement value of the time-share property.

(1) In a time-share use offering, the trustee shall be a named coinsured, and if for any reason, title to the accommodation is not held in trust, the association shall be named as a coinsured as the agent for each of the time-share interest owners.

(2) In a time-share estate offering, the association shall be named as a coinsured if it has title to the property or as a coinsured as agent for each of the time-share interests owners if title is held by the owners as tenants in common.

(3) If, after control of the governing body of the association has passed to the owners other than the developer, and the association amends the time-share instrument to reduce the percentage below 80 percent, the failure of the association to maintain coverage at 80 percent of replacement value shall not be grounds for denial of a public report.

(b) Liability insurance against death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the accommodations of the time-share plan.

(1) The amounts of the insurance shall be determined by the association, but shall not be less than five hundred thousand dollars ($500,000) to one million dollars ($1,000,000) for personal injury and one hundred thousand dollars ($100,000) for property damage.

(2) The liability insurance policy shall provide for all of the following:

(A) All time-share interest owners as a class are named as additional insureds in a policy issued to the association.

(B) The waiver by the insurer of its right to subrogation under the policy against any time-share interest owner or member of his or her household.

(C) No act or omission by a time-share interest owner, unless acting within the scope of his or her authority on behalf of the association, shall void the policy or operate as a condition to recovery under the policy by any other person.

11254. (a) In a time-share plan in which the fee or a long-term leasehold interest in all or some of the accommodations and in appurtenant real and personal property is to be transferred to the association or to a corporate trustee under a trust agreement, the conveyance shall be made prior to the closing of the escrow for the first sale of a time-share interest in the accommodation.

(b) The developer may reserve easements in the real property conveyed for purposes reasonably related to the conduct of commercial activities in the time-share property, if the developer covenants to use the easements in a manner that will minimize any adverse impact on the use and enjoyment of the accommodation by any time-share interest owner occupying it.

11255. (a) The department shall require that each of the accommodations in a time-share plan offering time-share use interests be conveyed to a trustee or an association acceptable to the commissioner prior to the closing of the escrow for the first sale of a time-share use interest that entitles the purchaser to occupy the accommodation in question.

(b) If the accommodation in a time-share plan offering time-share use interests that is free and clear of blanket encumbrances, other than a lien of current real property taxes, is conveyed to a trustee or an association, the trust or association instruments shall include, but not be limited to, all of the following:

(1) Transfer of title to the accommodations to the trustee or association.

(2) If the time-share use interests are conveyed to a trust, the association as a party to the trust or an express third-party beneficiary of the trust.

(3) Notice to the department of the intention of the trustee to resign, if applicable.

(4) Continuance of the trustee in that capacity until a successor trustee acceptable to the department assumes the position, if applicable.

(5) Prohibition against any amendments of the trust or association instruments adversely affecting the interests or rights of time-share interest owners without the prior approval of the association.

(6) Instructions for the distribution of condemnation or insurance proceeds by the trustee or the association.

(c) The department may require that each of the accommodations in a time-share plan offering time-share estate interests that is subject to a blanket encumbrance be conveyed to a trustee acceptable to the department prior to the closing of the escrow for the first sale of a time-share estate which entitles the purchaser to occupy the accommodation in question.

(d) If an accommodation in the time-share plan is conveyed to a trustee pursuant to subdivision (c), the trust instrument shall include all of the following provisions in addition to those set forth in subdivision (b):

(1) The deposit into trust, and the retention for the duration of the trust, of nondelinquent installment sales contracts or promissory notes of time-share interests purchases having an aggregate principal balance owing not ordinarily less than 150 percent of the difference between the aggregate principal balance owing under blanket encumbrances against the accommodation and the amount of money, or its equivalent, in the trust and available at any time to be applied to the reduction of the principal balance of the blanket encumbrances.

(A) The trust instrument shall further provide that if the 150 percent requirement has not been met within six months after execution of the trust instrument by the developer, the trustee shall thereafter retain in the trust, or apply to debt service on the blanket encumbrance, the entire amount of all installment payments received on contracts or promissory notes until the 150 percent requirement has been met.

(B) For purposes of this regulation, a contract or promissory note is deemed delinquent when an installment payment is more than 60 days past due.

(C) If the developer for purposes of satisfying the requirements of this subdivision proposes to deposit installment sales contracts or promissory notes of obligor other than purchasers of interests in the time-share plan into the trust, the developer shall have the burden of

establishing the liquidated value of the notes and contracts to the satisfaction of the department.

(2) The deposit into trust, and the retention for the duration of the trust, of funds in an amount at all times sufficient to pay the total of three successive monthly installments of debt service on the blanket encumbrance.

(A) If installments of debt service on a blanket encumbrance that is fully amortized are due less frequently than monthly, the funds retained in the trust shall be sufficient to pay all installments becoming due within the next succeeding six months, or, if no installments are due within the next succeeding six months the next installment due.

(B) If a blanket encumbrance against the trust property is an interest-only loan, contains a balloon payment provision, or is otherwise not fully amortized under the terms for repayment, the trust instrument shall require that the developer make monthly payments into the trust sufficient to pay debt service installments as they become due and to create a sinking fund to extinguish the debt at its maturity.

(3) Payment by the trustee of debt service on the blanket encumbrance, property taxes, or assessments on insurance premiums, either as the entity having primary responsibilities for the payments or the entity secondarily responsible if the person with primary responsibility fails to make the payments in a timely manner.

(4) The deposit or investment by the trustee of funds constituting a part of the trust corpus in interest bearing accounts, treasury bills, certificates of deposit, or similar investments.

(e) In the case of a time-share plan offering time-share use interests that have been conveyed to a trustee, the trust for the accommodation shall be irrevocable during the time that any time-share interest owner has a right to the occupancy of an accommodation.

(f) In the case of a time-share plan offering time-share use interests that have been conveyed to an association, the association shall not be dissolved or terminated during the time that any time-share interest owner has the right to occupancy of an accommodation.

(g) In a time-share plan offering time-share estate interests, the trust for an accommodation shall be irrevocable until the extinguishment of all blanket monetary encumbrances against the accommodation.

11256. (a) The contract proposed to be used by a developer applying for a public report for the sale or lease of time-share interests shall provide that if the escrow for sale or lease of a time-share interest does not close on or before the date set forth in the contract, or a later closing date mutually agreed to by the developer and the prospective purchaser or lessee, within 15 days after the closing date set forth in the contract or an extended closing date mutually agreed to by the developer and the prospective purchaser or lessee, the developer shall, except as

provided in subdivisions (c) to (h), inclusive, order all of the money remitted by the prospective purchaser or lessee under the terms of the contract for acquisition of the time-share interest (purchase money) to be refunded to the prospective purchaser or lessee. Any extension of the closing of escrow shall be in writing and shall clearly and conspicuously disclose that the purchaser is not obligated to extend the closing of escrow.

(b) The contract may provide for disbursements or charges to be made against purchase money for payments to third parties for credit reports, escrow services, preliminary title reports, appraisals, and loan processing services by the parties if the contract includes the following:

(1) Specific enumeration of all of the disbursements or charges that may be made against purchase money.

(2) The developer's estimate of the total amount of the disbursements and charges.

(c) Any contractual provision that calls for disbursement or a charge against purchase money based upon the prospective purchaser's or lessee's alleged failure to complete the purchase of the time-share interest shall conform with Sections 1675, 1676, 1677, and 1678 of the Civil Code.

(d) Except for a disbursement made following substantial compliance with the procedures set forth in subdivision (f) or pursuant to a written agreement of the parties that either cancels the contract or is executed after the final closing date specified by the parties, a disbursement or charge against purchase money as liquidated damages may be done only pursuant to a determination by a court of law, or by an arbitrator if the parties have so provided by contract, that the developer is entitled to a disbursement or charge against purchase money as liquidated damages.

(e) A contractual provision for a determination by arbitration that the developer is entitled to a disbursement or charge against purchase money as liquidated damages shall require that the arbitration be conducted in accordance with procedures that are equivalent in substance to the Commercial Arbitration Rules of the American Arbitration Association, that any arbitration include every cause of action that has arisen between the prospective purchaser or lessee and the developer under the contract, and that the developer remit the fee to initiate arbitration with the costs of the arbitration ultimately to be borne as determined by the arbitrator.

(f) The contract of sale may include a procedure under which purchase money may be disbursed by the escrowholder to the developer as liquidated damages upon the prospective purchaser's or lessee's failure to timely give the escrowholder the prospective purchaser's or lessee's written objection to disbursement of purchase money as

liquidated damages. This procedure shall contain at least the following elements:

(1) The developer shall give written notice, in the manner prescribed by Section 116.340 of the Code of Civil Procedure for service in a small claims action, to the escrowholder and to the prospective purchaser or lessee that the prospective purchaser or lessee is in default under the contract that the developer is demanding that the escrowholder remit _____ dollars ($____) from the purchase money to the developer as liquidated damages unless, within 20 days, the prospective purchaser or lessee gives the escrowholder the prospective purchaser's or lessee's written objection to the disbursement of purchase money as liquidated damages.

(2) The prospective purchaser or lessee shall have a period of 20 days from the date of receipt of the developer's 20-day notice and demand in which to give the escrowholder the prospective purchaser or lessee written objection to the disbursement of purchase money as liquidated damages.

(g) The contract may not make the prospective purchaser's or lessee's failure to timely give the escrowholder the aforesaid written objection a waiver of any cause of action the prospective purchaser or lessee may have against the developer under the contract unless the waiver is conditioned upon service of the developer's 20-day notice and demand in a manner prescribed by Section 116.340 of the Code of Civil Procedure for service in a small claims action.

(h) If the developer has had the use of purchase money pending consummation of the sale or lease transaction under authorization by the department pursuant to Section 11243, the developer shall immediately upon alleging the default of the prospective purchaser or lessee, transmit to the escrowholder, funds equal to all of the purchase money paid by the prospective purchaser or lessee.

Article 4. Management and Governance

11265. (a) For single site time-share plans and component sites of a specific time-share interest multisite time-share plan, the following requirements apply:

(1) Except as provided in paragraph (2), regular assessments to defray the expenses of maintaining the time-share property and operating the time-share plan shall be levied against each time-share interest owner according to the ratio that the number of time-share interests owned by a time-share interest owner assessed bears to the total number of time-share interests subject to assessments. Regular assessments levied by the association shall not exceed the amount necessary to defray the estimated expenses for which the assessments are levied.

(2) The assessment against each owner in the time-share plan may be determined according to a formula or schedule under which assessments against each time-share interest owner are equitably apportioned in accordance with operational and maintenance costs attributable to each time-share interest owner.

(3) A special assessment shall be levied upon the same basis as that prescribed for the levying of regular assessments except in the case where the special assessment is levied against a time-share interest owner for the purpose of reimbursing the association for costs incurred in bringing the time-share interest owner into compliance with provisions of the governing instruments for the time-share plan.

(4) All time-share interests in the time-share plan for which a public report has been issued including those time-share interests held by the developer of the time-share plan are interests subject to the payment of regular and special assessments.

(5) The governing body of the association may be authorized by the governing instruments to impose, without the vote or written assent of the association, a regular annual assessment per time-share interest that is as much as 20 percent greater than the regular annual assessment for the immediately preceding fiscal year. An annual assessment for each time-share interest that is more than 20 percent greater than the regular assessment per time-share interest for the immediately preceding fiscal year may not be levied without the vote or written assent of a majority of the voting power of the association residing in members other than the developer. An increase in the annual assessment attributable to an increase in real property taxes against accommodations of the time-share property shall be excluded in determining whether the annual assessment is more than 20 percent greater than the regular assessment per interest for the preceding fiscal year.

(6) Except as provided in this section, special assessments against time-share interest owners in a time-share plan may not be imposed without the vote or written assent of a majority of the voting power of the association residing in members other than the developer. The governing body of the association may be authorized by the governing instruments to impose special assessments without the vote or written assent of the association as follows:

(A) Special assessments against all time-share interest owners in the time-share plan, other than a special assessment to restore or rebuild because of damage or destruction to an accommodation, which in the aggregate in any fiscal year do not exceed 5 percent of the budgeted gross expenses of the association for that fiscal year.

(B) A special assessment for the repair or rebuilding of an accommodation that does not exceed 10 percent of the budgeted gross

expenses of the association for the fiscal year in which the assessment is levied.

(C) Special assessments against a time-share interest owner or owners for the purpose of reimbursing the association for costs incurred in bringing the time-share interest owner into compliance with provisions of the governing instruments for the time-share plan.

(7) Regular assessments against all of the time-share interests in an accommodation of the time-share plan shall commence on the same date. Regular assessments shall commence on the first day of the month following the closing of the escrow of the first sale of a time-share interest in the time-share plan, but may be delayed to the date of commencement of time-share interest owners' occupancy rights in the accommodation or to a date that is not more than six months later than the date of closing of the first sale involving a right to use the accommodation, whichever occurs earlier in time.

(b) For single site time-share plans and component sites of a multisite time-share plan located outside of the state the time-share instruments shall include the subject matter set forth in paragraphs (1) to (4), inclusive, of subdivision (a). The time-share instruments shall be in compliance with the applicable laws of the state or jurisdiction in which the time-share property or component site is located, and if a conflict exists between the affirmative standards of the laws of the situs state and the requirements set forth in this section, the law of the situs state shall control. If the time-share instruments provide for the matters contained in paragraphs (1) to (4), inclusive, of subdivision (a), the time-share instruments shall be deemed to be in compliance with the requirements of paragraphs (1) to (4), inclusive, of subdivision (a) and this subdivision and the developer shall not be required to make revisions in order to comply with paragraphs (1) to (4), inclusive, of subdivision (a) and this subdivision. If the maximum increase in annual assessments for a time-share plan located outside of this state is greater than the 20 percent set forth in paragraph (5) of subdivision (a), the public report shall include the following disclosure in conspicuous 14-point type:

YOUR ANNUAL ASSESSMENTS ARE NOT SUBJECT TO THE CALIFORNIA LIMITATION OF A 20% ANNUAL INCREASE WITHOUT THE VOTE OF THE OWNERS OTHER THAN THE DEVELOPER. YOUR ASSESSMENT MAY BE INCREASED BY AS MUCH AS ____% PER YEAR.

(c) For nonspecific time-share interest multisite time-share plans the following requirements apply:

(1) Except as provided in paragraph (2), regular assessments to defray the expenses of maintaining and operating the multisite time-share plan

shall be levied against each time-share interest owner according to the ratio that the number of time-share interests owned by a time-share interest owner assessed bears to the total number of time-share interests subject to assessments.

(2) The assessment against each time-share interest owner in the multisite time-share plan may be determined according to a formula or schedule under which assessments against each time-share interest owner are equitably apportioned in accordance with operational and maintenance costs attributable to each time-share interest owner.

(3) A special assessment shall be levied upon the same basis as that prescribed for the levying of regular assessments except in the case where the special assessment is levied against a time-share interest owner for the purpose of reimbursing the association for costs incurred in bringing the time-share interest owner into compliance with provisions of the governing instruments for the time-share plan.

(4) All time-share interests in the multisite time-share plan for which a public report has been issued including those time-share interests held by the developer of the multisite time-share plan are interests subject to the payment of regular and special assessments.

11266. (a) An amendment of a provision of the declaration or other document establishing the time-share plan may not be adopted without the vote or written assent of at least 25 percent of the voting power of the association residing in members other than the developer.

(b) An amendment of the articles of incorporation or association may not be enacted without the vote or written assent of at least 25 percent of the governing body and 25 percent of the voting power of the association residing in members other than the developer.

(c) An amendment of the bylaws of the association may not be enacted without the vote or written assent of at least 10 percent of the voting power of the association residing in members other than the developer.

(d) An amendment to the rules and regulations of the association may not be enacted without the vote or written assent of at least a majority of the governing body of the association.

(e) The percentage of the voting power necessary to amend a specific clause or provision in the time-share instrument, articles, or bylaws shall not be less than the prescribed percentage of affirmative votes or written assents required for action to be taken under that clause.

(f) In addition to the restrictions upon the enactment of amendments of the governing instruments set forth in this section, the governing instruments may include provisions consistent with subdivision (c) of Section 11269 whereby the vote of the developer must be given effect in the amendatory process.

(g) For a single site time-share plan or a component site of a specific time-share interest time-share plan or a nonspecific time-share interest multisite time-share plan located outside this state, that is being offered in this state, the public report shall include the following disclosure in conspicuous 14-point type:

THE DECLARATION OR OTHER DOCUMENT ESTABLISHING THIS TIME-SHARE PLAN MAY BE AMENDED BY A VOTE OF ____% OF THE MEMBERS OF THE ASSOCIATION. THE BYLAWS OF THE ASSOCIATION MAY BE AMENDED BY A VOTE OF ____% OF THE MEMBERS.

11267. (a) The time-share instruments shall require the employment of a managing entity for the time-share plan or component site pursuant to a written management agreement that shall include all of the following provisions:

(1) Delegation of authority to the managing entity to carry out the duties and obligations of the association or the developer to the time-share interest owners.

(2) Authority of the managing entity to employ subagents, if applicable.

(3) A term of not more than five years with automatic renewals for successive three-year periods after expiration of the first term unless the association by the vote or written assent of a majority of the voting power residing in members other than the developer determines not to renew the contract and gives appropriate notice of that determination. However, in those time-share plans where the association is controlled by owners other than the developer, the management agreement shall not be subject to the term limitations set forth in this section, and any longer term shall not be grounds for denial of a public report, unless the longer term of the management contract is the result of the developer exercising control.

(4) Termination for cause at any time by the governing body of the association. If the single site time-share plan or the component site of a multisite time-share plan is located within the state, then that termination provision shall include a provision for arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association if requested by or on behalf of the managing entity.

(5) Not less than 90 days' written notice to the association of the intention of the managing entity to resign.

(6) Enumeration of the powers and duties of the managing entity in the operation of time-share plan and the maintenance of the accommodations comprising the time-share plan.

(7) Compensation to be paid to the managing entity.

(8) Records to be maintained by the managing entity.

(9) A requirement that the managing entity provide a policy for fidelity insurance or bond for the activities of the managing entity, payable to the association, in the sum of the largest amount of funds expected to be held or controlled by the managing entity at any time during the year, pursuant to the budget.

(10) Errors and omissions insurance coverage for the managing entity, if available.

(11) Delineation of the authority of the managing entity and persons authorized by the managing entity to enter into accommodations of the time-share plan for the purpose of cleaning, maid service, maintenance and repair including emergency repairs, and for the purpose of abating a nuisance or dangerous, unlawful, or prohibited activity being conducted in the accommodation.

(12) Description of the duties of the managing entity, including, but not limited to, the following:

(A) Collection of all assessments as provided in the time-share instruments.

(B) Maintenance of all books and records concerning the time-share plan.

(C) Scheduling occupancy of accommodations, when purchasers are not entitled to use specific time-share periods, so that all purchasers will be provided the opportunity for use and possession of the accommodations of the time-share plan, that they have purchased.

(D) Providing for the annual meeting of the association of owners.

(E) Performing any other functions and duties related to the maintenance of the accommodations or that are required by the time-share instrument.

(b) Any written management agreement in existence as of the effective date of this chapter shall not be subject to the term limitations set forth above.

(c) For single site time-share plans and component sites of a multisite time-share plan located outside of the state, the time-share instruments shall include the subject matter set forth in subdivision (a). The time-share instruments shall be in compliance with the applicable laws of the state or jurisdiction in which the time-share property or component site is located, and if a conflict exists between laws of the situs state and the requirements set forth in this section, the law of the situs state shall control. If the time-share instruments provide for the matters contained in subdivision (a), the time-share instruments shall be deemed to be in compliance with the requirements of subdivision (a) and the developer shall not be required to make revisions in order to comply with subdivision (a) and this subdivision.

11268. (a) Unless impracticable because of the number of members of the association, their places of residence in relation to each other, the international nature of the offering, or other factors, provision shall be made for regular meetings of members of the association of time-share interest owners. Ordinarily regular meetings of members shall be scheduled not less frequently than once each calendar year at a time and place to be fixed by the bylaws or by resolution of the governing body. The first meeting of the association shall be scheduled not later than one year after the closing of the escrow for the first sale of a time-share interest in the time-share plan or completion of construction, whichever shall first occur.

(b) Provision shall be made for special meetings of the association to be promptly called by the governing body upon either of the following:

(1) The vote of a majority of the governing body.

(2) Receipt of a written request signed by members representing at least 5 percent of the voting power of the association residing in members other than the developer.

(c) Meetings of the association shall be held at a suitable location that is readily accessible at reasonable cost to the largest possible number of members.

(d) Written notice of regular and special meetings shall be given to members by first-class mail. This notice shall be given not less than 14 days and not more than 90 days before the scheduled date of the meeting. The notice, whether for a regular or special meeting shall specify the place, day, and hour of the meeting and a brief statement of the matters which the governing body intends to present, or believes that others will present, for action by the members.

(e) (1) The bylaws of the association shall establish the quorum for a meeting of members at not less than 5 percent nor more than $33\frac{1}{3}$ percent, of the voting power of the association residing in members other than the developer, represented in person or by proxy.

(2) In the absence of a quorum as prescribed by the bylaws, no business shall be conducted and the presiding officer shall adjourn the meeting sine die.

(3) If less than one-third of the total voting power of the association is in attendance, in person or by proxy, at a regular or special meeting of the association, only those matters of business, the general nature of which was given in the notice of the meeting may be voted upon by the members.

(f) Any action that may be taken at any regular or special meeting of members may be taken without a meeting if the following requirements are met:

(1) A written ballot is distributed to every member entitled to vote setting forth the proposed action, providing an opportunity to signify

approval or disapproval of the proposal, and providing a reasonable time for the members to return the ballot to the association.

(2) The number of votes cast by ballot within the specified time period equals or exceeds the quorum required to be present at a meeting authorizing the action.

(3) The number of approvals of the action equals or exceeds the number of votes required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot.

(4) The written ballot distributed to members of the association affords an opportunity for the member to specify a choice between approval and disapproval of each order of business proposed to be acted upon by the association and further provides that the vote of the members shall be cast in accordance with the choice specified.

(g) The bylaws of the association may provide that governing body members may be elected by written ballot.

(h) A form of proxy may be distributed to each member to afford him or her the opportunity to vote in absentia at a meeting of members of the association provided that it meets the requirements for a written ballot set forth in paragraph (4) of subdivision (f) and includes the name or names of members who expect to be in attendance in person at the meeting to whom the proxy is to be given for the purpose of casting the vote to reflect the absent member's vote as specified in the form of proxy.

11269. (a) A member of an association including associations that provide for unequal assessments against members, shall be entitled to one vote for each time-share interest owned.

(b) An association may have two classes of members for voting purposes according to the following provisions:

(1) Each time-share interest owner other than the developer of the time-share plan shall be a class A member. If a time-share interest is owned by more than one person, each time-share interest owner shall be a class A member, but only one vote may be cast for each interest.

(2) The developer shall be the class B member and shall have one vote for each time-share interest owned by him or her which has been authorized to be offered for sale by the issuance of a public report.

(3) Class B membership shall be automatically converted to class A membership, and class B membership shall thereafter cease to exist, when the total outstanding votes held by the class B member falls below 20 percent of the total voting power of the association.

(c) Except as otherwise expressly provided, no regulation which requires the approval of a prescribed percentage of the voting power residing in members other than the developer or a prescribed percentage of the voting power of class A members, for action to be taken by the association, is intended to preclude the developers from casting votes

attributable to the time-share interests which he or she owns. Governing instruments may specify the following with respect to approval of action by the membership of the association other than an action to enforce an obligation of the developer:

(1) In those associations in which class A and class B memberships exist, the vote or written assent of a prescribed percentage of the class A voting power and the vote or written assent of the class B member.

(2) In those associations in which a single class of voting membership exists, either as originally established or after the conversion of the class B membership to class A memberships, the vote or written assent of a prescribed percentage of the total voting power of the association and the vote or written assent of a prescribed percentage of the voting power of members other than the developer.

11270. (a) The governing body shall consist of three directors for an association that does not contemplate more than 100 members and either five or seven directors for an association that contemplates more than 100 members.

(b) (1) The first governing body shall consist of directors appointed by the developer. These directors shall serve until the first meeting of the association at which time an election of all of the directors for the association shall be conducted.

(2) A special procedure shall be established by the governing instruments to assure that at the first election of the governing body, and at all times thereafter, at least one of the incumbent directors has been elected solely by the votes of members other than the developer.

(3) A director who has been elected to office solely by the votes of the members of the association other than the developer may be removed from the governing body prior to the expiration of his or her term of office only by a vote of a prescribed percentage of the voting power residing in members other than the developer.

(c) The terms of office of governing body members may be staggered provided that no person may serve a term of more than three years without standing for reelection.

(d) For board of director members serving at the appointment of the developer, the developer may change the designated board member without the need of any further consent by the association. However, the term of the applicable director's seat on the governing body shall not be affected by that change.

11271. (a) Regular meetings of the governing body of the association shall be held as prescribed in the bylaws, but not less frequently than annually.

(b) (1) Regular and special meetings of the governing body shall be held in or near the location of the time-share plan unless a meeting at

another location would significantly reduce the cost to the association or the inconvenience to directors.

(2) If the time and place of the regular meeting of the governing body is not fixed by the governing instruments, notice of the time and place of meeting shall be communicated in writing, including by facsimile, electronic mail, or other form of written or electronic communication, to directors not less than 14 days prior to the meeting. However, that notice of a meeting is not required to be given to any governing body member who has signed a waiver of notice or a written consent to the holding of the meeting.

(c) (1) A special meeting of the governing body may be called by written notice signed by any two members of the governing body.

(2) The notice of a special meeting shall specify the time and place of the meeting and the nature of any special business to be considered.

(3) Notice of a special meeting shall be communicated in writing, including by facsimile, electronic mail, or other form of written or electronic communication, to directors not less than 14 days prior to the meeting. However, notice of the meeting is not required to be given to any governing body member who signed a waiver of notice or a written consent to the holding of the meeting.

(d) (1) Regular and special meetings of the governing body shall be open to all members of the association provided that members who are not on the governing body may not participate in any deliberations or discussions unless expressly so authorized by the governing body.

(2) The governing body may, with the approval of a majority of a quorum of its members, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

(e) A bare majority of the total members of authorized members of the governing body shall constitute a quorum for the conduct of business.

(f) The governing instruments for the time-share plan shall provide for reimbursement by the association for transportation expenses incurred and reasonable per diem payments to governing body members for attendance at regular and special meetings of the governing body.

11272. (a) The following information concerning the time-share plan shall be made available to all time-share interest owners in the time-share plan:

(1) A proposed budget for each fiscal year consisting of the information required by Section 11240 shall be distributed not less than 15 days prior to the beginning of the fiscal year to which the budget applies.

(2) An audit of the financial statements of the association by an independent certified public accountant shall be performed each year and shall be made available upon request by a time-share owner 120 days after the close of the fiscal year. The audited financial statements shall be included in a report that includes all of the following:

(A) A balance sheet as of the end of the fiscal year.

(B) An operating (income) statement for the fiscal year.

(C) A statement of the net changes in the financial position of the time-share plan during the fiscal year.

(D) For any fiscal year in which the gross income to the association exceeds seventy-five thousand dollars ($75,000), a copy of the review of the annual report prepared in accordance with generally accepted accounting principles.

(E) A list of the names and methods of contacting the members of the governing body of the association.

(3) A list of the orders of business to be considered at the annual meeting of members of the association shall be distributed not less than 14 days prior to the meeting date. This list shall include the name, address, and a brief biographical sketch if available of each member of the association who is a candidate for election to the governing body.

(b) In lieu of the distribution of the budget and report required by subdivision (a), the governing body may elect to distribute a summary of the budget and report to all time-share interest owners along with a written notice that the budget and report is available at the business office of the association or at another suitable location within the boundaries of the development, and that copies will be provided upon request and at the expense of the association. If any time-share interest owner requests that a copy of the budget and report required by subdivision (a) be provided to the time-share interest owner, the association shall provide the copy to the time-share interest owner by facsimile, electronic mail, or first-class United States mail at the expense of the association and delivered within 10 days. The written notice that is distributed to each of the time-share interest owners shall be in conspicuous 14-point type on the front page of the summary of the budget and report.

(c) Delivery of the information specified in subdivision (a) may be combined where appropriate.

(d) For single site time-share plans and component sites of a multisite time-share plan located outside of the state, the association shall be subject to the provisions set forth in this section. The association must be in compliance with the applicable laws of the state or jurisdiction in which the time-share property or component site is located, and if a conflict exists between laws of the situs state and the requirements set forth in this section, the law of the situs state shall control. If the association provides for the dissemination of information provided for

in this section, the association shall be deemed to be in compliance with the requirements of this section and neither the developer nor the association shall be required to make revisions to the time-share instruments or budget in order to comply with this section.

11273. (a) The books of account, minutes of members and governing body meetings, and all other records of the time-share plan maintained by the association or the managing entity shall be made available for inspection and copying by any member, or by his or her duly appointed representative, at any reasonable time for a purpose reasonably related to membership in the association.

(b) The records shall be made available for inspection at the office where the records are maintained. Upon receipt of an authenticated written request from a member along with the fee prescribed by the governing body to defray the costs of reproduction, the managing entity or other custodian of records of the association or the time-share plan shall prepare and transmit to the member a copy of any and all records requested.

(c) The governing body shall establish reasonable rules with respect to all of the following:

(1) Notice to be given to the managing entity or other custodian of the records by the member desiring to make the inspection or to obtain copies.

(2) Hours and days of the week when a personal inspection of the records may be made.

(3) Payment of the cost of reproducing copies of records requested by a member.

(d) Every governing body member shall have the absolute right at any time to inspect all books, records, and documents of the association and all real and personal properties owned and controlled by the association.

(e) The association shall maintain among its records a complete list of the names and addresses of all owners of time-share interests in the time-share plan. The association shall update this list no less frequently than every six months. Unless otherwise provided in the time-share instruments, the association may not publish this owner's list or provide a copy of it to any time-share interest owner or to any third party or use or sell the list for commercial purposes.

(f) For single site time-share plans and component sites of a multisite time-share plan located outside of the state, the association shall be subject to the provisions set forth in this section. The association must be in compliance with the applicable laws of the state or jurisdiction in which the time-share property or component site is located, and if a conflict exists between laws of the situs state and the requirements set forth in this section, the law of the situs state shall control. If the association and the time-share instruments provide for the matters

contained in this section, the association shall be deemed to be in compliance with the requirements of this section and neither the developer nor the association shall be required to make revisions to the time-share instruments in order to comply with the section.

11274. (a) The association shall not be authorized to cause the absolute forfeiture of a time-share interest owner's right, title, or interest in the time-share plan on account of the time-share interest owner's failure to comply with provisions of the time-share instrument or the rules and regulations for the time-share plan except pursuant to either of the following:

(1) The judgment of a court or the decision of an arbitrator as provided in the time-share instrument.

(2) A foreclosure or sale under a power of sale for the failure of a time-share interest owner to pay assessments duly levied by the association.

(b) The time-share instrument may authorize the governing body of the association, or the managing entity acting on behalf of the governing body, to suspend a time-share interest owner's right to the occupancy of an accommodation, and all related rights and privileges as a time-share interest owner of a time-share interest in the time-share plan, during the period of time that the time-share interest owner is delinquent in the payment of regular or special assessments or other charges duly levied by the association. The time-share interest owner shall be given written notice of the suspension of his or her rights and privileges immediately after the decision to suspend has been made.

(c) The time-share instrument may authorize the association to impose a monetary penalty to suspend a time-share interest owner's right to use an accommodation or other facility that is part of the time-share plan or to take other disciplinary action that is appropriate, short of the forfeiture of the time-share interest owner's right, title, and interest in the time-share plan, for violations of the provisions of the time-share instrument and of the rules and regulations for operation of the time-share plan by the time-share interest owner, his or her guests or persons under his or her control, including, but not limited to, all of the following:

(1) Failure to vacate an accommodation upon expiration of the time-share interest owner's use period.

(2) Damage to an accommodation or any other real or personal property that is part of the time-share plan.

(3) Permitting a time-share interest to be subject to a lien, other than the lien of nondelinquent real property taxes or assessments, claim, or charge that could result in the sale of time-share interests of other time-share interest owners.

(4) Creating a disturbance that interferes with the use and enjoyment of facilities of the time-share plan by other time-share interest owners.

(d) Before disciplinary action authorized under subdivision (c) can be imposed by the association, the time-share interest owner against whom the action is proposed to be taken shall be given 30-days prior written notice and the opportunity to present a written or oral defense to the charges.

(1) The governing body of the association shall decide whether the time-share interest owner's defense shall be oral or written.

(2) The time-share interest owner shall be notified of the decision of the governing body of the association before disciplinary action is taken.

(e) The association may delegate to the managing entity, the power and authority to carry out disciplinary actions duly imposed by the governing body.

(f) For single site time-share plans and component sites of specific time-share interest multisite time-share plans and nonspecific time-share interest multisite time-share plans located outside this state, and offered for sale in this state, the public report shall contain the following disclosure in conspicuous 14-point type:

THIS TIME SHARE PLAN MAY NOT BE SUBJECT TO THE SAME PROTECTIONS AGAINST FORFEITURE AND FORECLOSURE AS PROVIDED BY CALIFORNIA LAW. YOU SHOULD BECOME FAMILIAR WITH THE PROCEDURES PROVIDED BY THE LAWS OF THE STATE IN WHICH THE TIME-SHARE PLAN IS LOCATED.

11275. (a) Any contractual provision or other provision in the time-share instruments setting forth terms, conditions, and procedures for resolution of a dispute or claim between a time-share interest owner and a developer, or any provision in the time-share instruments setting forth terms, conditions, and procedures for resolution of a dispute of a claim between an association and the developer, shall, at a minimum, provide that the dispute or claim resolution process, proceeding, hearing, or trial be conducted in accordance with the following rules:

(1) For the developer to advance the fees necessary to initiate the dispute or claim resolution process, with the costs and fees, including ongoing costs and fees, if any, to be paid as agreed by the parties and if they cannot agree then the costs and fees are to be paid as determined by the person or persons presiding at the dispute or claim resolution proceeding or hearing.

(2) For a neutral or impartial person to administer and preside over the claim or dispute resolution process.

(3) For the appointment or selection, as designation, or assignment of the person to administer and preside over the claim or dispute resolution process within a specific period of time, which in no event shall be more than 60 days from initiation of the claim or dispute resolution process or hearing. The person appointed, selected, designated, or assigned to preside may be challenged for bias.

(4) For the venue of the claim or dispute resolution process to be in the county where the time-share is located unless the parties agree to some other location.

(5) For the prompt and timely commencement of the claim or dispute resolution process. When the contract provisions provide for a specific type of claim or dispute resolution process, the process shall be deemed to be promptly and timely commenced if it is to be commenced in accordance with the rules applicable to that process. If the rules do not specify a date by which the proceeding or hearing is required to commence, then commencement shall be by a date agreed upon by the parties, and if they cannot agree, a date shall be determined by the person presiding over the dispute resolution process.

(6) For the claim or dispute resolution process to be conducted in accordance with rules and procedures that are reasonable and fair to the parties.

(7) For the prompt and timely conclusion of the claim or dispute resolution process, including the issuance of any decision or ruling following the proceeding or hearing.

(8) For the person presiding at the claim or dispute resolution process to be authorized to provide all recognized remedies available in law or equity for any cause of action that is the basis of the proceeding or hearing. The parties may authorize the limitation or prohibition of punitive damages.

(b) A copy of the rules applicable to the claim or dispute resolution process shall be submitted as part of the application for a public report.

(c) If the claim or dispute resolution process provides or allows for a judicial remedy in accordance with the laws of this state, it shall be presumed that the proceeding or hearing satisfies the provisions of subdivision (a).

Article 5. Powers, Investigation, and Enforcement

11280. (a) Except as specifically provided in this section, the regulation of time-share plans and exchange programs is an exclusive power and function of the state. A unit of local government may not regulate time-share plans or exchange programs.

(b) Notwithstanding subdivision (a), no provision of this chapter invalidates or modifies any provision of any zoning, subdivision, or building code or other real estate use law, ordinance, or regulation.

11281. The commissioner may adopt, repeal, or amend forms and regulations that are necessary to effectuate the intent of the Legislature in carrying out this chapter. These forms and regulations and any order, permit, decision, demand, or requirement issued by the commissioner shall be in writing and adopted pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

11282. The commissioner may investigate the actions or qualifications of any person or persons holding or claiming to hold a public report under this chapter.

11283. (a) Whenever the commissioner determines from available evidence that a person has done any of the following, the commissioner may order the person to desist and refrain from those acts and omissions or from the further sale or lease of interests in the time-share plan until the condition has been corrected:

(1) The person has violated or caused the violation of any provision of this chapter or the regulations pertaining thereto.

(2) The person has violated or caused a violation of Section 17537, 17537.1, 17537.2, or 17539.1, in advertising or promoting the sale of time-share interests.

(3) The person has failed to fulfill representations or assurances with respect to the time-share plan or the time-share offering upon which the department relied in issuing a public report.

(4) The person has failed to inform the department of material changes that have occurred in the time-share or time-share offering that have caused the public report to be misleading or inaccurate or which would have caused the department to deny a public report if the conditions had existed at the time of issuance.

(b) Upon receipt of such an order, the person or persons to whom the order is directed shall immediately discontinue activities in accordance with the terms of the order.

(c) Any person to whom the order is directed may, within 30 days after service thereof upon him or her, file with the commissioner a written request for hearing to contest the order. The commissioner shall, after receipt of a request for hearing, assign the matter to the Office of Administrative Hearings to conduct a hearing for findings of fact and determinations of the issues set forth in the order. If the hearing is not commenced within 15 days after receipt of the request for hearing, or on the date to which continued with the agreement of the person requesting the hearing, or if the decision of the commissioner is not rendered within

30 days after completion of the hearing, the order shall be deemed to be vacated.

(d) Service and proof of service of an order issued by the commissioner pursuant to this section may be made in a manner and upon those persons as prescribed for the service of summons in Article 3 (commencing with Section 415.10), Article 4 (commencing with Section 416.10), and Article 5 (commencing with Section 417.10) of Chapter 4 of Title 5 of Part 2 of the Code of Civil Procedure.

11284. Notwithstanding any other provisions of this chapter or of 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 commissioner may negotiate agreements with registrants and applicants resulting in disciplinary consent orders. The consent order may provide for any form of discipline provided for in this chapter. The consent order shall provide that it is not entered into as a result of any coercion by the commissioner. The consent order shall be accepted by signature or rejected by the commissioner in a timely manner.

11285. An action for damages or for injunctive or declaratory relief for a violation of this chapter may be brought by any time-share interest owner or association against the developer, seller, or marketer of time-share interests, an escrow agent, or the managing entity. Relief under this section does not exclude other remedies provided by law.

11286. (a) It shall be unlawful for any person to make, issue, publish, deliver, or transfer as true and genuine any public report that is forged, altered, false, or counterfeit, knowing it to be forged, altered, false, or counterfeit or to cause to be made or participate in the making, issuance, delivery, transfer, or publication of a public report with knowledge that it is forged, altered, false, or counterfeit.

(b) Any person who violates subdivision (a) is guilty of a public offense punishable by a fine not exceeding ten thousand dollars ($10,000), by imprisonment in the state prison, by imprisonment in the county jail not exceeding one year, or by both the fine and imprisonment.

(c) The penalty provided by this section is not an exclusive penalty, and does not affect any other penalty, relief, or remedy provided by law.

11287. Any person who violates Section 11226, 11227, 11234, 11244, 11245, or 11283, is guilty of a public offense punishable by a fine not to exceed ten thousand dollars ($10,000), by imprisonment in the state prison or in a county jail not exceeding one year, or by both the fine and imprisonment.

11288. This chapter shall take effect on July 1, 2005.

SEC. 15. Section 1365.1 of the Civil Code is amended to read:

1365.1. (a) The association shall distribute the written notice described in subdivision (b) to each member of the association during the 60-day period immediately preceding the beginning of the

association's fiscal year. The notice shall be printed in at least 12-point type. An association distributing the notice to an owner of an interest that is described in Section 11212 of the Business and Professions Code that is not otherwise exempt from this section pursuant to subdivision (a) of Section 11211.7, may delete from the notice described in subdivision (b) the portion regarding meetings and payment plans.

(b) The notice required by this section shall read as follows:

"NOTICE

ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND NONJUDICIAL FORECLOSURE

The failure to pay association assessments may result in the loss of an owner's property without court action, often referred to as nonjudicial foreclosure. When using nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the lien is not paid. Assessments become delinquent 15 days after they are due, unless the governing documents of the association provide for a longer time. (Sections 1366 and 1367.1 of the Civil Code)

In a nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 1366 and 1367.1 of the Civil Code)

The association must comply with the requirements of Section 1367.1 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 1367.1 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail. Among these documents, the association

must send a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 1367.1 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 1367.1 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, he or she may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 1367.1 of the Civil Code)

An owner may dispute an assessment debt by giving the board of the association a written explanation, and the board must respond within 15 days if certain conditions are met. An owner may pay assessments that are in dispute in full under protest, and then request alternative dispute resolution. (Sections 1366.3 and 1367.1 of the Civil Code)

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 1367.1 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. (Section 1367.1 of the Civil Code)

The board of directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 1367.1 of the Civil Code)''

SEC. 15.5. Section 1365.1 of the Civil Code is amended to read:

1365.1. (a) The association shall distribute the written notice described in subdivision (b) to each member of the association during

the 60-day period immediately preceding the beginning of the association's fiscal year. The notice shall be printed in at least 12-point type. An association distributing the notice to an owner of an interest that is described in Section 11212 of the Business and Professions Code that is not otherwise exempt from this section pursuant to subdivision (a) of Section 11211.7, may delete from the notice described in subdivision (b) the portion regarding meetings and payment plans.

(b) The notice required by this section shall read as follows:

"NOTICE

ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2005, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments exclusive of any late charges, fees, interest, and costs of collection, is less than two thousand five hundred dollars ($2,500). For delinquent assessments of two thousand five hundred dollars ($2,500) or more, an association may use nonjudicial or judicial foreclosure subject to the conditions set forth in Section 1367.4 of the Civil Code. When using nonjudicial or judicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amount secured by the lien is not paid. (Sections 1366, 1367.1, and 1367.4 of the Civil Code)

In a nonjudicial or judicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the

governing documents provide for this. (Sections 1366 and 1367.1 of the Civil Code)

The association must comply with the requirements of Section 1367.1 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 1367.1 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail. Among these documents, the association must send a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 1367.1 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 1367.1 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, he or she may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 1367.1 of the Civil Code)

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 1367.1 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. (Section 1367.1 of the Civil Code)

The board of the directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment

plans must conform with the payment plan standards of the association, if they exist. (Section 1367.1 of the Civil Code)''

SEC. 15.7. Section 1365.1 of the Civil Code is amended to read:

1365.1. (a) The association shall distribute the written notice described in subdivision (b) to each member of the association during the 60-day period immediately preceding the beginning of the association's fiscal year. The notice shall be printed in at least 12-point type. An association distributing the notice to an owner of an interest that is described in Section 11212 of the Business and Professions Code that is not otherwise exempt from this section pursuant to subdivision (a) of Section 11211.7, may delete from the notice described in subdivision (b) the portion regarding meetings and payment plans.

(b) The notice required by this section shall read as follows:

''NOTICE

ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2005, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments, exclusive of any late charges, fees, interest, and costs of collection, is less than two thousand five hundred dollars ($2,500). For delinquent assessments of two thousand five hundred dollars ($2,500) or more, an association may use nonjudicial or judicial foreclosure subject to the conditions set forth in Section 1367.4 of the Civil Code. When using nonjudicial or judicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amount secured by the lien is not paid. (Sections 1366, 1367.1, and 1367.4 of the Civil Code)

In a nonjudicial or judicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 1366 and 1367.1 of the Civil Code)

The association must comply with the requirements of Section 1367.1 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 1367.1 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail. Among these documents, the association must send a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 1367.1 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 1367.1 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, he or she may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 1367.1 of the Civil Code)

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 5 (commencing with Section 1368.810) of Chapter 4 of Title 6 of Division 2 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 2 (commencing with Section 1369.510) of Chapter 7 of Title 6 of Division 2 of the Civil Code, if so requested by the owner.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 1367.1 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. (Section 1367.1 of the Civil Code)

The board of the directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 1367.1 of the Civil Code)''

SEC. 16. Section 1367.1 of the Civil Code is amended to read:

1367.1. (a) A regular or special assessment and any late charges, reasonable fees and costs of collection, reasonable attorney's fees, if any, and interest, if any, as determined in accordance with Section 1366, shall be a debt of the owner of the separate interest at the time the assessment or other sums are levied. At least 30 days prior to recording a lien upon the separate interest of the owner of record to collect a debt that is past due under this subdivision, the association shall notify the owner of record in writing by certified mail of the following:

(1) A general description of the collection and lien enforcement procedures of the association and the method of calculation of the amount, a statement that the owner of the separate interest has the right to inspect the association records, pursuant to Section 8333 of the Corporations Code, and the following statement in 14-point boldface type, if printed, or in capital letters, if typed: ''IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION.''

(2) An itemized statement of the charges owed by the owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorney's fees, any late charges, and interest, if any.

(3) A statement that the owner shall not be liable to pay the charges, interest, and costs of collection, if it is determined the assessment was paid on time to the association.

(4) The right to request a meeting with the board as provided by subdivision (c).

(b) Any payments made by the owner of a separate interest toward the debt set forth, as required in subdivision (a), shall first be applied to the

assessments owed, and, only after the assessments owed are paid in full shall the payments be applied to the fees and costs of collection, attorney's fees, late charges, or interest. When an owner makes a payment, the owner may request a receipt and the association shall provide it. The receipt shall indicate the date of payment and the person who received it. The association shall provide a mailing address for overnight payment of assessments.

(c) (1) An owner may dispute the debt noticed pursuant to subdivision (a) by submitting to the board a written explanation of the reasons for his or her dispute. The board shall respond in writing to the owner within 15 days of the date of the postmark of the explanation, if the explanation is mailed within 15 days of the postmark of the notice.

(2) An owner, other than an owner of any interest that is described in Section 11212 of the Business and Professions Code that is not otherwise exempt from this section pursuant to subdivision (a) of Section 11211.7, may submit a written request to meet with the board to discuss a payment plan for the debt noticed pursuant to subdivision (a). The association shall provide the owners the standards for payment plans, if any exist. The board shall meet with the owner in executive session within 45 days of the postmark of the request, if the request is mailed within 15 days of the date of the postmark of the notice, unless there is no regularly scheduled board meeting within that period, in which case the board may designate a committee of one or more members to meet with the owner.

(d) The amount of the assessment, plus any costs of collection, late charges, and interest assessed in accordance with Section 1366, shall be a lien on the owner's interest in the common interest development from and after the time the association causes to be recorded with the county recorder of the county in which the separate interest is located, a notice of delinquent assessment, which shall state the amount of the assessment and other sums imposed in accordance with Section 1366, a legal description of the owner's interest in the common interest development against which the assessment and other sums are levied, the name of the record owner of the owner's interest in the common interest development against which the lien is imposed. In order for the lien to be enforced by nonjudicial foreclosure as provided in subdivision (g), the notice of delinquent assessment shall state the name and address of the trustee authorized by the association to enforce the lien by sale. The notice of delinquent assessment shall be signed by the person designated in the declaration or by the association for that purpose, or if no one is designated, by the president of the association, and mailed in the manner set forth in Section 2924b, to all record owners of the owner's interest in the common interest development no later than 10 calendar days after recordation. Within 21 days of the payment of the sums specified in the

notice of delinquent assessment, the association shall record or cause to be recorded in the office of the county recorder in which the notice of delinquent assessment is recorded a lien release or notice of rescission and provide the owner of the separate interest a copy of the lien release or notice that the delinquent assessment has been satisfied. A monetary charge imposed by the association as a means of reimbursing the association for costs incurred by the association in the repair of damage to common areas and facilities for which the member or the member's guests or tenants were responsible may become a lien against the member's separate interest enforceable by the sale of the interest under Sections 2924, 2924b, and 2924c, provided the authority to impose a lien is set forth in the governing documents. It is the intent of the Legislature not to contravene Section 2792.26 of Title 10 of the California Code of Regulations, as that section appeared on January 1, 1996, for associations of subdivisions that are being sold under authority of a subdivision public report, pursuant to Part 2 (commencing with Section 11000) of Division 4 of the Business and Professions Code.

(e) Except as indicated in subdivision (d), a monetary penalty imposed by the association as a disciplinary measure for failure of a member to comply with the governing instruments, except for the late payments, may not be characterized nor treated in the governing instruments as an assessment that may become a lien against the member's subdivision separate interest enforceable by the sale of the interest under Sections 2924, 2924b, and 2924c.

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

(g) An association may not voluntarily assign or pledge the association's right to collect payments or assessments, or to enforce or foreclose a lien to a third party, except when the assignment or pledge is made to a financial institution or lender chartered or licensed under federal or state law, when acting within the scope of that charter or license, as security for a loan obtained by the association; however, the foregoing provision may not restrict the right or ability of an association to assign any unpaid obligations of a former member to a third party for purposes of collection. Subject to the limitations of this subdivision, after the expiration of 30 days following the recording of a lien created pursuant to subdivision (d), the lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the notice of delinquent assessment, or sale by a trustee substituted pursuant to Section 2934a. Any sale by the trustee shall be conducted in accordance with Sections 2924, 2924b, and 2924c applicable to the exercise of powers of sale in mortgages and deeds of

trust. The fees of a trustee may not exceed the amounts prescribed in Sections 2924c and 2924d.

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

(i) If it is determined that a lien previously recorded against the separate interest was recorded in error, the party who recorded the lien shall, within 21 calendar days, record or cause to be recorded in the office of the county recorder in which the notice of delinquent assessment is recorded a lien release or notice of rescission and provide the owner of the separate interest with a declaration that the lien filing or recording was in error and a copy of the lien release or notice of rescission.

(j) (1) An association that fails to comply with the procedures set forth in this section shall, prior to recording a lien, recommence the required notice process.

(2) Any costs associated with recommencing the notice process shall be borne by the association and not by the owner of a separate interest.

(k) This section only applies to liens recorded on or after January 1, 2003.

SEC. 16.5. Section 1367.1 of the Civil Code is amended to read:

1367.1. (a) A regular or special assessment and any late charges, reasonable fees and costs of collection, reasonable attorney's fees, if any, and interest, if any, as determined in accordance with Section 1366, shall be a debt of the owner of the separate interest at the time the assessment or other sums are levied. At least 30 days prior to recording a lien upon the separate interest of the owner of record to collect a debt that is past due under this subdivision, the association shall notify the owner of record in writing by certified mail of the following:

(1) A general description of the collection and lien enforcement procedures of the association and the method of calculation of the amount, a statement that the owner of the separate interest has the right to inspect the association records, pursuant to Section 8333 of the Corporations Code, and the following statement in 14-point boldface type, if printed, or in capital letters, if typed: ''IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION.''

(2) An itemized statement of the charges owed by the owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorney's fees, any late charges, and interest, if any.

(3) A statement that the owner shall not be liable to pay the charges, interest, and costs of collection, if it is determined the assessment was paid on time to the association.

(4) The right to request a meeting with the board as provided by subdivision (c).

(b) Any payments made by the owner of a separate interest toward the debt set forth, as required in subdivision (a), shall first be applied to the assessments owed, and, only after the assessments owed are paid in full shall the payments be applied to the fees and costs of collection, attorney's fees, late charges, or interest. When an owner makes a payment, the owner may request a receipt and the association shall provide it. The receipt shall indicate the date of payment and the person who received it. The association shall provide a mailing address for overnight payment of assessments.

(c) (1) An owner, other than an owner of any interest that is described in Section 11212 of the Business and Professions Code that is not otherwise exempt from this section pursuant to subdivision (a) of Section 11211.7, may submit a written request to meet with the board to discuss a payment plan for the debt noticed pursuant to subdivision (a). The association shall provide the owners the standards for payment plans, if any exist. The board shall meet with the owner in executive session within 45 days of the postmark of the request, if the request is mailed within 15 days of the date of the postmark of the notice, unless there is no regularly scheduled board meeting within that period, in which case the board may designate a committee of one or more members to meet with the owner.

(2) The decision to record a lien for delinquent assessments shall be made only by the board of directors of the association and may not be delegated to an agent of the association. The board shall approve the decision by a majority vote of the board members in an open meeting. The board shall record the vote in the minutes of that meeting.

(d) The amount of the assessment, plus any costs of collection, late charges, and interest assessed in accordance with Section 1366, shall be a lien on the owner's interest in the common interest development from and after the time the association causes to be recorded with the county recorder of the county in which the separate interest is located, a notice of delinquent assessment, which shall state the amount of the assessment and other sums imposed in accordance with Section 1366, a legal description of the owner's interest in the common interest development against which the assessment and other sums are levied, the name of the record owner of the owner's interest in the common interest development against which the lien is imposed. In order for the lien to be enforced by nonjudicial foreclosure as provided in subdivision (g), the notice of delinquent assessment shall state the name and address of

the trustee authorized by the association to enforce the lien by sale. The notice of delinquent assessment shall be signed by the person designated in the declaration or by the association for that purpose, or if no one is designated, by the president of the association, and mailed in the manner set forth in Section 2924b, to all record owners of the owner's interest in the common interest development no later than 10 calendar days after recordation. Within 21 days of the payment of the sums specified in the notice of delinquent assessment, the association shall record or cause to be recorded in the office of the county recorder in which the notice of delinquent assessment is recorded a lien release or notice of rescission and provide the owner of the separate interest a copy of the lien release or notice that the delinquent assessment has been satisfied. A monetary charge imposed by the association as a means of reimbursing the association for costs incurred by the association in the repair of damage to common areas and facilities for which the member or the member's guests or tenants were responsible may become a lien against the member's separate interest enforceable by the sale of the interest under Sections 2924, 2924b, and 2924c, provided the authority to impose a lien is set forth in the governing documents. It is the intent of the Legislature not to contravene Section 2792.26 of Title 10 of the California Code of Regulations, as that section appeared on January 1, 1996, for associations of subdivisions that are being sold under authority of a subdivision public report, pursuant to Part 2 (commencing with Section 11000) of Division 4 of the Business and Professions Code.

(e) Except as indicated in subdivision (d), a monetary penalty imposed by the association as a disciplinary measure for failure of a member to comply with the governing instruments, except for the late payments, may not be characterized nor treated in the governing instruments as an assessment that may become a lien against the member's subdivision separate interest enforceable by the sale of the interest under Sections 2924, 2924b, and 2924c.

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

(g) An association may not voluntarily assign or pledge the association's right to collect payments or assessments, or to enforce or foreclose a lien to a third party, except when the assignment or pledge is made to a financial institution or lender chartered or licensed under federal or state law, when acting within the scope of that charter or license, as security for a loan obtained by the association; however, the foregoing provision may not restrict the right or ability of an association to assign any unpaid obligations of a former member to a third party for purposes of collection. Subject to the limitations of this subdivision and

Section 1367.4, after the expiration of 30 days following the recording of a lien created pursuant to subdivision (d), the lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the notice of delinquent assessment, or sale by a trustee substituted pursuant to Section 2934a. Any sale by the trustee shall be conducted in accordance with Sections 2924, 2924b, and 2924c applicable to the exercise of powers of sale in mortgages and deeds of trusts. The fees of a trustee may not exceed the amounts prescribed in Sections 2924c and 2924d.

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

(i) If it is determined that a lien previously recorded against the separate interest was recorded in error, the party who recorded the lien shall, within 21 calendar days, record or cause to be recorded in the office of the county recorder in which the notice of delinquent assessment is recorded a lien release or notice of rescission and provide the owner of the separate interest with a declaration that the lien filing or recording was in error and a copy of the lien release or notice of rescission.

(j) (1) An association that fails to comply with the procedures set forth in this section shall, prior to recording a lien, recommence the required notice process.

(2) Any costs associated with recommencing the notice process shall be borne by the association and not by the owner of a separate interest.

(k) This section only applies to liens recorded on or after January 1, 2003.

(*l*) This section is subordinate to, and shall be interpreted in conformity with, Section 1367.4.

SEC. 16.7. Section 1367.1 of the Civil Code is amended to read:

1367.1. (a) A regular or special assessment and any late charges, reasonable fees and costs of collection, reasonable attorney's fees, if any, and interest, if any, as determined in accordance with Section 1366, shall be a debt of the owner of the separate interest at the time the assessment or other sums are levied. At least 30 days prior to recording a lien upon the separate interest of the owner of record to collect a debt that is past due under this subdivision, the association shall notify the owner of record in writing by certified mail of the following:

(1) A general description of the collection and lien enforcement procedures of the association and the method of calculation of the amount, a statement that the owner of the separate interest has the right to inspect the association records, pursuant to Section 8333 of the Corporations Code, and the following statement in 14-point boldface

type, if printed, or in capital letters, if typed: ''IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION.''

(2) An itemized statement of the charges owed by the owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorney's fees, any late charges, and interest, if any.

(3) A statement that the owner shall not be liable to pay the charges, interest, and costs of collection, if it is determined the assessment was paid on time to the association.

(4) The right to request a meeting with the board as provided by subdivision (c).

(5) The right to dispute the assessment debt by submitting a written request for dispute resolution to the association pursuant to Article 5 (commencing with Section 1363.810) of Chapter 4 of Title 6 of Part 4 of Division 2.

(6) The right to request alternative dispute resolution with a neutral third party pursuant to Article 2 (commencing with Section 1369.510) of Chapter 7 of Part 4 of Division 2 before the association may initiate foreclosure against the owner's separate interest.

(b) Any payments made by the owner of a separate interest toward the debt set forth, as required in subdivision (a), shall first be applied to the assessments owed, and, only after the assessments owed are paid in full shall the payments be applied to the fees and costs of collection, attorney's fees, late charges, or interest. When an owner makes a payment, the owner may request a receipt and the association shall provide it. The receipt shall indicate the date of payment and the person who received it. The association shall provide a mailing address for overnight payment of assessments.

(c) (1) (A) Prior to recording a lien for delinquent assessments, an association shall offer the owner, and if so requested by the owner, participate in dispute resolution pursuant to Article 5 (commencing with Section 1363.810) of Chapter 4 of Title 6 of Part 4 of Division 2.

(B) Prior to initiating a foreclosure for delinquent assessments, an association shall offer the owner and, if so requested by the owner, shall participate in dispute resolution pursuant to Article 5 (commencing with Section 1363.810) of Chapter 4 of Title 6 of Part 4 of Division 2 or alternative dispute resolution with a neutral third party pursuant to Article 2 (commencing with Section 1369.510) of Chapter 7 of Title 6 of Part 4 of Division 2. The decision to pursue dispute resolution or a particular type of alternative dispute resolution shall be the choice of the owner, except that binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

(2) The decision to record a lien for delinquent assessments shall be made only by the board of directors of the association and may not be delegated to an agent of the association. The board shall approve the decision by a majority vote of the board members in an open meeting. The board shall record the vote in the minutes of that meeting.

(3) An owner, other than an owner of any interest that is described in Section 11212 of the Business and Professions Code that is not exempt from this section pursuant to subdivision (a) of Section 11211.7, may submit a written request to meet with the board to discuss a payment plan for the debt noticed pursuant to subdivision (a). The association shall provide the owners the standards for payment plans, if any exist. The board shall meet with the owner in executive session within 45 days of the postmark of the request, if the request is mailed within 15 days of the date of the postmark of the notice, unless there is no regularly scheduled board meeting within that period, in which case the board may designate a committee of one or more members to meet with the owner.

(d) The amount of the assessment, plus any costs of collection, late charges, and interest assessed in accordance with Section 1366, shall be a lien on the owner's interest in the common interest development from and after the time the association causes to be recorded with the county recorder of the county in which the separate interest is located, a notice of delinquent assessment, which shall state the amount of the assessment and other sums imposed in accordance with Section 1366, a legal description of the owner's interest in the common interest development against which the assessment and other sums are levied, the name of the record owner of the owner's interest in the common interest development against which the lien is imposed. In order for the lien to be enforced by nonjudicial foreclosure as provided in subdivision (g), the notice of delinquent assessment shall state the name and address of the trustee authorized by the association to enforce the lien by sale. The notice of delinquent assessment shall be signed by the person designated in the declaration or by the association for that purpose, or if no one is designated, by the president of the association, and mailed in the manner set forth in Section 2924b, to all record owners of the owner's interest in the common interest development no later than 10 calendar days after recordation. Within 21 days of the payment of the sums specified in the notice of delinquent assessment, the association shall record or cause to be recorded in the office of the county recorder in which the notice of delinquent assessment is recorded a lien release or notice of rescission and provide the owner of the separate interest a copy of the lien release or notice that the delinquent assessment has been satisfied. A monetary charge imposed by the association as a means of reimbursing the association for costs incurred by the association in the repair of damage to common areas and facilities for which the member or the member's

guests or tenants were responsible may become a lien against the member's separate interest enforceable by the sale of the interest under Sections 2924, 2924b, and 2924c, provided the authority to impose a lien is set forth in the governing documents. It is the intent of the Legislature not to contravene Section 2792.26 of Title 10 of the California Code of Regulations, as that section appeared on January 1, 1996, for associations of subdivisions that are being sold under authority of a subdivision public report, pursuant to Part 2 (commencing with Section 11000) of Division 4 of the Business and Professions Code.

(e) Except as indicated in subdivision (d), a monetary penalty imposed by the association as a disciplinary measure for failure of a member to comply with the governing instruments, except for the late payments, may not be characterized nor treated in the governing instruments as an assessment that may become a lien against the member's subdivision separate interest enforceable by the sale of the interest under Sections 2924, 2924b, and 2924c.

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

(g) An association may not voluntarily assign or pledge the association's right to collect payments or assessments, or to enforce or foreclose a lien to a third party, except when the assignment or pledge is made to a financial institution or lender chartered or licensed under federal or state law, when acting within the scope of that charter or license, as security for a loan obtained by the association; however, the foregoing provision may not restrict the right or ability of an association to assign any unpaid obligations of a former member to a third party for purposes of collection. Subject to the limitations of this subdivision and Section 1367.4, after the expiration of 30 days following the recording of a lien created pursuant to subdivision (d), the lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the notice of delinquent assessment, or sale by a trustee substituted pursuant to Section 2934a. Any sale by the trustee shall be conducted in accordance with Sections 2924, 2924b, and 2924c applicable to the exercise of powers of sale in mortgages and deeds of trust. The fees of a trustee may not exceed the amounts prescribed in Sections 2924c and 2924d.

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

(i) If it is determined that a lien previously recorded against the separate interest was recorded in error, the party who recorded the lien shall, within 21 calendar days, record or cause to be recorded in the office of the county recorder in which the notice of delinquent assessment is recorded a lien release or notice of rescission and provide the owner of the separate interest with a declaration that the lien filing or recording was in error and a copy of the lien release or notice of rescission.

(j) (1) An association that fails to comply with the procedures set forth in this section shall, prior to recording a lien, recommence the required notice process.

(2) Any costs associated with recommencing the notice process shall be borne by the association and not by the owner of a separate interest.

(k) This section only applies to liens recorded on or after January 1, 2003.

(*l*) This section is subordinate to, and shall be interpreted in conformity with, Section 1367.4.

SEC. 17. Section 25021 of the Corporations Code is amended to read:

25021. ''Subdivided lands'' and ''subdivision'' have the meanings prescribed in Sections 11000, 11004.5, and 11218 of the Business and Professions Code.

SEC. 18. Section 30610 of the Public Resources Code is amended to read:

30610. Notwithstanding any other provision of this division, no coastal development permit shall be required pursuant to this chapter for the following types of development and in the following areas:

(a) Improvements to existing single-family residences; provided, however, that the commission shall specify, by regulation, those classes of development which involve a risk of adverse environmental effect and shall require that a coastal development permit be obtained pursuant to this chapter.

(b) Improvements to any structure other than a single-family residence or a public works facility; provided, however, that the commission shall specify, by regulation, those types of improvements which (1) involve a risk of adverse environmental effect, (2) adversely affect public access, or (3) involve a change in use contrary to any policy of this division. Any improvement so specified by the commission shall require a coastal development permit.

(c) Maintenance dredging of existing navigation channels or moving dredged material from those channels to a disposal area outside the coastal zone, pursuant to a permit from the United States Army Corps of Engineers.

(d) Repair or maintenance activities that do not result in an addition to, or enlargement or expansion of, the object of those repair or

maintenance activities; provided, however, that if the commission determines that certain extraordinary methods of repair and maintenance involve a risk of substantial adverse environmental impact, it shall, by regulation, require that a permit be obtained pursuant to this chapter.

(e) Any category of development, or any category of development within a specifically defined geographic area, that the commission, after public hearing, and by two-thirds vote of its appointed members, has described or identified and with respect to which the commission has found that there is no potential for any significant adverse effect, either individually or cumulatively, on coastal resources or on public access to, or along, the coast and, where the exclusion precedes certification of the applicable local coastal program, that the exclusion will not impair the ability of local government to prepare a local coastal program.

(f) The installation, testing, and placement in service or the replacement of any necessary utility connection between an existing service facility and any development approved pursuant to this division; provided, however, that the commission may, where necessary, require reasonable conditions to mitigate any adverse impacts on coastal resources, including scenic resources.

(g) (1) The replacement of any structure, other than a public works facility, destroyed by a disaster. The replacement structure shall conform to applicable existing zoning requirements, shall be for the same use as the destroyed structure, shall not exceed either the floor area, height, or bulk of the destroyed structure by more than 10 percent, and shall be sited in the same location on the affected property as the destroyed structure.

(2) As used in this subdivision:

(A) ''Disaster'' means any situation in which the force or forces which destroyed the structure to be replaced were beyond the control of its owner.

(B) ''Bulk'' means total interior cubic volume as measured from the exterior surface of the structure.

(C) ''Structure'' includes landscaping and any erosion control structure or device which is similar to that which existed prior to the occurrence of the disaster.

(h) Any activity anywhere in the coastal zone that involves the conversion of any existing multiple-unit residential structure to a time-share project, estate, or use, as defined in Section 11212 of the Business and Professions Code. If any improvement to an existing structure is otherwise exempt from the permit requirements of this division, no coastal development permit shall be required for that improvement on the basis that it is to be made in connection with any conversion exempt pursuant to this subdivision. The division of a multiple-unit residential structure into condominiums, as defined in

Section 783 of the Civil Code, shall not be considered a time-share project, estate, or use for purposes of this subdivision.

(i) (1) Any proposed development which the executive director finds to be a temporary event which does not have any significant adverse impact upon coastal resources within the meaning of guidelines adopted pursuant to this subdivision by the commission. The commission shall, after public hearing, adopt guidelines to implement this subdivision to assist local governments and persons planning temporary events in complying with this division by specifying the standards which the executive director shall use in determining whether a temporary event is excluded from permit requirements pursuant to this subdivision. The guidelines adopted pursuant to this subdivision shall be exempt from the review of the Office of Administrative Law and from the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(2) Exclusion or waiver from the coastal development permit requirements of this division pursuant to this subdivision does not diminish, waive, or otherwise prevent the commission from asserting and exercising its coastal development permit jurisdiction over any temporary event at any time if the commission determines that the exercise of its jurisdiction is necessary to implement the coastal resource protection policies of Chapter 3 (commencing with Section 30200).

SEC. 19. Section 998 of the Revenue and Taxation Code is amended to read:

998. (a) The full value of a time-share estate or a time-share use subject to tax under this division shall be determined by finding the real property value of the interest involved and shall not include the value of any nonreal property items, including, but not limited to, vacation exchange rights, vacation conveniences and services, and club memberships. Accordingly, the full value of a time-share estate or time-share use may be determined by reference to resort properties, condominiums, cooperatives, or other properties which are similar in size, type, and location to the property subject to time-share ownership and are not owned on a time-share basis. The aggregate assessed value of all the time-share estates or uses relating to a single lot, parcel, unit, or other segment of real property shall be determined by adding (1) the fair market value of the similar lot, parcel, unit, or other segment not owned on a time-share basis, and (2) an amount necessary to reflect any increase or decrease to the market value attributable to the fact that the property is marketed in increments of time, or by any alternate method which will determine the real property value without regard to any nonreal property items which may be included.

(b) Nothing in this section shall authorize a reassessment of real property as a result of the creation or transfer of a time-share interest in

the property unless the creation or transfer of the time-share interest constitutes a change in ownership under Chapter 2 (commencing with Section 60) of Part 2 and Section 2 of Article XIII A of the California Constitution.

(c) For purposes of this section, ''time-share estate'' and ''time-share use'' shall have the meanings set forth in paragraph (x) of Section 11212 of the Business and Professions Code, and ''time-share interest'' shall refer to both time-share estates and time-share uses.

(d) Nothing in this section may be construed as requiring the assessment of any property at less than fair market value as required by Section 401.

SEC. 20. Section 2188.8 of the Revenue and Taxation Code is amended to read:

2188.8. (a) Whenever the assessor receives a written request for separate assessment of time-share estates in a time-share project, as defined in Section 11212 of the Business and Professions Code and as specified in subdivision (h) of this section, the assessor shall, on the first lien date that occurs more than 60 days following the request, and on each lien date thereafter, separately assess each time-share estate in the project if the assessor determines that the conditions specified in subdivision (c) have been met. Whenever estates in a time-share project are separately assessed, they shall continue to be separately assessed in subsequent fiscal years and, once a request for separate assessment is made with respect to a project, it is binding on all future time-share estate owners.

(b) The interest that is to be separately assessed is the value of the right of recurrent, exclusive use or occupancy of real property, annually or on some other periodic basis, for a specific period of time that has been, or will be, allotted from the use or occupancy periods into which the project has been divided.

(c) The separate assessment of a time-share estate may not be made by the assessor unless both of the following occur:

(1) The person making the request certifies that the request for separate assessment has been approved in the manner provided in the organizational documents of the organization involved for approval of matters affecting the affairs of the organization generally.

(2) A diagrammatic floor plan of the improvements, a copy of the documents setting forth the procedures for scheduling time and units to each time-share estate owner, and a list of every time-share estate owner, with a date notation thereon showing when, according to the organization's records, each time-share estate was acquired, have been filed with the assessor. A plot map of the land showing the location of the improvements on the land need not be filed unless requested by the assessor. The organization shall file an annual statement for each

succeeding assessment year, on or before April 1, with the assessor setting forth any changes to the required information known to the organization. The list or other information provided pursuant to this section is not a public document and shall not be open to public inspection, except as provided in Section 408.

(d) Notwithstanding subdivision (c), this section shall not be construed to require any person making a request for separate assessment to meet the requirements of the Subdivision Map Act, nor shall the approval of any governmental agency be required for separate assessment.

(e) The tax on a time-share estate that is separately assessed pursuant to this section shall be a lien solely on the time-share estate and shall be entered on and be subject to all provisions of law applicable to taxes on the secured roll, provided:

(1) If the taxes on any time-share estate that is separately assessed remain unpaid at the time set for declaration of default for delinquent taxes, the taxes on the time-share estate, together with any penalties and costs that may have accrued thereon while on the secured roll, may be transferred to the unsecured roll.

(2) Defaulted time-share estate taxes remaining unpaid on any prior year secured tax roll may be transferred to the unsecured roll and collected like any other tax on the unsecured roll.

(f) The assessor shall provide to the principal office of each time-share project within the taxing jurisdiction, at the time and in the manner as he or she deems appropriate, adequate notice of the provisions of this section and other pertinent information relative to the implementation thereof.

(g) The county may charge a fee for processing an application for separate assessment and for the initial and the ongoing costs, not to exceed the actual cost, of the separate assessment and billing, and mailings, with respect to a time-share project. This fee is subject to Chapter 12.5 (commencing with Section 54985) of Part 1 of Division 2 of Title 5 of the Government Code, and shall be proportionately allocated to each of the time-share estate owners. This fee may be collected commencing with the initial separate tax bills, and on subsequent tax bills, and deposited in the county's general fund.

(h) For purposes of this section, ''time-share estate'' applies to time-share estates, as defined in Section 11212 of the Business and Professions Code, that include a fee simple interest in the underlying property involved. However, ''time-share estate'' does not include time-share estates that are coupled with a leasehold interest or an estate for years.

(i) Notwithstanding subdivision (a), when the assessor receives a written request to terminate the separate assessment of time-share estates

in a time-share project under subdivision (a), the assessor shall, on the first lien date that occurs more than 60 days following the request, and on each lien date thereafter, prepare a single assessment for all time-share estates in the project. In order to obtain a single assessment, the person making the request shall provide certification that the request for a single consolidated assessment has been approved in the manner provided in the organization's documents. The person making the request shall also state the name and address of that organization as the organization to receive the single consolidated assessment. On the first lien date, and continuing thereafter, the county shall assess the time-share project. Any lien for taxes shall attach as if the election previously made under subdivision (a) had not been made, and the county shall no longer charge the fees described in subdivision (g).

SEC. 21. Section 2188.9 of the Revenue and Taxation Code is amended to read:

2188.9. (a) Whenever the assessor receives a written request for separate assessment of a time-share project, as defined in Section 11212 of the Business and Professions Code, the assessor shall, on the first lien date which occurs more than 60 days following the request, and on each lien date thereafter, separately assess the individual interests in the project described in subdivision (b) if the conditions specified in subdivision (c) have been met. Whenever a time-share project becomes subject to separate assessment, it shall continue to be so subject in subsequent fiscal years and once a request for separate assessment is made, it is binding on all future owners and occupants of the project.

(b) The interest in a time-share project that is to be separately assessed is the value of the right of recurrent, exclusive use or occupancy of real property, annually or on some other periodic basis, for a period of time that has been, or will be, allotted from the use or occupancy periods into which the project has been divided.

(c) A separate assessment may not be made by the assessor under this section unless:

(1) The person making the request certifies that the request for separate assessment has been approved in the manner provided in the organizational documents of the organization involved for approval of matters affecting the affairs of the organization generally; and

(2) A diagrammatic floor plan of the improvements, a copy of the documents setting forth the procedures for scheduling time and units to each time-share interest owner, and a list of every time-share interest owner, with a date notation thereon showing when, according to the organization's records, each interest was acquired, have been filed with the assessor. A plot map of the land showing the location of the improvements on the land need not be filed unless requested by the assessor. The organization shall file an annual statement for each

succeeding assessment year, on or before April 1, with the assessor, setting forth any changes to the required information known to the organization. The list or other information provided pursuant to this section is not a public document and shall not be open to public inspection, except as provided in Section 408 of the Revenue and Taxation Code.

(d) Notwithstanding the provisions of subdivision (c), this section shall not be construed to require applicants for separate assessments to meet the requirements of the Subdivision Map Act, nor shall the approval of any governmental agency be required for separate assessment except for the assessor's approval.

(e) The assessor shall cumulate all the separate assessments in a time-share project and enter the total assessment on the secured roll in the name of the organization or time-share owners' association. The assessor shall notify each owner of a time-share interest subject to separate assessment under this section of the amount of an increased assessment pursuant to Section 619.

(f) The tax on the total assessment with respect to a time-share project shall be a lien on the entire time-share project and shall be subject to all provisions of law applicable to taxes on the secured roll.

(g) The tax collector shall send a single tax bill, with an itemized breakdown detailing the taxes applicable to each separate assessment, to the time-share project organization or owners' association.

(h) The assessor shall provide to the principal office of each time-share project within the taxing jurisdiction, at that time and in that manner as he or she deems appropriate, adequate notice of the provisions of this section and other pertinent information relative to the implementation thereof.

(i) The county may charge a fee for processing the application for separate assessment and for the initial and ongoing costs of separate assessment and implementing subdivision (g), not to exceed the actual costs. Fees shall be subject to Chapter 12.5 (commencing with Section 54985) of Part 1 of Division 2 of Title 5 of the Government Code, and may be collected commencing with the initial separate tax bills, and on subsequent tax bills, and shall be deposited in the county's general fund.

(j) This section shall not apply to time-share estates or to time-share projects that are subject to the provisions of Section 2188.8.

(k) Notwithstanding subdivision (a), when the assessor receives a written request to terminate the separate assessment of a time-share project under subdivision (a), the assessor shall, on the first lien date that occurs more than 60 days following the request, and on each lien date thereafter, prepare a single assessment for the time-share project without an itemized breakdown detailing the taxes applicable to each separate assessment in the time-share project. In order to obtain a single

assessment, the person making the request shall provide certification that the request for a single consolidated assessment has been approved in the manner provided in the organization's documents. The person making the request shall also state the name and address of that organization as the organization to receive the single consolidated assessment. On the first lien date, and continuing thereafter, the county shall assess the time-share project. Any lien for taxes shall attach as if the election previously made under subdivision (a) had not been made, and the county shall no longer charge the fees described in subdivision (i).

SEC. 22. Section 7280 of the Revenue and Taxation Code is amended to read:

7280. (a) The legislative body of any city or county may levy a tax on the privilege of occupying a room or rooms, or other living space, in a hotel, inn, tourist home or house, motel, or other lodging unless the occupancy is for any period of more than 30 days. The tax when levied by the legislative body of a county shall apply only to the unincorporated areas of the county.

(b) For purposes of this section, the term ''the privilege of occupying a room or rooms, or other living space, in a hotel, inn, tourist home or house, motel, or other lodging'' does not include the right of an owner of a time-share estate in a room or rooms in a time-share project, or the owner of a membership camping contract in a camping site at a campground, or the guest of the owner, to occupy the room, rooms, camping site, or other real property in which the owner retains that interest.

For purposes of this subdivision:

(1) ''Time-share estate'' means a time-share estate, as defined by paragraph (1) of subdivision (x) of Section 11212 of the Business and Professions Code.

(2) ''Membership camping contract'' means a right or license as defined by subdivision (b) of Section 1812.300 of the Civil Code.

(3) ''Guest of that owner'' means a person who does either of the following:

(A) Occupies real property accompanied by the owner of either of the following:

(i) A time-share estate in that real property.

(ii) A camping site in a campground pursuant to a right or license under a membership camping contract.

(B) Exercises that owner's right of occupancy without payment of any compensation to the owner.

''Guest of that owner'' specifically includes a person occupying a time-share unit or a camping site in a campground pursuant to any form of exchange program.

(c) For purposes of this section, ''other lodging'' includes, but is not limited to, a camping site or a space at a campground or recreational vehicle park, but does not include any of the following:

(1) Any facilities operated by a local government entity.

(2) Any lodging excluded pursuant to subdivision (b).

(3) Any campsite excluded from taxation pursuant to Section 7282.

(d) Subdivision (b) shall not affect or apply to the authority of any city or county to collect a transient occupancy tax from time-share projects which were in existence as of May 1, 1985, and which time-share projects were then subject to a transient occupancy tax imposed by an ordinance duly enacted prior to May 1, 1985, pursuant to this section. The act adding this subdivision shall not in any way affect any litigation pending on or prior to December 31, 1985.

SEC. 22.5. Section 7280 of the Revenue and Taxation Code is amended to read:

7280. (a) The legislative body of any city, county, or city and county may levy a tax on the privilege of occupying a room or rooms, or other living space, in a hotel, inn, tourist home or house, motel, or other lodging unless the occupancy is for a period of more than 30 days. The tax, when levied by the legislative body of a county, applies only to the unincorporated areas of the county.

(b) For purposes of this section, the term ''the privilege of occupying a room or rooms, or other living space, in a hotel, inn, tourist home or house, motel, or other lodging'' does not include the right of an owner of a time-share estate in a room or rooms in a time-share project, or the owner of a membership camping contract in a camping site at a campground, or the guest of the owner, to occupy the room, rooms, camping site, or other real property in which the owner retains that interest.

For purposes of this subdivision:

(1) ''Time-share estate'' means a time-share estate, as defined by paragraph (1) of subdivision (x) of Section 11212 of the Business and Professions Code.

(2) ''Membership camping contract'' means a right or license as defined by subdivision (b) of Section 1812.300 of the Civil Code.

(3) ''Guest of that owner'' means a person who does either of the following:

(A) Occupies real property accompanied by the owner of either of the following:

(i) A time-share estate in that real property.

(ii) A camping site in a campground pursuant to a right or license under a membership camping contract.

(B) Exercises that owner's right of occupancy without payment of any compensation to the owner.

''Guest of that owner'' specifically includes a person occupying a time-share unit or a camping site in a campground pursuant to any form of exchange program.

(c) For purposes of this section, ''other lodging'' includes, but is not limited to, a camping site or a space at a campground or recreational vehicle park, but does not include any of the following:

(1) Any facilities operated by a local government entity.

(2) Any lodging excluded pursuant to subdivision (b).

(3) Any campsite excluded from taxation pursuant to Section 7282.

(d) Subdivision (b) does not affect or apply to the authority of any city, county, or city and county to collect a transient occupancy tax from time-share projects that were in existence as of May 1, 1985, and which time-share projects were then subject to a transient occupancy tax imposed by an ordinance duly enacted prior to May 1, 1985, pursuant to this section. Chapter 257 of the Statutes of 1985 may not be construed to affect any litigation pending on or prior to December 31, 1985.

(e) (1) (A) If the legislative body of a city, county, or city and county elects to exempt from a tax imposed pursuant to this section any of the following persons whose occupancy is for the official business of their employers, the legislative body shall create a standard form to claim this exemption and the officer or employee claiming the exemption shall sign the form under penalty of perjury:

(i) An employee or officer of a government outside the United States.

(ii) An employee or officer of the United States government.

(iii) An employee or officer of the state government or of the government of a political subdivision of the state.

(B) The standard form described in subparagraph (A) shall contain a requirement that the employee or officer claiming the exemption provide to the property owner one of the following, as determined by the legislative body of the city, county, or city and county imposing the tax, as conclusive evidence that his or her occupancy is for the official business of his or her employer:

(i) Travel orders from his or her government employer.

(ii) A government warrant issued by his or her employer to pay for the occupancy.

(iii) A government credit card issued by his or her employer to pay for the occupancy.

(C) The standard form described in subparagraph (A) shall contain a requirement that the officer or employee provide photo identification, proof of his or her governmental employment as an employee or officer as described in clause (i), (ii), or (iii) of subparagraph (A), and proof, consistent with the provisions of subparagraph (B), that his or her occupancy is for the official business of his or her governmental employer.

(2) There shall be a rebuttable presumption that a property owner is not liable for the tax imposed pursuant to this section with respect to any government employee or officer described in clause (i), (ii), or (iii) of subparagraph (A) of paragraph (1) for whom the property owner retains a signed and dated copy of a standard form that complies with the provisions of subparagraphs (B) and (C) of paragraph (1).

(f) The provisions of subdivision (e) are not intended to preclude a city, county, or city and county from electing to exempt any other class of persons from the tax imposed pursuant to this section.

SEC. 23. Section 15.5 of this bill incorporates amendments to Section 1365.1 of the Civil Code proposed by this bill, SB 1682, and AB 2598. It shall become operative only if (1) this bill and either SB 1682 or AB 2598 are enacted and become effective on or before January 1, 2005, (2) this bill and SB 1682, if enacted, or AB 2598, if enacted, amend Section 1365.1 of the Civil Code, (3) this bill is the last bill enacted that amends that section, and (4) AB 1836 is not enacted, in which case Sections 15 and 15.7 shall not become operative.

SEC. 24. Section 15.7 of this bill incorporates amendments to Section 1365.1 of the Civil Code proposed by this bill, SB 1682, and AB 2598, and incorporates changes to reference new provisions of the Civil Code, as added by AB 1836. It shall become operative only if (1) this bill and either SB 1682 or AB 2598 are enacted and become effective on or before January 1, 2005, (2) this bill and SB 1682, if enacted, or AB 2598, if enacted, amend Section 1365.1 of the Civil Code, (3) this bill is the last bill enacted that amends that section, and (4) AB 1836 is enacted and becomes effective on or before January 1, 2005, in which case Sections 15 and 15.5 shall not become operative.

SEC. 25. Section 16.5 of this bill incorporates amendments to Section 1367.1 of the Civil Code proposed by this bill, SB 1682, and AB 2598. It shall become operative only if (1) this bill and either SB 1682 or AB 2598 are enacted and become effective on or before January 1, 2005, (2) this bill and SB 1682, if enacted, or AB 2598, if enacted, amend Section 1367.1 of the Civil Code, (3) this bill is the last bill enacted that amends that section, and (4) AB 1836 is not enacted, in which case Sections 16 and 16.7 shall not become operative.

SEC. 26. Section 16.7 of this bill incorporates amendments to Section 1367.1 of the Civil Code proposed by this bill, SB 1682, and AB 2598, and incorporates changes to reference new provisions of the Civil Code, as added by AB 1836. It shall become operative only if (1) this bill and either SB 1682 or AB 2598 are enacted and become effective on or before January 1, 2005, (2) this bill and SB 1682, if enacted, or AB 2598, if enacted, amend Section 1367.1 of the Civil Code, (3) this bill is the last bill enacted that amends that section, and (4) AB 1836 is enacted and

becomes effective on or before January 1, 2005, in which case Sections 16 and 16.5 shall not become operative.

SEC. 27. Section 22.5 of this bill incorporates amendments to Section 7280 of the Revenue and Taxation Code proposed by both this bill and AB 1916. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 7280 of the Revenue and Taxation Code, and (3) this bill is enacted after AB 1916, in which case Section 22 of this bill shall not become operative.

SEC. 28. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 698

An act to add Chapter 12.5 (commencing with Section 20020) to Part 11 of the Education Code, relating to financing a public library construction and renovation program by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California, and by providing for the handling and disposition of those funds.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Chapter 12.5 (commencing with Section 20020) is added to Part 11 of the Education Code, to read:

CHAPTER 12.5. CALIFORNIA READING AND LITERACY IMPROVEMENT AND PUBLIC LIBRARY CONSTRUCTION AND RENOVATION BOND ACT OF 2006

Article 1. General Provisions

20020. This chapter shall be known and may be cited as the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2006.

20021. The Legislature finds and declares the following:

(a) Reading and literacy skills are fundamental to success in our economy and our society.

(b) Public libraries are a vital part of the educational system. They provide resources and services for all residents of California, including preschoolers, out-of-school adults, senior citizens, and those attending schools at all levels.

(c) In many cases, libraries serve as a community's only public point of access to resources for learning and by extension, self-sufficiency.

(d) The construction and renovation of public library facilities is necessary to expand access to reading and literacy programs in California's public education system and to expand access to public library services for all residents of California.

(e) The need for library facilities continues to grow. A 2003 needs assessment compiled by the State Library found that there is a need for over two billion dollars ($2,000,000,000) in public library funding.

(f) In March 2000, California voters approved a bond measure of three hundred fifty million dollars ($350,000,000) for library construction and renovation.

(g) Due to the overwhelming response by applicants, the California Public Library Construction and Renovation Board will ultimately be forced to deny approximately 75 percent of all applications due to lack of additional bond funding.

20022. As used in this chapter, the following terms have the following meanings:

(a) ''Committee'' means the California Library Construction and Renovation Finance Committee established pursuant to Section 19972 and continued in existence pursuant to Section 20040 for the purposes of this chapter.

(b) ''Fund'' means the California Public Library Construction and Renovation Fund of 2006 established pursuant to Section 20024.

(c) ''Board'' means the California Public Library Construction and Renovation Board of 2006 established pursuant to Section 20023.

20023. (a) The California Public Library Construction and Renovation Board of 2006 is hereby established.

(b) The board is comprised of the State Librarian, the Treasurer, the Director of Finance, an Assembly Member appointed by the Speaker of the Assembly, a Senator appointed by the Senate Committee on Rules, and two members appointed by the Governor.

(c) Legislative members of the board shall meet with, and participate in, the work of the board to the extent that their participation is not incompatible with their duties as Members of the Legislature. For the purpose of this chapter, Members of the Legislature who are members of the board constitute a joint legislative committee on the subject matter of this chapter.

Article 2. Program Provisions

20024. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the California Public Library Construction and Renovation Fund of 2006, which is hereby established.

20025. All moneys deposited in the fund, except as provided in Section 20049.5, are continuously appropriated to the State Librarian, notwithstanding Section 13340 of the Government Code, and are available for grants to any city, county, city and county, or library district that is authorized at the time of the project application to own and maintain a public library facility for the purposes set forth in Section 20026.

20026. The grant funds authorized pursuant to Section 20025, and the matching funds provided pursuant to Section 20033, shall be used by the recipient for any of the following purposes:

(a) Acquisition or construction of new facilities or additions to existing public library facilities.

(b) Acquisition of land necessary for the purposes of subdivision (a).

(c) Remodeling or rehabilitation of existing public library facilities or of other facilities for the purpose of their conversion to public library facilities. All remodeling and rehabilitation projects funded with grants authorized pursuant to this chapter shall include any necessary upgrading of electrical and telecommunications systems to accommodate Internet and similar computer technology.

(d) Procurement or installation, or both, of furnishings and equipment required to make a facility fully operable, if the procurement or installation is part of a construction or remodeling project funded pursuant to this section.

(e) Payment of fees charged by architects, engineers, and other professionals, whose services are required to plan or execute a project authorized pursuant to this chapter.

(f) Service charges where the services in question are required by the applicant jurisdiction to be provided by a public works or similar

department, or by other departments providing professional services where the costs are directly billed to the project pursuant to this chapter.

20027. (a) An applicant for a grant for the acquisition, construction, remodeling, or rehabilitation of public library facilities under this chapter on land not currently possessed by that applicant, for a project that does not include an application for a grant to acquire that land pursuant to subdivision (b) of Section 20026, shall be deemed to comply with any administrative condition adopted pursuant to this chapter that the applicant own the land if the application is accompanied by a copy of a court order issued in an eminent domain action pursuant to Section 1255.410 of the Code of Civil Procedure that entitles the applicant to possession of the land.

(b) The terms ''purchase of land'' and ''acquisition of land'' as used in this chapter, or in any rule, regulation or policy adopted by the board pursuant to Section 20030, include, but are not limited to, the acquisition of land by eminent domain. For that purpose, the eligible cost of acquisition shall be the fair market value of the property as defined by Article 4 (commencing with Section 1263.310) of Chapter 9 of Title 7 of Part 3 of the Code of Civil Procedure, except that, if title to the land will not be transferred until after the application is submitted for a grant for the acquisition of the land, the eligible cost of acquisition may not exceed the appraised value of the land.

20028. Any grant funds authorized pursuant to Section 20025, or matching funds provided pursuant to Section 20033, may not be used by a recipient for any of the following purposes:

(a) Books and other library materials.

(b) Administrative costs of the project, including, but not limited to, the costs of any of the following:

(1) Preparation of the grant application.

(2) Procurement of matching funds.

(3) Conduct of an election for obtaining voter approval of the project.

(c) Except as set forth in this chapter, including, but not limited to, Section 20048, interest or other carrying charges for financing the project, including, but not limited to, costs of loans or lease-purchase agreements in excess of the direct costs of any of the authorized purposes specified in Section 20026.

(d) Any ongoing operating expenses for the facility, its personnel, supplies or any other library operations.

20029. All construction contracts for projects funded in part through grants awarded pursuant to this chapter shall be awarded through competitive bidding pursuant to Part 3 (commencing with Section 20100) of Division 2 of the Public Contract Code.

20030. This chapter shall be administered by the State Librarian. The board shall adopt rules, regulations, and policies for the implementation of this chapter.

20031. A city, county, city and county, or library district may apply to the State Librarian for a grant pursuant to this chapter as follows:

(a) Each application shall be for a project for a purpose authorized by Section 20026.

(b) An application may not be submitted for a project for which construction bids already have been advertised.

(c) The applicant shall request not less than fifty thousand dollars ($50,000) per project.

20032. In making the awards, the board shall consider applications for construction or rehabilitation of public library facilities submitted pursuant to Section 20031 and the funding shall be allocated in the following manner:

(a) First priority shall be given to applications deemed eligible by the State Librarian, that were submitted but not funded in the third application cycle of the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000. Amounts awarded by the board for these applications may not exceed 50 percent of the total amount authorized pursuant to Section 20038.

(b) Until regulations are adopted pursuant to Section 20030, regulations adopted pursuant to the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000 (Chapter 12 (commencing with Section 19985)) govern the administration of this chapter.

(c) Funds not awarded for the third application cycle pursuant to the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000 shall be awarded on a competitive basis pursuant to this chapter.

(d) (1) Except as set forth in paragraph (2), an amount of at least twenty-five million dollars ($25,000,000) shall be made available for joint-use projects that meet all of the following requirements:

(A) The joint-use project is with one or more public education institutions. For the purpose of this section, ''public education institution'' means any of the following:

(i) A school district maintaining any combination of educational settings from kindergarten to grade 12, inclusive.

(ii) A county office of education.

(iii) A community college district.

(iv) A campus of the California State University.

(v) A campus of the University of California.

(B) The public education institution or institutions participating as a joint-use partner or partners provide at least 50 percent of the 35 percent

local matching funds required pursuant to subdivision (a) of Section 20033.

(C) Consideration may be given to a proposed joint-use project to be located in a low-income area.

(D) Consideration may be given to a proposed joint-use project to be located in an area in which public schools have low scores on the Academic Performance Index.

(2) If, by March 2, 2010, the total dollar amount of all approved applications for joint-use projects pursuant to this section exceeds the total dollar amount made available for joint-use projects pursuant to paragraph (1), joint-use projects may also be funded from any other funds available to the board under this chapter.

(3) If, by March 2, 2010, the total dollar amount of all approved applications for joint-use projects pursuant to this section is less than the total dollar amount made available for joint-use projects pursuant to paragraph (1), any remaining funds under paragraph (1) shall be made available for any other grants under this chapter awarded on a competitive basis in the same manner as set forth in subdivision (d).

20033. (a) Each grant recipient shall provide matching funds from any available source in an amount equal to 35 percent of the costs of the project. The remaining 65 percent of the costs of the project, up to a maximum of twenty million dollars ($20,000,000) per project, shall be provided through allocations from the fund.

(b) Qualifying matching funds shall be cash expenditures in the categories specified in Section 20026 which are made not earlier than five years prior to the submission of the application to the State Librarian. Except as otherwise provided in subdivision (c), in-kind expenditures do not qualify as matching funds.

(c) Land donated or otherwise acquired for use as a site for the facility, including, but not limited to, land purchased more than five years prior to the submission of the application to the State Librarian, may count towards the required 35 percent local fund contribution at its appraised value as of the date of the application. This subdivision does not apply to land acquired with funds authorized pursuant to Part 68 (commencing with Section 100400), Part 68.1 (commencing with Section 100600), or Part 68.2 (commencing with Section 100800) if approved by the voters.

(d) Expenditures for payment of architect fees for plans and drawings for library renovation and new construction, including, but not limited to, plans and drawings purchased more than five years prior to the submission of the application to the State Librarian, may count towards the required 35 percent local funds contribution.

20034. (a) The estimated costs of a project for which an application is submitted shall be consistent with normal public construction costs in the geographic area of the applicant.

(b) An applicant wishing to construct a project having costs that exceed normal public construction costs in the area may apply for a grant in an amount not to exceed 65 percent of the normal costs up to a maximum of twenty million dollars ($20,000,000) per project if the applicant certifies that it is capable of financing the remainder of the project costs from other sources.

20035. After an application has been approved by the board and included in the request of the State Librarian to the committee, the amount of the funding to be provided to the applicant may not be increased. Any actual changes in project costs are the responsibility of the applicant. If the amount of funding that is provided is greater than the cost of the project, the applicant shall return that amount of funding that exceeds the cost of the project to the fund. If an applicant has been awarded funding by the board, but decides not to proceed with the project, the applicant shall return all of the funding to the fund.

20036. (a) In reviewing applications, as part of establishing the priorities set forth in Section 20032, the board shall consider all of the following factors:

(1) The needs of urban, suburban, and rural areas.

(2) The age and condition of existing library facilities within an area.

(3) The degree to which existing library facilities are inadequate in meeting the needs of the residents in the library service area.

(4) The degree to which the proposed project responds to the needs of the residents in the library service area.

(5) The degree to which the library integrates appropriate electronic technologies into the proposed project.

(6) The degree to which the proposed site is appropriate for the proposed project and its intended use.

(7) The financial commitment of the local agency submitting the application to open, operate, and maintain the proposed library project upon its completion.

(b) If, after an application has been submitted, material changes occur that would alter the evaluation of an application, the State Librarian may accept an additional written statement from the applicant for consideration by the board.

20037. (a) A facility, or any part thereof, acquired, constructed, remodeled, or rehabilitated with grants received pursuant to this chapter shall be dedicated to public library direct service use for a period of at least 20 years following completion of the project.

(b) Any financial interest that the state may have in the land or facility, or both, resulting from the funding of a project under this chapter, as described in subdivision (a), may be transferred by the State Librarian through an exchange for a replacement site and facility acquired or constructed for the purpose of providing public library direct service.

(c) If the facility, or any part thereof, acquired, constructed, remodeled, or rehabilitated with grants received pursuant to this chapter ceases to be used for public library direct service prior to the expiration of the period specified in subdivision (a), the board shall be entitled to recover from the grant recipient, or the successor of the recipient, an amount that bears the same ratio to the value of the facility, or appropriate part thereof, at the time it ceased to be used for public library direct service, as the amount of the original grant bore to the original cost of the facility, or appropriate part thereof. For purposes of this subdivision, the value of the facility, or appropriate part thereof, shall be determined by the mutual agreement of the board and the grant recipient or successor, or through an action brought for that purpose in the superior court.

(d) Notwithstanding subdivision (f) of Section 16724 of the Government Code, any money recovered pursuant to subdivision (c) shall be deposited in the fund, and shall be available for the purpose of awarding grants for other projects.

Article 3. Fiscal Provisions

20038. Bonds in the total amount not to exceed a total of six hundred million dollars ($600,000,000), exclusive of refunding bonds issued in accordance with Section 20046, or so much thereof as is necessary, may be issued and sold for deposit in the fund to be used in accordance with, and for carrying out the purposes expressed in, this chapter, including all acts amendatory thereof and supplementary thereto, and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest on bonds as the principal and interest become due and payable.

20039. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter, except Section 16727 of the Government Code to the extent that it may be inconsistent with this chapter.

20040. (a) For purposes of this chapter, the California Library Construction and Renovation Finance Committee established pursuant to Section 19972 is continued in existence and is the ‘‘committee’’ as

that term is used in the State General Obligation Bond Law for the purpose of this chapter.

(b) For purposes of the State General Obligation Bond Law, the California Public Library Construction and Renovation Board of 2006 established pursuant to Section 20023 is designated the board.

20041. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in this chapter, including all acts amendatory thereof and supplementary thereto, and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

20042. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

20043. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

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

(b) The sum necessary to carry out Section 20044, appropriated without regard to fiscal years.

20044. For the purposes of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, with interest at the rate earned by the money in the Pooled Money Investment Account during the time the money was withdrawn from the General Fund pursuant to this section, from money received from the sale of bonds for the purpose of carrying out this chapter.

20045. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account or any other approved form of interim financing, in accordance with Section 16312 of the Government Code, for the purposes of carrying out this chapter. The amount of the request may 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 chapter. The board shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

20046. Any bonds issued and sold pursuant to this chapter may be refunded by the issuance of refunding bonds in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 2 of Title 2 of the Government Code. Approval by the electors of the state for the issuance of bonds under this chapter shall include the approval of the issuance of any bonds issued to refund any bonds originally issued or any previously issued refunding bonds.

20047. Notwithstanding any other provision of this chapter, or of the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this chapter that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, subject to designated conditions, the Treasurer may maintain separate accounts for the investment of bond proceeds and for the investment earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds required or desirable under federal law 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.

20048. All money deposited in the fund that is derived from premium and accrued interest on bonds sold pursuant to this chapter shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

20049. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not ''proceeds of taxes'' as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

20049.5. Amounts deposited in the fund pursuant to this chapter may be appropriated in the annual Budget Act to the State Librarian for the actual amount of office, personnel, and other customary and usual expenses incurred in the direct administration of grant projects pursuant to this chapter, including, but not limited to, expenses incurred by the State Librarian in providing technical assistance to an applicant for a grant under this chapter.

SEC. 2. (a) Section 1 of this act shall take effect upon the adoption by the voters of the California Reading and Literacy Improvement and

Public Library Construction and Renovation Bond Act of 2006, as set forth in Section 1 of this act.

(b) Section 1 of this act shall be submitted to the voters at the 2006 statewide primary election in accordance with provisions of the Elections Code and the Government Code governing submission of statewide measures to voters.

SEC. 3. (a) Notwithstanding any other law, all ballots of the election shall have printed thereon and in a square thereof, the words: ''California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2006'' and in the same square under those words, the following in 8-point type: ''This act provides for a bond issue in an amount not to exceed a total of six hundred million dollars ($600,000,000) to provide funds for the construction and renovation of public library facilities in order to expand access to reading and literacy programs in California's public education system and to expand access to public library services for all residents of California.'' 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) If 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.

CHAPTER 699

An act to add Section 2282.5 to the Business and Professions Code, relating to medicine.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. (a) The Legislature finds and declares that providing quality medical care in hospitals depends on the mutual accountability, interdependence, and responsibility of the medical staff and the hospital governing board for the proper performance of their respective obligations.

(b) The Legislature further finds and declares that the governing board of a hospital must act to protect the quality of medical care provided and the competency of its medical staff, and to ensure the responsible governance of the hospital in the event that the medical staff

fails in any of its substantive duties or responsibilities. Nothing in this act shall be construed to undermine this authority. The final authority of the hospital governing board may be exercised for the responsible governance of the hospital or for the conduct of the business affairs of the hospital; however, that final authority may only be exercised with a reasonable and good faith belief that the medical staff has failed to fulfill a substantive duty or responsibility in matters pertaining to the quality of patient care. It would be a violation of the medical staff's self-governance and independent rights for the hospital governing board to assume a duty or responsibility of the medical staff precipitously, unreasonably, or in bad faith.

(c) Finally, the Legislature finds and declares that the specific actions that would constitute bad faith or unreasonable action on the part of either the medical staff or hospital governing board will always be fact-specific and cannot be precisely described in statute. The provisions set forth in this act do nothing more than provide for the basic independent rights and responsibilities of a self-governing medical staff. Ultimately, a successful relationship between a hospital's medical staff and governing board depends on the mutual respect of each for the rights and responsibilities of the other.

SEC. 2. Section 2282.5 is added to the Business and Professions Code, to read:

2282.5. (a) The medical staff's right of self-governance shall include, but not be limited to, all of the following:

(1) Establishing, in medical staff bylaws, rules, or regulations, criteria and standards, consistent with Article 11 (commencing with Section 800) of Chapter 1 of Division 2, for medical staff membership and privileges, and enforcing those criteria and standards.

(2) Establishing, in medical staff bylaws, rules, or regulations, clinical criteria and standards to oversee and manage quality assurance, utilization review, and other medical staff activities including, but not limited to, periodic meetings of the medical staff and its committees and departments and review and analysis of patient medical records.

(3) Selecting and removing medical staff officers.

(4) Assessing medical staff dues and utilizing the medical staff dues as appropriate for the purposes of the medical staff.

(5) The ability to retain and be represented by independent legal counsel at the expense of the medical staff.

(6) Initiating, developing, and adopting medical staff bylaws, rules, and regulations, and amendments thereto, subject to the approval of the hospital governing board, which approval shall not be unreasonably withheld.

(b) The medical staff bylaws shall not interfere with the independent rights of the medical staff to do any of the following, but shall set forth the procedures for:

(1) Selecting and removing medical staff officers.

(2) Assessing medical staff dues and utilizing the medical staff dues as appropriate for the purposes of the medical staff.

(3) The ability to retain and be represented by independent legal counsel at the expense of the medical staff.

(c) With respect to any dispute arising under this section, the medical staff and the hospital governing board shall meet and confer in good faith to resolve the dispute. Whenever any person or entity has engaged in or is about to engage in any acts or practices that hinder, restrict, or otherwise obstruct the ability of the medical staff to exercise its rights, obligations, or responsibilities under this section, the superior court of any county, on application of the medical staff, and after determining that reasonable efforts, including reasonable administrative remedies provided in the medical staff bylaws, rules, or regulations, have failed to resolve the dispute, may issue an injunction, writ of mandate, or other appropriate order. Proceedings under this section shall be governed by Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of the Code of Civil Procedure.

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 that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 700

An act to amend Section 52.1 of the Civil Code, to amend Sections 200 and 220 of the Education Code, to amend Section 12926 of the Government Code, and to amend Sections 190.03, 422.6, 422.7, 422.75, 594.3, 11410, 11413, 13023, 13515.25, and 13519.4 of, to amend and renumber Sections 422.95, 1170.75, and 13873 of, to add Sections 422.77, 422.78, 422.86, 422.89, 422.91, 422.93, 13519.64, and 13519.65 to, to add Chapter 1 (commencing with Section 422.55) to Title 11.6 of Part 1 of, to add a chapter heading to Chapter 2 immediately preceding Section 422.6 of Title 11.6 of Part 1 of, to add Chapter 3 (commencing with Section 422.88) to Title 11.6 of Part 1 of, to repeal

Sections 422.76, 13870, and 13871 of, and to repeal and add Section 422.9 of, the Penal Code, relating to crimes.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

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

SECTION 1. Section 52.1 of the Civil Code is amended to read:

52.1. (a) If a person or persons, whether or not acting under color of law, interferes by threats, intimidation, or coercion, or attempts to interfere by threats, intimidation, or coercion, with the exercise or enjoyment by any individual or individuals of rights secured by the Constitution or laws of the United States, or of the rights secured by the Constitution or laws of this state, the Attorney General, or any district attorney or city attorney may bring a civil action for injunctive and other appropriate equitable relief in the name of the people of the State of California, in order to protect the peaceable exercise or enjoyment of the right or rights secured. An action brought by the Attorney General, any district attorney, or any city attorney may also seek a civil penalty of twenty-five thousand dollars ($25,000). If this civil penalty is requested, it shall be assessed individually against each person who is determined to have violated this section and the penalty shall be awarded to each individual whose rights under this section are determined to have been violated.

(b) Any individual whose exercise or enjoyment of rights secured by the Constitution or laws of the United States, or of rights secured by the Constitution or laws of this state, has been interfered with, or attempted to be interfered with, as described in subdivision (a), may institute and prosecute in his or her own name and on his or her own behalf a civil action for damages, including, but not limited to, damages under Section 52, injunctive relief, and other appropriate equitable relief to protect the peaceable exercise or enjoyment of the right or rights secured.

(c) An action brought pursuant to subdivision (a) or (b) may be filed either in the superior court for the county in which the conduct complained of occurred or in the superior court for the county in which a person whose conduct complained of resides or has his or her place of business. An action brought by the Attorney General pursuant to subdivision (a) also may be filed in the superior court for any county wherein the Attorney General has an office, and in that case, the jurisdiction of the court shall extend throughout the state.

(d) If a court issues a temporary restraining order or a preliminary or permanent injunction in an action brought pursuant to subdivision (a) or (b), ordering a defendant to refrain from conduct or activities, the order issued shall include the following statement: VIOLATION OF THIS

ORDER IS A CRIME PUNISHABLE UNDER SECTION 422.77 OF THE PENAL CODE.

(e) The court shall order the plaintiff or the attorney for the plaintiff to deliver, or the clerk of the court to mail, two copies of any order, extension, modification, or termination thereof granted pursuant to this section, by the close of the business day on which the order, extension, modification, or termination was granted, to each local law enforcement agency having jurisdiction over the residence of the plaintiff and any other locations where the court determines that acts of violence against the plaintiff are likely to occur. Those local law enforcement agencies shall be designated by the plaintiff or the attorney for the plaintiff. Each appropriate law enforcement agency receiving any order, extension, or modification of any order issued pursuant to this section shall serve forthwith one copy thereof upon the defendant. Each appropriate law enforcement agency shall provide to any law enforcement officer responding to the scene of reported violence, information as to the existence of, terms, and current status of, any order issued pursuant to this section.

(f) A court shall not have jurisdiction to issue an order or injunction under this section, if that order or injunction would be prohibited under Section 527.3 of the Code of Civil Procedure.

(g) An action brought pursuant to this section is independent of any other action, remedy, or procedure that may be available to an aggrieved individual under any other provision of law, including, but not limited to, an action, remedy, or procedure brought pursuant to Section 51.7.

(h) In addition to any damages, injunction, or other equitable relief awarded in an action brought pursuant to subdivision (b), the court may award the petitioner or plaintiff reasonable attorney's fees.

(i) A violation of an order described in subdivision (d) may be punished either by prosecution under Section 422.77 of the Penal Code, or by a proceeding for contempt brought pursuant to Title 5 (commencing with Section 1209) of Part 3 of the Code of Civil Procedure. However, in any proceeding pursuant to the Code of Civil Procedure, if it is determined that the person proceeded against is guilty of the contempt charged, in addition to any other relief, a fine may be imposed not exceeding one thousand dollars ($1,000), or the person may be ordered imprisoned in a county jail not exceeding six months, or the court may order both the imprisonment and fine.

(j) Speech alone is not sufficient to support an action brought pursuant to subdivision (a) or (b), except upon a showing that the speech itself threatens violence against a specific person or group of persons; and the person or group of persons against whom the threat is directed reasonably fears that, because of the speech, violence will be committed

against them or their property and that the person threatening violence had the apparent ability to carry out the threat.

(k) No order issued in any proceeding brought pursuant to subdivision (a) or (b) shall restrict the content of any person's speech. An order restricting the time, place, or manner of any person's speech shall do so only to the extent reasonably necessary to protect the peaceable exercise or enjoyment of constitutional or statutory rights, consistent with the constitutional rights of the person sought to be enjoined.

SEC. 2. Section 200 of the Education Code is amended to read:

200. It is the policy of the State of California to afford all persons in public schools, regardless of their sex, ethnic group identification, race, national origin, religion, mental or physical disability, or regardless of any actual or perceived characteristic that is contained in the definition of hate crimes set forth in Section 422.55 of the Penal Code, equal rights and opportunities in the educational institutions of the state. The purpose of this chapter is to prohibit acts which are contrary to that policy and to provide remedies therefor.

SEC. 3. Section 220 of the Education Code is amended to read:

220. No person shall be subjected to discrimination on the basis of sex, ethnic group identification, race, national origin, religion, color, mental or physical disability, or any actual or perceived characteristic that is contained in the definition of hate crimes set forth in Section 422.55 of the Penal Code in any program or activity conducted by an educational institution that receives, or benefits from, state financial assistance or enrolls pupils who receive state student financial aid.

SEC. 4. Section 12926 of the Government Code is amended to read:

12926. As used in this part in connection with unlawful practices, unless a different meaning clearly appears from the context:

(a) ''Affirmative relief'' or ''prospective relief'' includes the authority to order reinstatement of an employee, awards of backpay, reimbursement of out-of-pocket expenses, hiring, transfers, reassignments, grants of tenure, promotions, cease and desist orders, posting of notices, training of personnel, testing, expunging of records, reporting of records, and any other similar relief that is intended to correct unlawful practices under this part.

(b) ''Age'' refers to the chronological age of any individual who has reached his or her 40th birthday.

(c) ''Employee'' does not include any individual employed by his or her parents, spouse, or child, or any individual employed under a special license in a nonprofit sheltered workshop or rehabilitation facility.

(d) ''Employer'' includes any person regularly employing five or more persons, or any person acting as an agent of an employer, directly or indirectly, the state or any political or civil subdivision of the state, and cities, except as follows:

''Employer'' does not include a religious association or corporation not organized for private profit.

(e) ''Employment agency'' includes any person undertaking for compensation to procure employees or opportunities to work.

(f) ''Essential functions'' means the fundamental job duties of the employment position the individual with a disability holds or desires. ''Essential functions'' does not include the marginal functions of the position.

(1) A job function may be considered essential for any of several reasons, including, but not limited to, any one or more of the following:

(A) The function may be essential because the reason the position exists is to perform that function.

(B) The function may be essential because of the limited number of employees available among whom the performance of that job function can be distributed.

(C) The function may be highly specialized, so that the incumbent in the position is hired for his or her expertise or ability to perform the particular function.

(2) Evidence of whether a particular function is essential includes, but is not limited to, the following:

(A) The employer's judgment as to which functions are essential.

(B) Written job descriptions prepared before advertising or interviewing applicants for the job.

(C) The amount of time spent on the job performing the function.

(D) The consequences of not requiring the incumbent to perform the function.

(E) The terms of a collective bargaining agreement.

(F) The work experiences of past incumbents in the job.

(G) The current work experience of incumbents in similar jobs.

(g) ''Labor organization'' includes any organization that exists and is constituted for the purpose, in whole or in part, of collective bargaining or of dealing with employers concerning grievances, terms or conditions of employment, or of other mutual aid or protection.

(h) ''Medical condition'' means either of the following:

(1) Any health impairment related to or associated with a diagnosis of cancer or a record or history of cancer.

(2) Genetic characteristics. For purposes of this section, ''genetic characteristics'' means either of the following:

(A) Any scientifically or medically identifiable gene or chromosome, or combination or alteration thereof, that is known to be a cause of a disease or disorder in a person or his or her offspring, or that is determined to be associated with a statistically increased risk of development of a disease or disorder, and that is presently not associated with any symptoms of any disease or disorder.

(B) Inherited characteristics that may derive from the individual or family member, that are known to be a cause of a disease or disorder in a person or his or her offspring, or that are determined to be associated with a statistically increased risk of development of a disease or disorder, and that are presently not associated with any symptoms of any disease or disorder.

(i) ''Mental disability'' includes, but is not limited to, all of the following:

(1) Having any mental or psychological disorder or condition, such as mental retardation, organic brain syndrome, emotional or mental illness, or specific learning disabilities, that limits a major life activity. For purposes of this section:

(A) ''Limits'' shall be determined without regard to mitigating measures, such as medications, assistive devices, or reasonable accommodations, unless the mitigating measure itself limits a major life activity.

(B) A mental or psychological disorder or condition limits a major life activity if it makes the achievement of the major life activity difficult.

(C) ''Major life activities'' shall be broadly construed and shall include physical, mental, and social activities and working.

(2) Any other mental or psychological disorder or condition not described in paragraph (1) that requires special education or related services.

(3) Having a record or history of a mental or psychological disorder or condition described in paragraph (1) or (2), which is known to the employer or other entity covered by this part.

(4) Being regarded or treated by the employer or other entity covered by this part as having, or having had, any mental condition that makes achievement of a major life activity difficult.

(5) Being regarded or treated by the employer or other entity covered by this part as having, or having had, a mental or psychological disorder or condition that has no present disabling effect, but that may become a mental disability as described in paragraph (1) or (2).

''Mental disability'' does not include sexual behavior disorders, compulsive gambling, kleptomania, pyromania, or psychoactive substance use disorders resulting from the current unlawful use of controlled substances or other drugs.

(j) ''On the bases enumerated in this part'' means or refers to discrimination on the basis of one or more of the following: race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, or sexual orientation.

(k) ''Physical disability'' includes, but is not limited to, all of the following:

(1) Having any physiological disease, disorder, condition, cosmetic disfigurement, or anatomical loss that does both of the following:

(A) Affects one or more of the following body systems: neurological, immunological, musculoskeletal, special sense organs, respiratory, including speech organs, cardiovascular, reproductive, digestive, genitourinary, hemic and lymphatic, skin, and endocrine.

(B) Limits a major life activity. For purposes of this section:

(i) ''Limits'' shall be determined without regard to mitigating measures such as medications, assistive devices, prosthetics, or reasonable accommodations, unless the mitigating measure itself limits a major life activity.

(ii) A physiological disease, disorder, condition, cosmetic disfigurement, or anatomical loss limits a major life activity if it makes the achievement of the major life activity difficult.

(iii) ''Major life activities'' shall be broadly construed and includes physical, mental, and social activities and working.

(2) Any other health impairment not described in paragraph (1) that requires special education or related services.

(3) Having a record or history of a disease, disorder, condition, cosmetic disfigurement, anatomical loss, or health impairment described in paragraph (1) or (2), which is known to the employer or other entity covered by this part.

(4) Being regarded or treated by the employer or other entity covered by this part as having, or having had, any physical condition that makes achievement of a major life activity difficult.

(5) Being regarded or treated by the employer or other entity covered by this part as having, or having had, a disease, disorder, condition, cosmetic disfigurement, anatomical loss, or health impairment that has no present disabling effect but may become a physical disability as described in paragraph (1) or (2).

(6) ''Physical disability'' does not include sexual behavior disorders, compulsive gambling, kleptomania, pyromania, or psychoactive substance use disorders resulting from the current unlawful use of controlled substances or other drugs.

(*l*) Notwithstanding subdivisions (i) and (k), if the definition of ''disability'' used in the Americans with Disabilities Act of 1990 (Public Law 101-336) would result in broader protection of the civil rights of individuals with a mental disability or physical disability, as defined in subdivision (i) or (k), or would include any medical condition not included within those definitions, then that broader protection or coverage shall be deemed incorporated by reference into, and shall

prevail over conflicting provisions of, the definitions in subdivisions (i) and (k).

(m) ''Race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, or sexual orientation'' includes a perception that the person has any of those characteristics or that the person is associated with a person who has, or is perceived to have, any of those characteristics.

(n) ''Reasonable accommodation'' may include either of the following:

(1) Making existing facilities used by employees readily accessible to, and usable by, individuals with disabilities.

(2) Job restructuring, part-time or modified work schedules, reassignment to a vacant position, acquisition or modification of equipment or devices, adjustment or modifications of examinations, training materials or policies, the provision of qualified readers or interpreters, and other similar accommodations for individuals with disabilities.

(o) ''Religious creed,'' ''religion,'' ''religious observance,'' ''religious belief,'' and ''creed'' include all aspects of religious belief, observance, and practice.

(p) ''Sex'' includes, but is not limited to, pregnancy, childbirth, or medical conditions related to pregnancy or childbirth. ''Sex'' also includes, but is not limited to, a person's gender, as defined in Section 422.56 of the Penal Code.

(q) ''Sexual orientation'' means heterosexuality, homosexuality, and bisexuality.

(r) ''Supervisor'' means any individual having the authority, in the interest of the employer, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or the responsibility to direct them, or to adjust their grievances, or effectively to recommend that action, if, in connection with the foregoing, the exercise of that authority is not of a merely routine or clerical nature, but requires the use of independent judgment.

(s) ''Undue hardship'' means an action requiring significant difficulty or expense, when considered in light of the following factors:

(1) The nature and cost of the accommodation needed.

(2) The overall financial resources of the facilities involved in the provision of the reasonable accommodations, the number of persons employed at the facility, and the effect on expenses and resources or the impact otherwise of these accommodations upon the operation of the facility.

(3) The overall financial resources of the covered entity, the overall size of the business of a covered entity with respect to the number of employees, and the number, type, and location of its facilities.

(4) The type of operations, including the composition, structure, and functions of the workforce of the entity.

(5) The geographic separateness, administrative, or fiscal relationship of the facility or facilities.

SEC. 5. Section 190.03 of the Penal Code is amended to read:

190.03. (a) A person who commits first-degree murder that is a hate crime shall be punished by imprisonment in the state prison for life without the possibility of parole.

(b) The term authorized by subdivision (a) shall not apply unless the allegation is charged in the accusatory pleading and admitted by the defendant or found true by the trier of fact. The court shall not strike the allegation, except in the interest of justice, in which case the court shall state its reasons in writing for striking the allegation.

(c) For the purpose of this section, ''hate crime'' has the same meaning as in Section 422.55.

(d) Nothing in this section shall be construed to prevent punishment instead pursuant to any other provision of law that imposes a greater or more severe punishment.

SEC. 6. Chapter 1 (commencing with Section 422.55) is added to Title 11.6 of Part 1 of the Penal Code, to read:

CHAPTER 1. DEFINITIONS

422.55. For purposes of this title, and for purposes of all other state law unless an explicit provision of law or the context clearly requires a different meaning, the following shall apply:

(a) ''Hate crime'' means a criminal act committed, in whole or in part, because of one or more of the following actual or perceived characteristics of the victim:

(1) Disability.

(2) Gender.

(3) Nationality.

(4) Race or ethnicity.

(5) Religion.

(6) Sexual orientation.

(7) Association with a person or group with one or more of these actual or perceived characteristics.

(b) ''Hate crime'' includes, but is not limited to, a violation of Section 422.6.

422.56. For purposes of this title, the following definitions shall apply:

(a) ''Association with a person or group with these actual or perceived characteristics'' includes advocacy for, identification with, or being on the ground owned or rented by, or adjacent to, any of the following: a

community center, educational facility, family, individual, office, meeting hall, place of worship, private institution, public agency, library, or other entity, group, or person that has, or is identified with people who have, one or more of those characteristics listed in the definition of ''hate crime'' under paragraphs 1 to 6, inclusive, of subdivision (a) of Section 422.55.

(b) ''Disability'' includes mental disability and physical disability as defined in Section 12926 of the Government Code.

(c) ''Gender'' means sex, and includes a person's gender identity and gender related appearance and behavior whether or not stereotypically associated with the person's assigned sex at birth.

(d) ''In whole or in part because of'' means that the bias motivation must be a cause in fact of the offense, whether or not other causes also exist. When multiple concurrent motives exist, the prohibited bias must be a substantial factor in bringing about the particular result. There is no requirement that the bias be a main factor, or that the crime would not have been committed but for the actual or perceived characteristic. This subdivision does not constitute a change in, but is declaratory of, existing law under In re M.S.(1995) 10 Cal. 4th 698 and People v. Superior Court (Aishman)(1995) 10 Cal. 4th 735.

(e) ''Nationality'' includes citizenship, country of origin, and national origin.

(f) ''Race or ethnicity'' includes ancestry, color, and ethnic background.

(g) ''Religion'' includes all aspects of religious belief, observance, and practice and includes agnosticism and atheism.

(h) ''Sexual orientation'' means heterosexuality, homosexuality, or bisexuality.

(i) ''Victim'' includes, but is not limited to, a community center, educational facility, entity, family, group, individual, office, meeting hall, person, place of worship, private institution, public agency, library, or other victim or intended victim of the offense.

422.57. For purposes this code, unless an explicit provision of law or the context clearly requires a different meaning, ''gender'' has the same meaning as in Section 422.56.

SEC. 7. A chapter heading is added to Chapter 2 immediately preceding Section 422.6 of Title 11.6 of Part 1 of the Penal Code, to read:

CHAPTER 2. CRIMES AND PENALTIES

SEC. 8. Section 422.6 of the Penal Code is amended to read:

422.6. (a) No person, whether or not acting under color of law, shall by force or threat of force, willfully injure, intimidate, interfere with, oppress, or threaten any other person in the free exercise or enjoyment

of any right or privilege secured to him or her by the Constitution or laws of this state or by the Constitution or laws of the United States in whole or in part because of one or more of the actual or perceived characteristics of the victim listed in subdivision (a) of Section 422.55.

(b) No person, whether or not acting under color of law, shall knowingly deface, damage, or destroy the real or personal property of any other person for the purpose of intimidating or interfering with the free exercise or enjoyment of any right or privilege secured to the other person by the Constitution or laws of this state or by the Constitution or laws of the United States, in whole or in part because of one or more of the actual or perceived characteristics of the victim listed in subdivision (a) of Section 422.55.

(c) Any person convicted of violating subdivision (a) or (b) shall be punished by imprisonment in a county jail not to exceed one year, or by a fine not to exceed five thousand dollars ($5,000), or by both the above imprisonment and fine, and the court shall order the defendant to perform a minimum of community service, not to exceed 400 hours, to be performed over a period not to exceed 350 days, during a time other than his or her hours of employment or school attendance. However, no person may be convicted of violating subdivision (a) based upon speech alone, except upon a showing that the speech itself threatened violence against a specific person or group of persons and that the defendant had the apparent ability to carry out the threat.

(d) Conduct that violates this and any other provision of law, including, but not limited to, an offense described in Article 4.5 (commencing with Section 11410) of Chapter 3 of Title 1 of Part 4, may be charged under all applicable provisions. However, an act or omission punishable in different ways by this section and other provisions of law shall not be punished under more than one provision, and the penalty to be imposed shall be determined as set forth in Section 654.

SEC. 9. Section 422.7 of the Penal Code is amended to read:

422.7. Except in the case of a person punished under Section 422.6, any hate crime that is not made punishable by imprisonment in the state prison shall be punishable by imprisonment in the state prison or in a county jail not to exceed one year, by a fine not to exceed ten thousand dollars ($10,000), or by both that imprisonment and fine, if the crime is committed against the person or property of another for the purpose of intimidating or interfering with that other person's free exercise or enjoyment of any right secured to him or her by the Constitution or laws of this state or by the Constitution or laws of the United States, under any of the following circumstances, which shall be charged in the accusatory pleading:

(a) The crime against the person of another either includes the present ability to commit a violent injury or causes actual physical injury.

(b) The crime against property causes damage in excess of four hundred dollars ($400).

(c) The person charged with a crime under this section has been convicted previously of a violation of subdivision (a) or (b) of Section 422.6, or has been convicted previously of a conspiracy to commit a crime described in subdivision (a) or (b) of Section 422.6.

SEC. 10. Section 422.75 of the Penal Code is amended to read:

422.75. (a) Except in the case of a person punished under Section 422.7, a person who commits a felony that is a hate crime or attempts to commit a felony that is a hate crime, shall receive an additional term of one, two, or three years in the state prison, at the court's discretion.

(b) Except in the case of a person punished under Section 422.7 or subdivision (a) of this section, any person who commits a felony that is a hate crime, or attempts to commit a felony that is a hate crime, and who voluntarily acted in concert with another person, either personally or by aiding and abetting another person, shall receive an additional two, three, or four years in the state prison, at the court's discretion.

(c) For the purpose of imposing an additional term under subdivision (a) or (b), it shall be a factor in aggravation that the defendant personally used a firearm in the commission of the offense. Nothing in this subdivision shall preclude a court from also imposing a sentence enhancement pursuant to Section 12022.5, 12022.53, or 12022.55, or any other law.

(d) A person who is punished pursuant to this section also shall receive an additional term of one year in the state prison for each prior felony conviction on charges brought and tried separately in which it was found by the trier of fact or admitted by the defendant that the crime was a hate crime. This additional term shall only apply where a sentence enhancement is not imposed pursuant to Section 667 or 667.5.

(e) Any additional term authorized by this section shall not be imposed unless the allegation is charged in the accusatory pleading and admitted by the defendant or found to be true by the trier of fact.

(f) Any additional term imposed pursuant to this section shall be in addition to any other punishment provided by law.

(g) Notwithstanding any other provision of law, the court may strike any additional term imposed by this section if the court determines that there are mitigating circumstances and states on the record the reasons for striking the additional punishment.

SEC. 11. Section 422.76 of the Penal Code is repealed.

SEC. 12. Section 422.77 is added to the Penal Code, to read:

422.77. (a) Any willful and knowing violation of any order issued pursuant to subdivision (a) or (b) of Section 52.1 of the Civil Code shall be a misdemeanor punishable by a fine of not more than one thousand

dollars ($1,000), or by imprisonment in the county jail for not more than six months, or by both the fine and imprisonment.

(b) A person who has previously been convicted one or more times of violating an order issued pursuant to subdivision (a) or (b) of Section 52.1 of the Civil Code upon charges separately brought and tried shall be imprisoned in the county jail for not more than one year. Subject to the discretion of the court, the prosecution shall have the opportunity to present witnesses and relevant evidence at the time of the sentencing of a defendant pursuant to this subdivision.

(c) The prosecuting agency of each county shall have the primary responsibility for the enforcement of orders issued pursuant to Section 52.1 of the Civil Code.

(d) The court may order a defendant who is convicted of a hate crime to perform a minimum of community service, not to exceed 400 hours, to be performed over a period not to exceed 350 days, during a time other than his or her hours of employment or school attendance.

SEC. 13. Section 422.78 is added to the Penal Code, to read:

422.78. The prosecuting agency of each county shall have the primary responsibility for the enforcement of orders issued pursuant to this title or Section 52.1 of the Civil Code.

SEC. 14. Section 422.86 is added to the Penal Code, to read:

422.86. (a) It is the public policy of this state that the principal goals of sentencing for hate crimes, are the following:

(1) Punishment for the hate crimes committed.

(2) Crime and violence prevention, including prevention of recidivism and prevention of crimes and violence in prisons and jails.

(3) Restorative justice for the immediate victims of the hate crimes and for the classes of persons terrorized by the hate crimes.

(b) The Judicial Council shall develop a rule of court guiding hate crime sentencing to implement the policy in subdivision (a). In developing the rule of court, the council shall consult experts including organizations representing hate crime victims.

SEC. 15. Chapter 3 (commencing with Section 422.88) is added to Title 11.6 of Part 1 of the Penal Code, to read:

CHAPTER 3. GENERAL PROVISIONS

422.88. (a) The court in which a criminal proceeding stemming from a hate crime or alleged hate crime is filed shall take all actions reasonably required, including granting restraining orders, to safeguard the health, safety, or privacy of the alleged victim, or of a person who is a victim of, or at risk of becoming a victim of, a hate crime.

(b) Restraining orders issued pursuant to subdivision (a) may include provisions prohibiting or restricting the photographing of a person who

is a victim of, or at risk of becoming a victim of, a hate crime when reasonably required to safeguard the health, safety, or privacy of that person.

SEC. 16. Section 422.89 is added to the Penal Code, to read:

422.89. It is the intent of the Legislature to encourage counties, cities, law enforcement agencies, and school districts to establish education and training programs to prevent violations of civil rights and hate crimes and to assist victims.

SEC. 17. Section 422.9 of the Penal Code is repealed.

SEC. 18. Section 422.9 is added to the Penal Code, to read:

422.9. All state and local agencies shall use the definition of ''hate crime'' set forth in subdivision (a) of Section 422.55 exclusively, except as other explicit provisions of state or federal law may require otherwise.

SEC. 19. Section 422.91 is added to the Penal Code, to read:

422.91. The Department of Corrections and the California Youth Authority, subject to available funding, shall do each of the following:

(a) Cooperate fully and participate actively with federal, state, and local law enforcement agencies and community hate crime prevention and response networks and other anti-hate groups concerning hate crimes and gangs.

(b) Strive to provide inmates with safe environments in which they are not pressured to join gangs or hate groups and do not feel a need to join them in self-defense.

SEC. 20. Section 422.93 is added to the Penal Code, to read:

422.93. (a) It is the public policy of this state to protect the public from crime and violence by encouraging all persons who are victims of or witnesses to crimes, or who otherwise can give evidence in a criminal investigation, to cooperate with the criminal justice system and not to penalize these persons for being victims or for cooperating with the criminal justice system.

(b) Whenever an individual who is a victim of or witness to a hate crime, or who otherwise can give evidence in a hate crime investigation, is not charged with or convicted of committing any crime under state law, a peace officer may not detain the individual exclusively for any actual or suspected immigration violation or report or turn the individual over to federal immigration authorities.

SEC. 21. Section 422.95 of the Penal Code is amended and renumbered to read:

422.85. (a) In the case of any person who is convicted of any offense defined in Section 302, 423.2, 594.3, 11411, 11412, or 11413, or for any hate crime, the court may order that the defendant be required to do one or all of the following as a condition of probation:

(1) Complete a class or program on racial or ethnic sensitivity, or other similar training in the area of civil rights, or a one-year counseling

program intended to reduce the tendency toward violent and anti-social behavior if that class, program, or training is available and was developed or authorized by the court or local agencies in cooperation with organizations serving the affected community.

(2) Make payments or other compensation to a community-based program or local agency that provides services to victims of hate violence.

(3) Be required to reimburse the victim for reasonable costs of counseling and other reasonable expenses that the court finds are the direct result of the defendant's acts.

(b) Any payments or other compensation ordered under this section shall be in addition to restitution payments required under Section 1203.04, and shall be made only after that restitution is paid in full.

SEC. 21.1. Section 422.95 of the Penal Code is amended and renumbered to read:

422.85. (a) In the case of any person who is convicted of any offense against the person or property of another individual, private institution, or public agency, committed because of the victim's actual or perceived race, color, ethnicity, religion, nationality, country of origin, ancestry, disability, gender, or sexual orientation, including, but not limited to offenses defined in Section 302, 423.2, 594.3, 11411, 11412, or 11413, or for any hate crime, the court, absent compelling circumstances stated on the record, shall make an order protecting the victim, or known immediate family or domestic partner of the victim, from further acts of violence, threats, stalking, or harassment by the defendant, including any stay-away conditions the court deems appropriate, and shall make obedience of that order a condition of the defendant's probation. In these cases the court may also order that the defendant be required to do one or more of the following as a condition of probation:

(1) Complete a class or program on racial or ethnic sensitivity, or other similar training in the area of civil rights, or a one-year counseling program intended to reduce the tendency toward violent and antisocial behavior if that class, program, or training is available and was developed or authorized by the court or local agencies in cooperation with organizations serving the affected community.

(2) Make payments or other compensation to a community-based program or local agency that provides services to victims of hate violence.

(3) Reimburse the victim for reasonable costs of counseling and other reasonable expenses that the court finds are the direct result of the defendant's acts.

(b) Any payments or other compensation ordered under this section shall be in addition to restitution payments required under Section 1203.04, and shall be made only after that restitution is paid in full.

SEC. 22. Section 594.3 of the Penal Code is amended to read:

594.3. (a) Any person who knowingly commits any act of vandalism to a church, synagogue, mosque, temple, building owned and occupied by a religious educational institution, or other place primarily used as a place of worship where religious services are regularly conducted or a cemetery is guilty of a crime punishable by imprisonment in the state prison or by imprisonment in the county jail for not exceeding one year.

(b) Any person who knowingly commits any act of vandalism to a church, synagogue, mosque, temple, building owned and occupied by a religious educational institution, or other place primarily used as a place of worship where religious services are regularly conducted or a cemetery, which is shown to have been a hate crime and to have been committed for the purpose of intimidating and deterring persons from freely exercising their religious beliefs, is guilty of a felony punishable by imprisonment in the state prison.

(c) For purposes of this section, ''hate crime'' has the same meaning as Section 422.55.

SEC. 23. Section 1170.75 of the Penal Code is amended and renumbered to read:

422.76. Except where the court imposes additional punishment under Section 422.75 or in a case in which the person has been convicted of an offense subject to Section 1170.8, the fact that a person committed a felony or attempted to commit a felony that is a hate crime shall be considered a circumstance in aggravation of the crime in imposing a term under subdivision (b) of Section 1170.

SEC. 24. Section 11410 of the Penal Code is amended to read:

11410. (a) The Legislature finds and declares that it is the right of every person regardless of actual or perceived disability, gender, nationality, race or ethnicity, religion, sexual orientation, or association with a person or group of these actual or perceived characteristics, to be secure and protected from fear, intimidation, and physical harm caused by the activities of violent groups and individuals. It is not the intent of this chapter to interfere with the exercise of rights protected by the Constitution of the United States. The Legislature recognizes the constitutional right of every citizen to harbor and express beliefs on any subject whatsoever and to associate with others who share similar beliefs. The Legislature further finds however, that the advocacy of unlawful violent acts by groups against other persons or groups under circumstances where death or great bodily injury is likely to result is not

constitutionally protected, poses a threat to public order and safety and should be subject to criminal and civil sanctions.

(b) For purposes of this section, the terms ''disability,'' ''gender,'' ''nationality,'' ''race or ethnicity,'' ''religion,'' ''sexual orientation,'' and ''association with a person or group with these actual or perceived characteristics'' have the same meaning as in Section 422.55 and 422.56.

SEC. 25. Section 11413 of the Penal Code is amended to read:

11413. (a) Any person who explodes, ignites, or attempts to explode or ignite any destructive device or any explosive, or who commits arson, in or about any of the places listed in subdivision (b), for the purpose of terrorizing another or in reckless disregard of terrorizing another is guilty of a felony, and shall be punished by imprisonment in the state prison for three, five, or seven years, and a fine not exceeding ten thousand dollars ($10,000).

(b) Subdivision (a) applies to the following places:

(1) Any health facility licensed under Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code, or any place where medical care is provided by a licensed health care professional.

(2) Any church, temple, synagogue, mosque, or other place of worship.

(3) The buildings, offices, and meeting sites of organizations that counsel for or against abortion or among whose major activities are lobbying, publicizing, or organizing with respect to public or private issues relating to abortion.

(4) Any place at which a lecture, film-showing, or other private meeting or presentation that educates or propagates with respect to abortion practices or policies, whether on private property or at a meeting site authorized for specific use by a private group on public property, is taking place.

(5) Any bookstore or public or private library.

(6) Any building or facility designated as a courthouse.

(7) The home or office of a judicial officer.

(8) Any building or facility regularly occupied by county probation department personnel in which the employees perform official duties of the probation department.

(9) Any private property, if the property was targeted in whole or in part because of any of the actual or perceived characteristics of the owner or occupant of the property listed in subdivision (a) of Section 422.55.

(10) Any public or private school providing instruction in kindergarten or grades 1 to 12, inclusive.

(c) As used in this section, ''judicial officer'' means a magistrate, judge, justice, commissioner, referee, or any person appointed by a court to serve in one of these capacities, of any state or federal court located in this state.

(d) As used in this section, ''terrorizing'' means to cause a person of ordinary emotions and sensibilities to fear for personal safety.

(e) Nothing in this section shall be construed to prohibit the prosecution of any person pursuant to Section 12303.3 or any other provision of law in lieu of prosecution pursuant to this section.

SEC. 26. Section 13023 of the Penal Code is amended to read:

13023. (a) Subject to the availability of adequate funding, the Attorney General shall direct local law enforcement agencies to report to the Department of Justice, in a manner to be prescribed by the Attorney General, any information that may be required relative to hate crimes. This information may include any general orders or formal policies on hate crimes and the hate crime pamphlet required pursuant to Section 422.92.

(b) On or before July 1 of each year, the Department of Justice shall submit a report to the Legislature analyzing the results of the information obtained from local law enforcement agencies pursuant to this section.

(c) For purposes of this section, ''hate crime'' has the same meaning as in Section 422.55.

SEC. 27. Section 13515.25 of the Penal Code is amended to read:

13515.25. (a) By July 1, 2006, the Commission on Peace Officer Standards and Training shall establish and keep updated a continuing education classroom training course relating to law enforcement interaction with mentally disabled persons. The training course shall be developed by the commission in consultation with appropriate community, local, and state organizations and agencies that have expertise in the area of mental illness and developmental disability, and with appropriate consumer and family advocate groups. In developing the course, the commission shall also examine existing courses certified by the commission that relate to mentally disabled persons. The commission shall make the course available to law enforcement agencies in California.

(b) The course described in subdivision (a) shall consist of classroom instruction and shall utilize interactive training methods to ensure that the training is as realistic as possible. The course shall include, at a minimum, core instruction in all of the following:

(1) The cause and nature of mental illnesses and developmental disabilities.

(2) How to identify indicators of mental disability and how to respond appropriately in a variety of common situations.

(3) Conflict resolution and de-escalation techniques for potentially dangerous situations involving mentally disabled persons.

(4) Appropriate language usage when interacting with mentally disabled persons.

(5) Alternatives to lethal force when interacting with potentially dangerous mentally disabled persons.

(6) Community and state resources available to serve mentally disabled persons and how these resources can be best utilized by law enforcement to benefit the mentally disabled community.

(7) The fact that a crime committed in whole or in part because of an actual or perceived disability of the victim is a hate crime punishable under Title 11.6 (commencing with Section 422.55) of Part 1.

(c) The commission shall submit a report to the Legislature by October 1, 2004, that shall include all of the following:

(1) A description of the process by which the course was established, including a list of the agencies and groups that were consulted.

(2) Information on the number of law enforcement agencies that utilized, and the number of officers that attended, the course or other courses certified by the commission relating to mentally disabled persons from July 1, 2001, to July 1, 2003, inclusive.

(3) Information on the number of law enforcement agencies that utilized, and the number of officers that attended, courses certified by the commission relating to mentally disabled persons from July 1, 2000, to July 1, 2001, inclusive.

(4) An analysis of the Police Crisis Intervention Training (CIT) Program used by the San Francisco and San Jose Police Departments, to assess the training used in these programs and compare it with existing courses offered by the commission in order to evaluate the adequacy of mental disability training available to local law enforcement officers.

(d) The Legislature encourages law enforcement agencies to include the course created in this section, and any other course certified by the commission relating to mentally disabled persons, as part of their advanced officer training program.

(e) It is the intent of the Legislature to reevaluate, on the basis of its review of the report required in subdivision (c), the extent to which law enforcement officers are receiving adequate training in how to interact with mentally disabled persons.

SEC. 28. Section 13519.4 of the Penal Code is amended to read:

13519.4. (a) The commission shall develop and disseminate guidelines and training for all law enforcement officers in California as described in subdivision (a) of Section 13510 and who adhere to the standards approved by the commission, on the racial and cultural differences among the residents of this state. The course or courses of instruction and the guidelines shall stress understanding and respect for racial and cultural differences, and development of effective, noncombative methods of carrying out law enforcement duties in a racially and culturally diverse environment.

(b) The course of basic training for law enforcement officers shall include adequate instruction on racial and cultural diversity in order to foster mutual respect and cooperation between law enforcement and members of all racial and cultural groups. In developing the training, the commission shall consult with appropriate groups and individuals having an interest and expertise in the field of cultural awareness and diversity.

(c) For the purposes of this section the following shall apply:

(1) ''Disability,'' ''gender,'' ''nationality,'' ''religion,'' and ''sexual orientation'' have the same meaning as in Section 422.55.

(2) ''Culturally diverse'' and ''cultural diversity'' include, but are not limited to, disability, gender, nationality, religion, and sexual orientation issues.

(3) ''Racial'' has the same meaning as ''race or ethnicity'' in Section 422.55.

(d) The Legislature finds and declares as follows:

(1) Racial profiling is a practice that presents a great danger to the fundamental principles of a democratic society. It is abhorrent and cannot be tolerated.

(2) Motorists who have been stopped by the police for no reason other than the color of their skin or their apparent nationality or ethnicity are the victims of discriminatory practices.

(3) It is the intent of the Legislature in enacting the changes to Section 13519.4 of the Penal Code made by the act that added this subdivision that more than additional training is required to address the pernicious practice of racial profiling and that enactment of this bill is in no way dispositive of the issue of how the state should deal with racial profiling.

(4) The working men and women in California law enforcement risk their lives every day. The people of California greatly appreciate the hard work and dedication of law enforcement officers in protecting public safety. The good name of these officers should not be tarnished by the actions of those few who commit discriminatory practices.

(e) ''Racial profiling,'' for purposes of this section, is the practice of detaining a suspect based on a broad set of criteria which casts suspicion on an entire class of people without any individualized suspicion of the particular person being stopped.

(f) A law enforcement officer shall not engage in racial profiling.

(g) Every law enforcement officer in this state shall participate in expanded training as prescribed and certified by the Commission on Peace Officers Standards and Training.

(h) The curriculum shall utilize the Tools for Tolerance for Law Enforcement Professionals framework and shall include and examine the patterns, practices, and protocols that make up racial profiling. This training shall prescribe patterns, practices, and protocols that prevent

racial profiling. In developing the training, the commission shall consult with appropriate groups and individuals having an interest and expertise in the field of racial profiling. The course of instruction shall include, but not be limited to, adequate consideration of each of the following subjects:

(1) Identification of key indices and perspectives that make up cultural differences among residents in a local community.

(2) Negative impact of biases, prejudices, and stereotyping on effective law enforcement, including examination of how historical perceptions of discriminatory enforcement practices have harmed police-community relations.

(3) The history and the role of the civil rights movement and struggles and their impact on law enforcement.

(4) Specific obligations of officers in preventing, reporting, and responding to discriminatory or biased practices by fellow officers.

(5) Perspectives of diverse, local constituency groups and experts on particular cultural and police-community relations issues in a local area.

(i) Once the initial basic training is completed, each law enforcement officer in California as described in subdivision (a) of Section 13510 who adheres to the standards approved by the commission shall be required to complete a refresher course every five years thereafter, or on a more frequent basis if deemed necessary, in order to keep current with changing racial and cultural trends.

(j) The Legislative Analyst shall conduct a study of the data being voluntarily collected by those jurisdictions that have instituted a program of data collection with regard to racial profiling, including, but not limited to, the California Highway Patrol, the City of San Jose, and the City of San Diego, both to ascertain the incidence of racial profiling and whether data collection serves to address and prevent such practices, as well as to assess the value and efficacy of the training herein prescribed with respect to preventing local profiling. The Legislative Analyst may prescribe the manner in which the data is to be submitted and may request that police agencies collecting such data submit it in the requested manner. The Legislative Analyst shall provide to the Legislature a report and recommendations with regard to racial profiling by July 1, 2002.

SEC. 29. Section 13519.6 of the Penal Code is amended to read:

13519.6. (a) The commission shall develop guidelines and a course of instruction and training for law enforcement officers who are employed as peace officers, or who are not yet employed as a peace officer but are enrolled in a training academy for law enforcement officers, addressing hate crimes. ''Hate crimes,'' for purposes of this section, has the same meaning as in Section 422.55.

(b) The course shall make maximum use of audio and video communication and other simulation methods and shall include instruction in each of the following:

(1) Indicators of hate crimes.

(2) The impact of these crimes on the victim, the victim's family, and the community, and the assistance and compensation available to victims.

(3) Knowledge of the laws dealing with hate crimes and the legal rights of, and the remedies available to, victims of hate crimes.

(4) Law enforcement procedures, reporting, and documentation of hate crimes.

(5) Techniques and methods to handle incidents of hate crimes in a noncombative manner.

(6) Multimission criminal extremism, which means the nexus of certain hate crimes, antigovernment extremist crimes, anti-reproductive-rights crimes, and crimes committed in whole or in part because of the victims' actual or perceived homelessness.

(7) The special problems inherent in some categories of hate crimes, including gender-bias crimes, disability-bias crimes, including those committed against homeless persons with disabilities, anti-immigrant crimes, and anti-Arab and anti-Islamic crimes, and techniques and methods to handle these special problems.

(8) Preparation for, and response to, possible future anti-Arab/Middle Eastern and anti-Islamic hate crimewaves, and any other future hate crime waves that the Attorney General determines are likely.

(c) The guidelines developed by the commission shall incorporate the procedures and techniques specified in subdivision (b), and shall include a framework and possible content of a general order or other formal policy on hate crimes that all state law enforcement agencies shall adopt and the commission shall encourage all local law enforcement agencies to adopt. The elements of the framework shall include, but not be limited to, the following:

(1) A message from the law enforcement agency's chief executive officer to the agency's officers and staff concerning the importance of hate crime laws and the agency's commitment to enforcement.

(2) The definition of ''hate crime'' in Section 422.55.

(3) References to hate crime statutes including Section 422.6.

(4) A title-by-title specific protocol that agency personnel are required to follow, including, but not limited to, the following:

(A) Preventing and preparing for likely hate crimes by, among other things, establishing contact with persons and communities who are likely targets, and forming and cooperating with community hate crime prevention and response networks.

(B) Responding to reports of hate crimes, including reports of hate crimes committed under the color of authority.

(C) Accessing assistance, by, among other things, activating the Department of Justice hate crime rapid response protocol when necessary.

(D) Providing victim assistance and followup, including community followup.

(E) Reporting.

(d) (1) The course of training leading to the basic certificate issued by the commission shall include the course of instruction described in subdivision (a).

(2) Every state law enforcement and correctional agency, and every local law enforcement and correctional agency to the extent that this requirement does not create a state-mandated local program cost, shall provide its peace officers with the basic course of instruction as revised pursuant to the act that amends this section in the 2003–04 session of the Legislature, beginning with officers who have not previously received the training. Correctional agencies shall adapt the course as necessary.

(e) As used in this section, ''peace officer'' means any person designated as a peace officer by Section 830.1 or 830.2.

(f) The additional training requirements imposed under this section by legislation adopted in 2004 shall be implemented by July 1, 2007.

SEC. 30. Section 13519.64 is added to the Penal Code, to read:

13519.64. (a) The Legislature finds and declares that research, including ''Special Report to the Legislature on Senate Resolution 18: Crimes Committed Against Homeless Persons'' by the Department of Justice and ''Hate, Violence, and Death: A Report on Hate Crimes Against People Experiencing Homelessness from 1999–2002'' by the National Coalition for the Homeless demonstrate that California has had serious and unaddressed problems of crime against homeless persons, including homeless persons with disabilities.

(b) (1) By July 1, 2005, the Commission on Peace Officer Standards and Training, using available funding, shall develop a two-hour telecourse to be made available to all law enforcement agencies in California on crimes against homeless persons and on how to deal effectively and humanely with homeless persons, including homeless persons with disabilities. The telecourse shall include information on multimission criminal extremism, as defined in Section 13519.6. In developing the telecourse, the commission shall consult subject-matter experts including, but not limited to, homeless and formerly homeless persons in California, service providers and advocates for homeless persons in California, experts on the disabilities that homeless persons commonly suffer, the California Council of Churches, the National

Coalition for the Homeless, the Senate Office of Research, and the Criminal Justice Statistics Center of the Department of Justice.

(2) Every state law enforcement agency, and every local law enforcement agency, to the extent that this requirement does not create a state-mandated local program cost, shall provide the telecourse to its peace officers.

SEC. 31. Section 13870 of the Penal Code is repealed.

SEC. 32. Section 13871 of the Penal Code is repealed.

SEC. 33. Section 13873 of the Penal Code is amended and renumbered to read:

422.92. (a) Every state and local law enforcement agency in this state shall make available a brochure on hate crimes to victims of these crimes and the public.

(b) The Department of Fair Employment and Housing shall provide existing brochures, making revisions as needed, to local law enforcement agencies upon request for reproduction and distribution to victims of hate crimes and other interested parties. In carrying out these responsibilities, the department shall consult the Fair Employment and Housing Commission, the Department of Justice, and the Victim Compensation and Government Claims Board.

SEC. 34. Section 21.1 of this bill incorporates amendments to Section 422.95 of the Penal Code proposed by both this bill and AB 2428. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 422.95 of the Penal Code, and (3) this bill is enacted after AB 2428, in which case Section 21 of this bill shall not become operative.

SEC. 35. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 701

An act to amend Sections 43843 and 44004 of the Health and Safety Code, and to amend Sections 4000.1 and 4000.2 of, the Vehicle Code, relating to air pollution.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. Section 43843 of the Health and Safety Code is amended to read:

43843. (a) The state board, in consultation with the State Energy Resources Conservation and Development Commission, shall establish and conduct, until January 1, 1988, an experimental program in which fleet vehicles may utilize gasoline into which methanol has been blended.

(b) In order to participate in the methanol-gasoline experimental vehicle fleet program, all of the following information shall be submitted to the state board for each vehicle proposed for participation in the program:

(1) The make, model, vehicle identification number, and license number of each vehicle.

(2) A description of the fuel to be used in the vehicle.

(3) Evidence that the vehicle's emissions using the methanol-gasoline blend will be no higher than the vehicle's emissions using gasoline which complies with the volatility standard established pursuant to Section 43830. Evidence may be based on emission tests or a combination of emission tests and engineering evaluation.

(4) A description of any modifications to the vehicle necessary to comply with paragraph (3).

(5) A valid certificate of compliance issued pursuant to Section 4000.1 or 4000.3 of the Vehicle Code.

(c) Within 60 days of receipt of a request to participate in the program, the state board, in consultation with the State Energy Resources Conservation and Development Commission, shall approve or deny the request. Approval shall be granted if adequate evidence is provided that use of the fuel will not cause or contribute to an increase in vehicle emissions when using the methanol-gasoline blend.

(d) The state board may periodically test vehicles enrolled in the program for compliance. Failure to meet state emission standards shall not result in imposition of any fine or penalty if there are no violations of Section 27156 of the Vehicle Code, and the vehicle is restored to conform to applicable emission standards at the end of the experimental program.

(e) All of the following records shall be maintained on each vehicle and shall be made available to the state board upon request:

(1) Fuel economy.

(2) Maintenance and repair.

(3) Driveability.

(f) The state board may exempt the vehicles in any fleet participating in the program from the requirements of subdivision (b) until July 1,

1985. The exemption shall be granted if the applicant demonstrates that the evidence required pursuant to paragraph (3) of subdivision (b) is not available, that there is likelihood that it will become available within the exemption period, and that the facility at which the fleet vehicle is normally refueled does not have provisions for the distribution of more than one type of fuel.

SEC. 2. Section 44004 of the Health and Safety Code is amended to read:

44004. (a) The motor vehicle inspection program provided by this chapter, when implemented in a district, shall supersede and replace any other program for motor vehicle emission inspection in the district.

This chapter shall not apply to any vehicle permanently located on an island in the Pacific Ocean located 20 miles or more from the mainland coast.

(b) The motor vehicle inspection program provided by this chapter shall be in accordance with Sections 4000.1 and 4000.3 of the Vehicle Code.

SEC. 3. Section 4000.1 of the Vehicle Code is amended to read:

4000.1. (a) Except as otherwise provided in subdivision (b), (c), or (d) of this section, or subdivision (b) of Section 43654 of the Health and Safety Code, the department shall require upon initial registration, and upon transfer of ownership and registration, of any motor vehicle subject to Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code, and upon registration of a motor vehicle previously registered outside this state that is subject to those provisions of the Health and Safety Code, a valid certificate of compliance or a certificate of noncompliance, as appropriate, issued in accordance with Section 44015 of the Health and Safety Code.

(b) With respect to new vehicles certified pursuant to Chapter 2 (commencing with Section 43100) of Part 5 of Division 26 of the Health and Safety Code, the department shall accept a statement completed pursuant to subdivision (b) of Section 24007 in lieu of the certificate of compliance.

(c) For purposes of determining the validity of a certificate of compliance or noncompliance submitted in compliance with the requirements of this section, the definitions of new and used motor vehicle contained in Chapter 2 (commencing with Section 39010) of Part 1 of Division 26 of the Health and Safety Code shall control.

(d) Subdivision (a) does not apply to a transfer of ownership and registration under any of the following circumstances:

(1) The initial application for transfer is submitted within the 90-day validity period of a smog certificate as specified in Section 44015 of the Health and Safety Code.

(2) The transferor is either the parent, grandparent, sibling, child, grandchild, or spouse of the transferee.

(3) A vehicle registered to a sole proprietorship is transferred to the proprietor as owner.

(4) The transfer is between companies whose principal business is leasing vehicles, if there is no change in the lessee or operator of the vehicle or between the lessor and the person who has been, for at least one year, the lessee's operator of the vehicle.

(5) The transfer is between the lessor and lessee of the vehicle, if there is no change in the lessee or operator of the vehicle.

(6) The motor vehicle is 30 or more model-years old.

(e) The State Air Resources Board, under Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code, may exempt designated classifications of motor vehicles from subdivision (a) as it deems necessary, and shall notify the department of that action.

(f) Subdivision (a) does not apply to a motor vehicle when an additional individual is added as a registered owner of the vehicle.

SEC. 4. Section 4000.2 of the Vehicle Code is amended to read:

4000.2. (a) Except as otherwise provided in subdivision (b) of Section 43654 of the Health and Safety Code, and, except for motor vehicles 30 or more model-years old, the department shall require upon registration of a motor vehicle subject to Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code, previously registered outside this state, a valid certificate of compliance or a certificate of noncompliance, as appropriate, issued in accordance with Section 44015 of the Health and Safety Code.

(b) For the purposes of determining the validity of a certificate of compliance or noncompliance submitted in compliance with the requirements of this section, the definitions of new and used motor vehicle contained in Chapter 2 (commencing with Section 39010) of Part 1 of Division 26 of the Health and Safety Code shall control.

SEC. 4.5. Section 4000.2 of the Vehicle Code is amended to read:

4000.2. (a) Except as otherwise provided in subdivision (b) of Section 43654 of the Health and Safety Code, and, commencing on April 1, 2005, except for 1976 or earlier model-year motor vehicles, the department shall require upon registration of a motor vehicle subject to Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code, previously registered outside this state, a valid certificate of compliance or a certificate of noncompliance, as appropriate, issued in accordance with Section 44015 of the Health and Safety Code.

(b) For the purposes of determining the validity of a certificate of compliance or noncompliance submitted in compliance with the requirements of this section, the definitions of new and used motor

vehicle contained in Chapter 2 (commencing with Section 39010) of Part 1 of Division 26 of the Health and Safety Code shall control.

SEC. 5. Section 3 of this bill shall not become operative if Assembly Bill No. 2683 of the 2003–04 Regular Session becomes operative and amends Section 4000.1 of the Vehicle Code.

SEC. 6. The amendments to Section 4002.2 of the Vehicle Code proposed by Section 4.5 of this bill, shall only become operative on April 1, 2005, if (1) this bill and Assembly Bill 2683 are both enacted, (2) both bills amend Section 4002.2 of the Vehicle Code, and (3) both bills become effective on or before January 1, 2005, in which case the amendments to Section 4000.2 of the Vehicle Code proposed by Section 4 of this bill shall not become operative.

CHAPTER 702

An act to amend Section 1021.8 of the Code of Civil Procedure, to amend Sections 14030 and 14070 of the Corporations Code, to amend Section 12715 of, and to add Sections 12016 and 63048.63 to, the Government Code, to amend Section 44011 of, and to amend, repeal, and add Section 44091.1 of, the Health and Safety Code, to amend Section 5045 of the Public Resources Code, to repeal Section 1587 of the Unemployment Insurance Code, to amend Section 4000.1 of the Vehicle Code, and to amend Section 12878 of the Water Code, relating to state operations, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. Section 1021.8 of the Code of Civil Procedure is amended to read:

1021.8. (a) Whenever the Attorney General prevails in a civil action to enforce Section 17537.3, 22445, 22446.5, 22958, 22962, or 22963 of the Business and Professions Code, Section 52, 52.1, 55.1, or 3494 of the Civil Code, the Corporate Securities Law of 1968 (Division 1 (commencing with Section 25000) of Title 4 of the Corporations Code or the California Commodity Law of 1990 (Division 4.5 (commencing with Section 29500) of Title 4 of the Corporations Code), Section 1615, 2014, or 5650.1 of the Fish and Game Code, Section 4458, 12606, 12607, 12598, 12989.3, 16147, 66640, 66641, or 66641.7 of the Government Code, Section 13009, 13009.1, 19958.5, 25299, 39674,

41513, 42402, 42402.1, 42402.2, 42402.3, 42402.4, 43016, 43017, 43154, 104557, or 118950 of the Health and Safety Code, Section 308.1 or 308.3 of the Penal Code, Section 2774.1, 4601.1, 4603, 4605, 30820, 30821.6, 30822, 42847, or 48023 of the Public Resources Code, Section 30101.7 of the Revenue and Taxation Code, or Section 275, 1052, 1845, 13261, 13262, 13264, 13265, 13268, 13304, 13331, 13350, or 13385 of the Water Code, the court shall award to the Attorney General all costs of investigating and prosecuting the action, including expert fees, reasonable attorney's fees, and costs. Awards under this section shall be paid to the Public Rights Law Enforcement Special Fund established by Section 12530 of the Government Code.

(b) This section applies to any action pending on the effective date of this section and to any actions filed thereafter.

(c) The amendments made to this section by the act adding this subdivision shall apply to any action pending on the effective date of these amendments and to any actions filed thereafter.

SEC. 2. Section 14030 of the Corporations Code is amended to read:

14030. There is hereby created in the State Treasury the California Small Business Expansion Fund. All or a portion of the funds in the expansion fund may be paid out, with the approval of the Department of Finance, to a lending institution or financial company that will act as trustee of the funds. The expansion fund and the trust fund shall be used to pay for defaulted loan guarantees issued pursuant to Article 9 (commencing with Section 14070), administrative costs of corporations, and those costs necessary to protect a real property interest in a defaulted loan or guarantee. The amount of guarantee liability outstanding at any one time shall not exceed four times the amount of funds on deposit in the expansion fund plus any receivables due from funds loaned from the expansion fund to another fund in state government as directed by the Department of Finance pursuant to a statute enacted by the Legislature, including each of the trust fund accounts within the trust fund, unless the director has permitted a higher leverage ratio for an individual corporation pursuant to subdivision (b) of Section 14037.

SEC. 3. Section 14070 of the Corporations Code is amended to read:

14070. (a) The corporate guarantee shall be backed by funds on deposit in the corporation's trust fund account, or by receivables due from funds loaned from the corporation's trust fund account to another fund in state government as directed by the Department of Finance pursuant to a statute enacted by the Legislature.

(b) Loan guarantees shall be secured by a reserve of at least 25 percent to be determined by the director, unless the director authorizes a higher leverage ratio for an individual corporation pursuant to subdivision (b) of Section 14037.

(c) The expansion fund and trust fund accounts shall be used exclusively to guarantee obligations and pay the administrative costs of the corporations. A corporation located in a rural area may utilize the funds for direct lending to farmers as long as at least 90 percent of the corporate fund farm loans, calculated by dollar amount, and all expansion fund farm loans are guaranteed by the United States Department of Agriculture. The amount of funds available for direct farm lending shall be determined by the director. In its capacity as a direct lender, the corporation may sell in the secondary market the guaranteed portion of each loan so as to raise additional funds for direct lending. The agency shall issue regulations governing these direct loans, including the maximum amount of these loans.

(d) In furtherance of the purposes of this part, up to one-half of the trust funds may be used to guarantee loans utilized to establish a Business and Industrial Development Corporation (BIDCO) under Division 15 (commencing with Section 33000) of the Financial Code.

(e) To execute the direct loan programs established in this chapter, the director may loan trust funds to a corporation located in a rural area for the express purpose of lending those funds to an identified borrower. The loan authorized by the director to the corporation shall be on terms similar to the loan between the corporation and the borrower. The amount of the loan may be in excess of the amount of a loan to any individual farm borrower, but actual disbursements pursuant to the agency loan agreement shall be required to be supported by a loan agreement between the farm borrower and the corporation in an amount at least equal to the requested disbursement. The loan between the agency and the corporation shall be evidenced by a credit agreement. In the event that any loan between the corporation and borrower is not guaranteed by a governmental agency, the portion of the credit agreement attributable to that loan shall be secured by assignment of any note, executed in favor of the corporation by the borrower to the agency. The terms and conditions of the credit agreement shall be similar to the loan agreement between the corporation and the borrower, which shall be collateralized by the note between the corporation and the borrower. In the absence of fraud on the part of the corporation, the liability of the corporation to repay the loan to the agency is limited to the repayment received by the corporation from the borrower except in a case where the United States Department of Agriculture requires exposure by the corporation in rule or regulation. The corporation may use trust funds for loan repayment to the agency if the corporation has exhausted a loan loss reserve created for this purpose. Interest and principal received by the agency from the corporation shall be deposited into the same account from which the funds were originally borrowed.

(f) Upon the approval of the director, a corporation shall be authorized to borrow trust funds from the agency for the purpose of relending those funds to small businesses. A corporation shall demonstrate to the director that it has the capacity to administer a direct loan program, and has procedures in place to limit the default rate for loans to startup businesses. Not more than 25 percent of any trust fund account shall be used for the direct lending established pursuant to this subdivision. A loan to a corporation shall not exceed the amount of funds likely to be lent to small businesses within three months following the loan to the corporation. The maximum loan amount to a small business is fifty thousand dollars ($50,000). In the absence of fraud on the part of the corporation, the repayment obligation pursuant to the loan to the corporation shall be limited to the amount of funds received by the corporation for the loan to the small business and any other funds received from the agency that are not disbursed. The corporation shall be authorized to charge a fee to the small business borrower, in an amount determined by the director pursuant to regulation. The program provided for in this subdivision shall be available in all geographic areas of the state.

SEC. 4. Section 12016 is added to the Government Code, to read:

12016. (a) The Governor shall appoint, to serve at his or her pleasure, an executive officer who shall be Director of Homeland Security. The Director of Homeland Security shall be in charge of homeland security and shall be the state coordinator of all homeland security activities, including, but not limited to, homeland security strategy, information analysis related to terrorism, and protection of critical infrastructure from terrorism.

(b) The Governor shall also appoint one deputy director of homeland security who shall serve at the pleasure of the director. The salaries of the director and deputy director shall be fixed in accordance with law.

SEC. 5. Section 12715 of the Government Code is amended to read:

12715. (a) The Controller, acting in consultation with the California Gambling Control Commission, shall divide the County Tribal Casino Account for each county that has gaming devices that are subject to an obligation to make contributions to the Indian Gaming Special Distribution Fund into a separate account for each tribe that operates a casino within the county. These accounts shall be known as Individual Tribal Casino Accounts, and funds may be released from these accounts to make grants selected by an Indian Gaming Local Community Benefit Committee pursuant to the method established by this section to local jurisdictions impacted by tribal casinos. Each Individual Tribal Casino Account shall be funded in proportion to the amount that each individual tribe paid in the prior fiscal year to the Indian Gaming Special Distribution Fund.

(b) (1) There is hereby created in each county in which Indian gaming is conducted an Indian Gaming Local Community Benefit Committee. The selection of all grants from each Individual Tribal Casino Account or County Tribal Casino Account shall be made by each county's Indian Gaming Local Community Benefit Committee. In selecting grants, the Indian Gaming Local Community Benefit Committee shall follow the priorities established in subdivision (g). This committee has the following additional responsibilities:

(A) Establishing all application policies and procedures for grants from the Individual Tribal Casino Account or County Tribal Casino Account.

(B) Assessing the eligibility of applications for grants from local jurisdictions impacted by tribal gaming operations.

(C) Determining the appropriate amount for reimbursement from the aggregate county tribal account of the demonstrated costs incurred by the county for administering the grant programs. The reimbursement for county administrative costs may not exceed 2 percent of the aggregate county tribal account in any given fiscal year.

(2) The Indian Gaming Local Community Benefit Committee shall be composed of seven representatives, consisting of the following:

(A) Two representatives from the county, selected by the county board of supervisors.

(B) Three elected representatives from cities located within four miles of a tribal casino in the county, selected by the county board of supervisors. In the event that there are no cities located within four miles of a tribal casino in the county, other local representatives may be selected upon mutual agreement by the county board of supervisors and a majority of the tribes paying into the Indian Gaming Special Distribution Fund in the county. When there are no cities within four miles of a tribal casino in the county, and when the Indian Gaming Local Community Benefit Committee acts on behalf of a county where no tribes pay into the Indian Gaming Special Distribution Fund, other local representatives may be selected upon mutual agreement by the county board of supervisors and a majority of the tribes operating casinos in the county.

(C) Two representatives selected upon the recommendation of a majority of the tribes paying into the Indian Gaming Special Distribution Fund in each county. When an Indian Gaming Local Community Benefit Committee acts on behalf of a county where no tribes pay into the Indian Gaming Special Distribution Fund, the two representatives may be selected upon the recommendation of the tribes operating casinos in the county.

(c) Sixty percent of each individual tribal casino account shall be available for nexus grants on a yearly basis to cities and counties

impacted by tribes that are paying into the Indian Gaming Special Distribution Fund, according to the four-part nexus test described in paragraph (1). Grant awards shall be selected by each county's Indian Gaming Local Community Benefit Committee and shall be administered by the county. Grants may be awarded on a multiyear basis, and these multiyear grants shall be accounted for in the grant process for each year.

(1) A nexus test based on the geographical proximity of a local government jurisdiction to an individual Indian land upon which a tribal casino is located shall be used by each county's Indian Gaming Local Community Benefit Committee to determine relative priority for grants, using the following criteria:

(A) Whether the local government jurisdiction borders the Indian lands on all sides.

(B) Whether the local government jurisdiction partially borders Indian lands.

(C) Whether the local government jurisdiction maintains a highway, road, or other thoroughfare that is the predominant access route to a casino that is located within four miles.

(D) Whether all or a portion of the local government jurisdiction is located within four miles of a casino.

(2) Fifty percent of the amount specified in subdivision (c) shall be awarded in equal proportions to local government jurisdictions that meet all four of the nexus test criteria in paragraph (1). If no eligible local government jurisdiction satisfies this requirement, the amount specified in this paragraph shall be made available for nexus grants in equal proportions to local government jurisdictions meeting the requirements of paragraph (3) or (4).

(3) Thirty percent of the amount specified in subdivision (c) shall be awarded in equal proportions to local government jurisdictions that meet three of the nexus test criteria in paragraph (1). If no eligible local government jurisdiction satisfies this requirement, the amount specified in this paragraph shall be made available for nexus grants in equal proportions to local government jurisdictions meeting the requirements of paragraph (2) or (4).

(4) Twenty percent of the amount specified in subdivision (c) shall be awarded in equal proportions to local government jurisdictions that meet two of the nexus test criteria in paragraph (1). If no eligible local government jurisdiction satisfies this requirement, the amount specified in this paragraph shall be made available for nexus grants in equal proportions to local government jurisdictions meeting the requirements of paragraph (2) or (3).

(d) Twenty percent of each individual tribal casino account shall be available for discretionary grants to local jurisdictions impacted by

tribes that are paying into the Indian Gaming Special Distribution Fund. These discretionary grants shall be made available to all local jurisdictions in the county irrespective of any nexus to impacts from any particular tribal casino, as described in paragraph (1) of subdivision (c). Grant awards shall be selected by each county's Indian Gaming Local Community Benefit Committee and shall be administered by the county. Grants may be awarded on a multiyear basis, and these multiyear grants shall be accounted for in the grant process for each year.

(e) (1) Twenty percent of each individual tribal casino account shall be available for discretionary grants to local jurisdictions impacted by tribes that are not paying into the Indian Gaming Special Distribution Fund. These grants shall be made available to local jurisdictions in the county irrespective of any nexus to impacts from any particular tribal casino, as described in paragraph (1) of subdivision (c), and irrespective of whether the impacts presented are from a tribal casino that is not paying into the Indian Gaming Special Distribution Fund. Grant awards shall be selected by each county's Indian Gaming Local Community Benefit Committee and shall be administered by the county. Grants may be awarded on a multiyear basis, and of these multiyear grants shall be accounted for in the grant process for each year.

(A) Grants awarded pursuant to this subdivision are limited to addressing service-oriented impacts and providing assistance with one-time large capital projects related to Indian gaming impacts.

(B) Grants shall be subject to the sole sponsorship of the tribe that pays into the Indian Gaming Special Distribution Fund and the recommendations of the Indian Gaming Local Community Benefit Committee for that county.

(2) If an eligible county does not have a tribal casino operated by a tribe that does not pay into the Indian Gaming Special Distribution Fund, the money available for discretionary grants under this subdivision shall be available for distribution pursuant to subdivision (d).

(f) (1) For each county that does not have gaming devices subject to an obligation to make payments to the Indian Gaming Special Distribution Fund, funds may be released from the county's County Tribal Casino Account to make grants selected by the county's Indian Gaming Local Community Benefit Committee pursuant to the method established by this section to local jurisdictions impacted by tribal casinos. These grants shall be made available to local jurisdictions in the county irrespective of any nexus to any particular tribal casino. These grants shall follow the priorities specified in subdivision (g).

(2) Funds not allocated from a county tribal casino account by the end of each fiscal year shall revert back to the Indian Gaming Special Distribution Fund. Moneys allocated for the 2003–04 fiscal year shall be eligible for expenditure through December 31, 2004.

(g) The following uses shall be the priorities for the receipt of grant money from Individual Tribal Casino Accounts: law enforcement, fire services, emergency medical services, environmental impacts, water supplies, waste disposal, behavioral, health, planning and adjacent land uses, public health, roads, recreation and youth programs, and child care programs.

(h) All grants from Individual Tribal Casino Accounts shall be made only upon the affirmative sponsorship of the tribe paying into the Indian Gaming Special Distribution Fund from whose individual tribal casino account the grant moneys are available for distribution. Tribal sponsorship shall confirm that the grant application has a reasonable relationship to a casino impact and satisfies at least one of the priorities listed in subdivision (g). A grant may not be made for any purpose that would support or fund, directly or indirectly, any effort related to opposition or challenge to Indian gaming in the state, and, to the extent any awarded grant is utilized for any prohibited purpose by any local government, upon notice given to the county by any tribe from whose Individual Tribal Casino Account the awarded grant went toward that prohibited use, the grant shall terminate immediately and any moneys not yet used shall again be made available for qualified nexus grants.

(i) A local government jurisdiction that is a recipient of a grant from an Individual County Tribal Casino Account or a County Tribal Casino Account shall provide notice to the public, either through a slogan, signage, or other mechanism, which states that the local government project has received funding from the Indian Gaming Special Distribution Fund and which further identifies the particular Individual Tribal Casino Account from which the grant derives.

(j) (1) Each county's Indian Gaming Local Benefit Committee shall submit to the Controller a list of approved projects for funding from Individual Tribal Casino Accounts. Upon receipt of this list, the Controller shall release the funds directly to the local government entities for which a grant has been approved by the committee.

(2) Funds not allocated from an individual tribal casino account by the end of each fiscal year shall revert back to the Indian Gaming Special Distribution Fund. Moneys allocated for the 2003–04 fiscal year shall be eligible for expenditure through December 31, 2004.

SEC. 6. Section 63048.63 is added to the Government Code, to read:

63048.63. (a) The Legislature hereby finds and declares:

(1) The financial and legal records of California Indian tribes and tribal business enterprises are records of a sovereign nation and are not subject to disclosure by private citizens or the state. This is explicitly recognized in amendments to tribal-state gaming compacts ratified by the Legislature, which provide for the securitization of annual payments

to be received from the tribes by the state or by an agency, trust, fund, or entity specified by the state.

(2) In order to review the records of any Indian tribe relative to this securitization, the compacts require the execution of nondisclosure agreements.

(3) State entities statutorily charged with participating in the bond sale cannot perform those duties in the absence of that agreement, and the Legislature hereby acknowledges and agrees that documents containing tribal information are not public records, shall not be discussed in an open meeting, and that state officials privy to that information may execute nondisclosure agreements.

(b) Nothing in Chapter 3.5 of Division 7 of Title 1 (commencing with Section 6250) or any other provision of law shall permit the disclosure of any records of an Indian tribe received by the state, or by an agency, trust fund, or entity specified by the state, in connection with the sale of any portions of the designated tribal-state gaming compact assets or the issuance of bonds, or any summaries or analyses thereof. The transmission of the records, or the information contained in those records in an alternative form, to the state or the special purpose trust shall not constitute a waiver of exemption from disclosure, and the records and information once transmitted to the state or special purpose trust shall be subject to this same exemption from disclosure.

(c) The state and the special purpose trust are authorized to enter into nondisclosure agreements with Indian tribes agreeing not to disclose the materials described in subdivision (b).

(d) The nondisclosure agreements may include provisions limiting the representatives of the state and the special purpose trust authorized to review or receive records of the Indian tribe to those individuals directly working on the sale of portions of the designated compact assets or the issuance of the bonds.

(e) Nothing in Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code shall be construed to prevent the bank from conducting a closed session to consider any records or information of an Indian tribe or any summaries or analyses thereof received by the state in connection with the sale of any portion of the compact assets or the issuance of bonds.

SEC. 7. Section 44011 of the Health and Safety Code is amended to read:

44011. (a) All motor vehicles powered by internal combustion engines that are registered within an area designated for program coverage shall be required biennially to obtain a certificate of compliance or noncompliance, except for all of the following:

(1) Every motorcycle, and every diesel-powered vehicle, until the department, pursuant to Section 44012, implements test procedures applicable to motorcycles or to diesel-powered vehicles, or both.

(2) Any motor vehicle that has been issued a certificate of compliance or noncompliance or a repair cost waiver upon a change of ownership or initial registration in this state during the preceding six months.

(3) (A) Prior to January 1, 2003, any motor vehicle manufactured prior to the 1974 model-year.

(B) Beginning January 1, 2003, any motor vehicle that is 30 or more model-years old.

(4) (A) Except as provided in subparagraph (B), any motor vehicle four or less model-years old.

(B) Beginning January 1, 2005, any motor vehicle six or less model-years old, unless the state board finds that providing an exception for these vehicles will prohibit the state from meeting the requirements of Section 176(c) of the Clean Air Act (42 U.S.C. Sec. 7401 et seq.) or the state's commitments with respect to the state implementation plan required by the Clean Air Act.

(C) Any motor vehicle excepted by this paragraph shall be subject to testing and to certification requirements as determined by the department, if any of the following apply:

(i) The department determines through remote sensing activities or other means that there is a substantial probability that the vehicle has a tampered emission control system or would fail for other cause a smog check test as specified in Section 44012.

(ii) The vehicle was previously registered outside this state and is undergoing initial registration in this state.

(iii) The vehicle is being registered as a specially constructed vehicle.

(iv) The vehicle has been selected for testing pursuant to Section 44014.7 or any other provision of this chapter authorizing out-of-cycle testing.

(5) In addition to the vehicles exempted pursuant to paragraph (4), any motor vehicle or class of motor vehicles exempted pursuant to subdivision (b) of Section 44024.5. It is the intent of the Legislature that the department, pursuant to the authority granted by this paragraph, exempt at least 15 percent of the lowest emitting motor vehicles from the biennial smog check inspection.

(6) Any motor vehicle that the department determines would present prohibitive inspection or repair problems.

(7) Any vehicle registered to the owner of a fleet licensed pursuant to Section 44020 if the vehicle is garaged exclusively outside the area included in program coverage, and is not primarily operated inside the area included in program coverage.

(b) Vehicles designated for program coverage in enhanced areas shall be required to obtain inspections from appropriate smog check stations operating in enhanced areas.

SEC. 8. Section 44091.1 of the Health and Safety Code is amended to read:

44091.1. (a) The fee specified in paragraph (1) of subdivision (d) of Section 44060 shall be six dollars ($6). The revenues from that fee shall be allocated as follows:

(1) Except as provided for in paragraph (2), of the revenue generated by two dollars ($2) of the fee shall be deposited in the account created by Section 44091, while the revenue generated by the remaining four dollars ($4) shall be deposited in the Vehicle Inspection and Repair Fund.

(2) All revenue generated by the fee described in this subdivision that is imposed at first registration of a motor vehicle and that is exempted under paragraph (4) of subdivision (a) of Section 44011 shall be deposited in the account created by Section 44091.

(b) This section shall remain in effect only until January 1, 2005, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2005, deletes or extends that date.

SEC. 9. Section 44091.1 is added to the Health and Safety Code, to read:

44091.1. Commencing January 1, 2005, the fee specified in paragraph (1) of subdivision (d) of Section 44060 shall be twelve dollars ($12). The revenues from that fee shall be allocated as follows:

(a) The revenues generated by six dollars ($6) of the fee shall be deposited in the Air Pollution Control Fund, and shall be available for expenditure, upon appropriation by the Legislature, to fund the Carl Moyer Memorial Air Quality Standards Attainment Program (Chapter 9 (commencing with Section 44275)) to the extent that the state board or a participating district determines the moneys are expended to mitigate or remediate the harm caused by the type of motor vehicle on which the fee is imposed.

(b) (1) Except as provided for in paragraph (2), of the revenue generated by the remaining six dollars ($6) of the fee, two dollars ($2) shall be deposited in the account created by Section 44091, while the revenue generated by the remaining four dollars ($4) shall be deposited in the Vehicle Inspection and Repair Fund.

(2) All revenue generated by the remaining six dollars ($6) of the fee described in this subdivision that is imposed at first registration of a motor vehicle that is exempted under paragraph (4) of subdivision (a) of Section 44011 shall be deposited in the account created by Section 44091.

(c) This section shall become operative on January 1, 2005.

SEC. 10. Section 5045 of the Public Resources Code is amended to read:

5045. (a) The tufa and associated sand structures at Mono Lake are a valuable geologic and scientific natural resource and are unique in North America for their beauty, abundance, diversity, and public accessibility. Their extreme fragility requires special measures for their protection and preservation for the enjoyment and education of the public.

(b) The Mono Lake Tufa State Reserve is hereby established as a unit of the state park system and shall consist of the state-owned portions of the Mono Lake bed lying at or below the elevation of 6,417 feet above sea level. As soon as practicable after January 1, 1982, the State Lands Commission shall issue a permit for occupancy to the department pursuant to Section 6221.

(c) (1) The reserve shall include, and the department shall manage, all resources within the reserve's boundaries, including, but not limited to, the waters of Mono Lake.

(2) Notwithstanding the provisions of paragraph (1), nothing in this subdivision grants the department authority over any of the following:

(A) The instream flow requirements of the tributaries to Mono Lake.

(B) The water surface elevation of Mono Lake.

(C) The water production, diversion, storage, and conveyance activities of the City of Los Angeles.

(D) The determination of water quality standards for Mono Lake.

(d) As soon as practicable after January 1, 1982, the State Lands Commission shall issue a permit for occupancy to the department pursuant to Section 6221.

SEC. 11. Section 1587 of the Unemployment Insurance Code is repealed.

SEC. 12. Section 4000.1 of the Vehicle Code is amended to read:

4000.1. (a) Except as otherwise provided in subdivision (b), (c), or (d) of this section, or subdivision (b) of Section 43654 of the Health and Safety Code, the department shall require upon initial registration, and upon transfer of ownership and registration, of any motor vehicle subject to Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code, and upon registration of a motor vehicle previously registered outside this state which is subject to those provisions of the Health and Safety Code, a valid certificate of compliance or a certificate of noncompliance, as appropriate, issued in accordance with Section 44015 of the Health and Safety Code.

(b) With respect to new vehicles certified pursuant to Chapter 2 (commencing with Section 43100) of Part 5 of Division 26 of the Health and Safety Code, the department shall accept a statement completed

pursuant to subdivision (b) of Section 24007 in lieu of the certificate of compliance.

(c) For purposes of determining the validity of a certificate of compliance or noncompliance submitted in compliance with the requirements of this section, the definitions of new and used motor vehicle contained in Chapter 2 (commencing with Section 39010) of Part 1 of Division 26 of the Health and Safety Code shall control.

(d) Subdivision (a) does not apply to a transfer of ownership and registration under any of the following circumstances:

(1) The initial application for transfer is submitted within the 90-day validity period of a smog certificate as specified in Section 44015 of the Health and Safety Code.

(2) The transferor is the parent, grandparent, sibling, child, grandchild, or spouse of the transferee.

(3) A vehicle registered to a sole proprietorship is transferred to the proprietor as owner.

(4) The transfer is between companies whose principal business is leasing vehicles, if there is no change in the lessee or operator of the vehicle or between the lessor and the person who has been, for at least one year, the lessee's operator of the vehicle.

(5) The transfer is between the lessor and lessee of the vehicle, if there is no change in the lessee or operator of the vehicle.

(6) The motor vehicle is 30 or more model-years old.

(7) Beginning January 1, 2005, the transfer is for a motor vehicle that is four or less model-years old. The department shall impose a fee of eight dollars ($8) on the transferee of a motor vehicle that is four or less model-years old. Revenues generated from the imposition of that fee shall be deposited into the Vehicle Inspection and Repair Fund.

(e) The State Air Resources Board, under Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code, may exempt designated classifications of motor vehicles from subdivision (a) as it deems necessary, and shall notify the department of that action.

(f) Subdivision (a) does not apply to a motor vehicle when an additional individual is added as a registered owner of the vehicle.

SEC. 13. Section 12878 of the Water Code is amended to read:

12878. Unless the context otherwise requires, the following definitions apply throughout this chapter:

(a) ''Department'' means Department of Water Resources.

(b) ''Director'' means the Director of Water Resources.

(c) ''Board'' means the State Reclamation Board.

(d) Wherever the words ''board or department'' or ''board or director'' are used together in this chapter they shall mean board as to any project in the Sacramento or San Joaquin Valleys or on or near the Sacramento River or the San Joaquin River or any of their tributaries,

and department or director as to any project in any other part of the state outside of the jurisdiction of the board.

(e) ''Project'' means any project that has been authorized pursuant to Chapter 2 (commencing with Section 12639) or Chapter 4 (commencing with Section 12850) and concerning which assurances have been given to the Secretary of the Army or the Secretary of Agriculture that the state or a political subdivision thereof will operate and maintain the project works in accordance with regulations prescribed by the federal government or any project upon which assurances have been given to the Secretary of the Army and upon which the Corps of Engineers, United States Army, has performed work pursuant to Section 208 of Public Law 780, 83rd Congress, 2nd Session, approved September 3, 1954.

(f) ''Maintenance'' means work described as maintenance by the federal regulations issued by the Secretary of the Army or the Secretary of Agriculture for any project.

(g) ''Maintenance area'' means described or delineated lands that are found by the board or department to be benefited by the maintenance and operation of a particular unit of a project.

(h) ''Unit'' means any portion of the works of a project designated as a unit by the board or department, other than the works prescribed in Section 8361, or works operated and maintained by the United States.

(i) ''Land'' includes improvements.

(j) ''Local agency'' means and includes all districts or other public agencies responsible for the operation of works of any project under Section 8370, Chapter 2 (commencing with Section 12639) or Chapter 4 (commencing with Section 12850) or any other law of this state.

(k) ''Cost of operation and maintenance'' means, for the purposes of maintenance areas established after July 31, 2004, as the result of relinquishment by a local agency pursuant to Section 12878.1 only, the cost of all maintenance, as defined in subdivision (f), and shall also include, but is not limited to, all of the following costs:

(1) All costs incurred by the department or the board in the formation of the maintenance area under this chapter.

(2) Any costs, if deemed appropriate by the department, to secure insurance covering liability to others for damages arising from the maintenance activities of the department or from flooding in the maintenance area.

(3) Any costs of defending any action brought against the state, the department, or the board, or any employees of these entities, for damages arising from the maintenance activities of the department or from flooding in the maintenance area.

(4) Any costs incurred in the payment of any judgment or settlement of an action against the state, the department, or the board, or any employees of these entities, for damages arising from the formation of

the maintenance area or from any maintenance activities of the department or flooding in the maintenance area.

SEC. 14. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of 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 for the health and safety of residents in the state as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 703

An act to amend Section 44091.1 of the Health and Safety Code, relating to air pollution.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. Section 44091.1 of the Health and Safety Code is amended to read:

44091.1. Commencing January 1, 2005, the fee specified in paragraph (1) of subdivision (d) of Section 44060 shall be twelve dollars ($12). The revenues from that fee shall be allocated as follows:

(a) The revenues generated by six dollars ($6) of the fee shall be deposited in the Air Pollution Control Fund, and shall be available for expenditure, upon appropriation by the Legislature, to fund the Carl Moyer Memorial Air Quality Standards Attainment Program (Chapter 9 (commencing with Section 44275)) to the extent that the state board or a participating district determines the moneys are expended to mitigate or remediate the harm caused by the type of motor vehicle on which the fee is imposed.

(b) (1) Except as provided for in paragraph (2), of the revenue generated by the remaining six dollars ($6) of the fee, four dollars ($4) shall be deposited in the account created by Section 44091, while the

revenue generated by the remaining two dollars ($2) shall be deposited in the Vehicle Inspection and Repair Fund.

(2) All revenue generated by the remaining six dollars ($6) of the fee described in this subdivision that is imposed at first registration of a motor vehicle and that is exempted under paragraph (4) of subdivision (a) of Section 44011 shall be deposited in the account created by Section 44091.

CHAPTER 704

An act to amend Section 44011 of the Health and Safety Code, and to amend Sections 4000.1 and 4000.2 of the Vehicle Code, relating to air pollution.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. (a) It is the intent of the Legislature, in enacting the act adding this section, to ensure that vehicles, of the 1975 model-year and older are permanently exempted from the biennial compliance requirement of the motor vehicle inspection and maintenance (smog check) program.

(b) It is further the intent of the Legislature to ensure that the Department of Motor Vehicles and the Department of Consumer Affairs have adequate time to comply with the requirements of the act adding this section by delaying the operation of the act until April 1, 2005.

SEC. 2. Section 44011 of the Health and Safety Code is amended to read:

44011. (a) All motor vehicles powered by internal combustion engines that are registered within an area designated for program coverage shall be required biennially to obtain a certificate of compliance or noncompliance, except for all of the following:

(1) Every motorcycle, and every diesel-powered vehicle, until the department, pursuant to Section 44012, implements test procedures applicable to motorcycles or to diesel-powered vehicles, or both.

(2) Any motor vehicle that has been issued a certificate of compliance or noncompliance or a repair cost waiver upon a change of ownership or initial registration in this state during the preceding six months.

(3) Any motor vehicle manufactured prior to the 1976 model-year.

(4) (A) Except as provided in subparagraph (B), any motor vehicle four or less model-years old.

(B) Beginning January 1, 2005, any motor vehicle six or less model-years old, unless the state board finds that providing an exception for these vehicles will prohibit the state from meeting the requirements of Section 176(c) of the federal Clean Air Act (42 U.S.C. Sec. 7401 et seq.) or the state's commitments with respect to the state implementation plan required by the federal Clean Air Act.

(C) Any motor vehicle excepted by this paragraph shall be subject to testing and to certification requirements as determined by the department, if any of the following apply:

(i) The department determines through remote sensing activities or other means that there is a substantial probability that the vehicle has a tampered emission control system or would fail for other cause a smog check test as specified in Section 44012.

(ii) The vehicle was previously registered outside this state and is undergoing initial registration in this state.

(iii) The vehicle is being registered as a specially constructed vehicle.

(iv) The vehicle has been selected for testing pursuant to Section 44014.7 or any other provision of this chapter authorizing out-of-cycle testing.

(5) In addition to the vehicles exempted pursuant to paragraph (4), any motor vehicle or class of motor vehicles exempted pursuant to subdivision (b) of Section 44024.5. It is the intent of the Legislature that the department, pursuant to the authority granted by this paragraph, exempt at least 15 percent of the lowest emitting motor vehicles from the biennial smog check inspection.

(6) Any motor vehicle that the department determines would present prohibitive inspection or repair problems.

(7) Any vehicle registered to the owner of a fleet licensed pursuant to Section 44020 if the vehicle is garaged exclusively outside the area included in program coverage, and is not primarily operated inside the area included in program coverage.

(b) Vehicles designated for program coverage in enhanced areas shall be required to obtain inspections from appropriate smog check stations operating in enhanced areas.

(c) For purposes of subdivision (a), any collector motor vehicle, as defined in Section 259 of the Vehicle Code, is exempt from those portions of the test required by subdivision (f) of Section 44012 if the collector motor vehicle meets all of the following criteria:

(1) Submission of proof that the motor vehicle is insured as a collector motor vehicle, as shall be required by regulation of the bureau.

(2) The motor vehicle is at least 35 model-years old.

(3) The motor vehicle complies with the exhaust emissions standards for that motor vehicle's class and model-year as prescribed by the

department, and the motor vehicle passes a functional inspection of the fuel cap and a visual inspection for liquid fuel leaks.

SEC. 3. Section 4000.1 of the Vehicle Code is amended to read:

4000.1. (a) Except as otherwise provided in subdivision (b), (c), or (d) of this section, or subdivision (b) of Section 43654 of the Health and Safety Code, the department shall require upon initial registration, and upon transfer of ownership and registration, of any motor vehicle subject to Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code, a valid certificate of compliance or a certificate of noncompliance, as appropriate, issued in accordance with Section 44015 of the Health and Safety Code.

(b) With respect to new motor vehicles certified pursuant to Chapter 2 (commencing with Section 43100) of Part 5 of Division 26 of the Health and Safety Code, the department shall accept a statement completed pursuant to subdivision (b) of Section 24007 in lieu of the certificate of compliance.

(c) For purposes of determining the validity of a certificate of compliance or noncompliance submitted in compliance with the requirements of this section, the definitions of new and used motor vehicle contained in Chapter 2 (commencing with Section 39010) of Part 1 of Division 26 of the Health and Safety Code shall control.

(d) Subdivision (a) does not apply to a transfer of ownership and registration under any of the following circumstances:

(1) The initial application for transfer is submitted within the 90-day validity period of a smog certificate as specified in Section 44015 of the Health and Safety Code.

(2) The transferor is the parent, grandparent, sibling, child, grandchild, or spouse of the transferee.

(3) A motor vehicle registered to a sole proprietorship is transferred to the proprietor as owner.

(4) The transfer is between companies whose principal business is leasing motor vehicles, if there is no change in the lessee or operator of the motor vehicle or between the lessor and the person who has been, for at least one year, the lessee's operator of the motor vehicle.

(5) The transfer is between the lessor and lessee of the motor vehicle, if there is no change in the lessee or operator of the motor vehicle.

(6) The motor vehicle was manufactured prior to the 1976 model-year.

(7) Beginning January 1, 2005, the transfer is for a motor vehicle that is four or less model-years old. The department shall impose a fee of eight dollars ($8) on the transferee of a motor vehicle that is four or less model-years old. Revenues generated from the imposition of that fee shall be deposited into the Vehicle Inspection and Repair Fund.

(e) The State Air Resources Board, under Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code, may exempt designated classifications of motor vehicles from subdivision (a) as it deems necessary, and shall notify the department of that action.

(f) Subdivision (a) does not apply to a motor vehicle when an additional individual is added as a registered owner of the motor vehicle.

(g) For purposes of subdivision (a), any collector motor vehicle, as defined in Section 259, is exempt from those portions of the test required by subdivision (f) of Section 44012 of the Health and Safety Code, if the collector motor vehicle meets all of the following criteria:

(1) Submission of proof that the motor vehicle is insured as a collector motor vehicle, as shall be required by regulation of the bureau.

(2) The motor vehicle is at least 35 model-years old.

(3) The motor vehicle complies with the exhaust emissions standards for that motor vehicle's class and model year as prescribed by the department, and the motor vehicle passes a functional inspection of the fuel cap and a visual inspection for liquid fuel leaks.

SEC. 4. Section 4000.2 of the Vehicle Code is amended to read:

4000.2. (a) Except as otherwise provided in subdivision (b) of Section 43654 of the Health and Safety Code, and, commencing on April 1, 2005, except for model-years exempted from biennial inspection pursuant to Section 44011 of the Health and Safety Code, the department shall require upon registration of a motor vehicle subject to Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code, previously registered outside this state, a valid certificate of compliance or a certificate of noncompliance, as appropriate, issued in accordance with Section 44015 of the Health and Safety Code.

(b) For the purposes of determining the validity of a certificate of compliance or noncompliance submitted in compliance with the requirements of this section, the definitions of new and used motor vehicle contained in Chapter 2 (commencing with Section 39010) of Part 1 of Division 26 of the Health and Safety Code shall control.

SEC. 5. The amendments to Sections 43843 and 44004 of the Health and Safety Code proposed by Senate Bill 1615, if enacted, shall not be operative.

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 that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 7. This act shall become operative on April 1, 2005.

CHAPTER 705

An act to add Chapter 6.83 (commencing with Section 25395.110) to, and to add and repeal Chapter 6.82 (commencing with Section 25395.60) of, Division 20 of, the Health and Safety Code, relating to hazardous materials.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. Chapter 6.82 (commencing with Section 25395.60) is added to Division 20 of the Health and Safety Code, to read:

CHAPTER 6.82. CALIFORNIA LAND REUSE AND REVITALIZATION ACT OF 2004

Article 1. Legislative Findings and Intent

25395.60. The Legislature finds and declares all of the following:

(a) There are thousands of properties in the state where redevelopment has been hindered due to real or perceived hazardous materials contamination. Cleaning up these sites and returning them to productive use will benefit the communities in which they are located and the state as a whole.

(b) Contamination of property in the state has hampered redevelopment, which in turn has limited job creation, economic revitalization, and the full and productive use of the land.

(c) Private developers, local governments, and schools are reluctant to acquire or redevelop these properties due, at least in part, to concerns regarding liability associated with historic contamination. Instead, they focus new development on clean areas that present fewer complications and lower risk of liability.

(d) This has resulted in a multitude of problems, including urban sprawl, decaying inner-city neighborhoods and schools, public health and environmental risks stemming from contaminated properties, lack of development at former manufacturing sites and rural areas in need of economic investment, and reduced tax bases.

25395.61. It is the intent of the Legislature, in enacting this chapter, to do all of the following:

(a) Establish the cleanup and reuse of these sites in a manner protective of public health and safety and the environment as a priority of the state.

(b) Relieve innocent owners, bona fide prospective purchasers, and owners of property adjacent to contaminated sites of liabilities and responsibilities that should be borne by those who caused or contributed to the contamination.

(c) Encourage process efficiencies that continue to ensure that cleanups are protective of public health and safety and the environment.

(d) Encourage the development and redevelopment of unused or underused properties in urban areas.

(e) Establish a voluntary process for bona fide purchasers, innocent landowners, and contiguous property owners to make certain the extent of their liability, if any, under state law for hazardous materials contamination caused by other persons, without otherwise altering existing state law regarding liability for hazardous materials releases.

25395.62. This chapter shall be known, and may be cited, as the ''California Land Reuse and Revitalization Act of 2004.''

Article 2. Definitions

25395.63. The definitions set forth in this article and in Article 6 (commencing with Section 25395.90) shall govern the interpretation of this chapter. If a term is not otherwise defined in this chapter, the definition contained in Chapter 6.8 (commencing with Section 25300) shall apply to that term.

25395.64. ''Agency'' means the department, the board, or a regional board.

25395.65. ''All appropriate inquiries'' has the following meanings:

(a) Except as provided in subdivision (c), until the date when the standards and practices established by the Administrator of the United States Environmental Protection Agency pursuant to Section 101(35)(B)(ii) of the federal act (42 U.S.C. Sec. 9601(35)(B)(ii)) are adopted and take effect, ''all appropriate inquiries'' means:

(1) For property acquired on or before December 1, 2000, compliance with American Society for Testing and Materials Standard El 527-97 entitled ''Standard Practice for Environmental Site Assessment'': Phase 1 Environmental Site Assessment Process.

(2) For property acquired after December 1, 2000, compliance with American Society for Testing and Materials Standard El 527-00.

(b) Except as provided in subdivision (c), on and after the date when the standards and practices established by the Administrator of the United States Environmental Protection Agency pursuant to Section 101(35)(B)(ii) of the federal act (42 U.S.C. Sec. 9601(35)(B)(ii)) are

adopted and take effect, ''all appropriate inquiries'' means compliance with those standards, except that any portion of the inquiry that includes the practice of engineering or the practice of geology shall be carried out in conformance with applicable state statute.

(c) If the property is used solely for residential use and has four or fewer units at the time of acquisition by a nongovernmental or noncommercial entity, ''all appropriate inquiries'' means that a site inspection and title search does not reveal a basis for further investigation.

25395.66. ''Applicable law'' means all of the provisions of the following state statutory and common laws that impose liability on an owner or occupant of property for pollution conditions caused by a release or threatened release of hazardous material on, under, or adjacent to the property:

(a) Title 1 (commencing with Section 3479) of, Title 2 (commencing with Section 3490) of, and Title 3 (commencing with Section 3501) of, Part 3 of Division 4 of the Civil Code.

(b) Chapter 2 (commencing with Section 731) of Title 10 of Part 2 of the Code of Civil Procedure, but not including Section 736 of the Code of Civil Procedure.

(c) Section 5650 of the Fish and Game Code.

(d) Chapter 6.7 (commencing with Section 25280), Chapter 6.75 (commencing with Section 25299.10), and Chapter 6.8 (commencing with Section 25300), of this division.

(e) Chapter 1 (commencing with Section 13000) to Chapter 5 (commencing with Section 13300), inclusive, of Division 7 of the Water Code.

(f) State common law regarding contribution, nuisance, trespass, and equitable indemnity.

25395.67. ''Appropriate care'' means either of the following:

(a) The performance of a response action, with respect to hazardous materials found at a site, for which the agency makes the determination specified in paragraph (1) of subdivision (c) of Section 25395.96 and that meets all of the following conditions:

(1) The response action is determined by an agency to be necessary to prevent an unreasonable risk to human health and safety or the environment, as defined in Section 25395.90.

(2) The response action is performed in accordance with a response plan approved by the agency pursuant to Article 6 (commencing with Section 25295.90).

(3) The approved response plan includes a provision for oversight and approval of the completed response action by the agency pursuant to Article 6 (commencing with Section 25295.90).

(b) A determination that no further action is required pursuant to Section 25395.95.

25395.68. ''Board'' means the State Water Resources Control Board.

25395.69. (a) ''Bona fide purchaser'' means a person, or a tenant of a person, who acquires ownership of a site on or after January 1, 2005, and who establishes all of the following by a preponderance of the evidence:

(1) All releases of the hazardous materials at issue at the site occurred before the person acquired the site, except as described in paragraph (2).

(2) All of the conditions of Section 25395.80 to qualify as a bona fide purchaser have been met.

(3) The person is not potentially liable, or affiliated with any other person who is potentially liable, for the release or threatened release at the site through any of the following circumstances:

(A) Any direct or indirect familial relationship.

(B) Any contractual, corporate, or financial relationship, unless the contractual, corporate, or financial relationship is created by the instrument by which title or possession to the site is conveyed or financed or a contract for the sale of goods or services.

(C) The result of a reorganization of a business entity that was potentially liable for the release or threatened release of hazardous materials at the site.

(b) For purposes of this section, ''release'' does not include passive migration.

25395.70. (a) ''Contiguous property owner'' means a person who owns a site that is adjacent to or otherwise similarly situated with respect to another site that is, or may be, contaminated by a release or threatened release of a hazardous material and that is not owned by that person, and who demonstrates, by a preponderance of the evidence, all of the following:

(1) The person did not cause, contribute, or consent to the release or threatened release.

(2) At the time the person acquired the property, the person made all appropriate inquiries and did not know and had no reason to know of the release or threatened release at the site.

(3) All of the conditions of Section 25395.80 to qualify as a contiguous property owner have been met.

(4) The person is not potentially liable, or affiliated with any other person who is potentially liable, for the release at issue through any of the following circumstances:

(A) Any direct or indirect familial relationship.

(B) Any contractual, corporate, or financial relationship, unless the contractual, corporate, or financial relationship is created by the

instruments by which title or possession to the site is conveyed or financed or a contract for the sale of goods or services.

(C) The result of a reorganization of a business entity that was potentially liable for the hazardous materials.

(b) For purposes of this section, ''release'' does not include passive migration.

25395.71. ''Department'' means the Department of Toxic Substances Control.

25395.72. ''Endangerment'' means a condition that poses an actual and unreasonable risk to human health and safety arising from actual or threatened exposure to hazardous materials.

25395.73. ''Fair market value'' means the price a seller is willing to accept and a buyer willing to pay on the open market and in an arm's length transaction.

25395.74. ''Hazardous material'' has the same meaning as defined in subdivision (d) of Section 25260.

25395.75. (a) ''Innocent landowner'' means a person who owns a site, did not cause or contribute to a release or threatened release at the site, meets the conditions to qualify as an ''innocent landowner'' specified in Section 25395.80, and is any one of the following:

(1) A person who, at the time the person acquired the property, made all appropriate inquiries and did not know and had no reason to know of the release or threatened release at the site.

(2) A government entity that acquired property by escheat, or through any another involuntary transfer acquisition, or through the exercise of eminent domain authority by purchase or condemnation, or by means of a lien arising from delinquent taxes, assessments, or charges.

(3) A person who acquired the property by inheritance or bequest.

(4) A person who qualifies for the defense from liability under Section 107(b) of the federal act (42 U.S.C. Sec. 9607(b)).

(b) For purposes of this section, ''release'' does not include passive migration.

25395.76. ''Land use control'' means a recorded instrument executed pursuant to Section 1471 of the Civil Code that restricts or imposes obligations on the present or future uses or activities on a site, including, but not limited to, recorded easements, covenants, restrictions or servitudes, or any combination thereof.

25395.77. ''Passive migration'' means the leaking, leaching or movement of a hazardous material into or through the environment, for which no human activity by the bona fide purchaser, innocent landowner, or contiguous property owner preceded the initial entry of that substance into the environment.

25395.78. ''Regional board'' means a California regional water quality control board.

25395.79. ''Release'' has the same meaning as defined in Section 25320.

25395.79.1. ''Response plan'' means a written plan submitted to an agency pursuant to Section 25395.96.

25395.79.2. (a) ''Site'' means real property located in an urban infill area for which the expansion, redevelopment, or reuse may be complicated by the presence or perceived presence of hazardous materials.

(b) ''Site'' does not include any of the following:

(1) A facility that is listed or proposed for listing on the National Priorities List established under Section 105 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sec. 9605).

(2) A site on the list maintained by the department pursuant to Section 25356.

(3) A site that is solely impacted by a petroleum release from an underground storage tank eligible for reimbursement from the California Underground Storage Tank Cleanup Fund.

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

(1) ''Infill area'' means a vacant or underutilized lot of land within an urban area that has been previously developed or that is surrounded by parcels that are or have been previously developed.

(2) ''Urban area'' means either of the following:

(A) An incorporated city.

(B) An unincorporated area that is completely surrounded by one or more incorporated cities that meets both of the following criteria:

(i) The population of the unincorporated area and the population of the surrounding incorporated cities is equal to a population of 100,000 or more.

(ii) The population density of the unincorporated area is equal to, or greater than, the population density of the surrounding cities.

Article 3. Liability

25395.80. For purposes of this chapter, to qualify as a bona fide purchaser, innocent landowner, or contiguous property owner a person shall establish, by a preponderance of the evidence, all of the following conditions:

(a) On or before the date on which the person acquired the site, the person made all appropriate inquiries into the previous ownership and uses of the site.

(b) The person exercises appropriate care with respect to the release or threatened release of hazardous materials at the site.

(c) The person provides full cooperation, assistance, and access to a person who is authorized to conduct response actions or natural resource restoration at the site, including the cooperation and any access necessary for the installation, integrity, operation, and maintenance of complete or partial response actions or natural resource restoration at the site.

(d) The person complies with land use controls established or relied on, in connection with an approved response action at the site, and does not impede the effectiveness or integrity of any aspect of any remedy employed at the site in connection with a response action.

(e) The person complies with all requests for information or an administrative subpoena concerning the release or threatened release of hazardous substances by any agency with jurisdiction under an applicable statute.

(f) The person provides all notices and satisfies reporting requirements required by state or federal law with respect to the discovery or release of hazardous substances at the site.

25395.81. (a) Except as provided in Section 25395.85, and except as otherwise provided under this section, a bona fide purchaser, innocent landowner, or contiguous property owner who did not cause or contribute to the release at the site, qualifies for the following immunities:

(1) The bona fide purchaser, innocent landowner, or contiguous property owner is not liable under any applicable statute for a claim made by any person, other than an agency, for response costs or other damages associated with a release or threatened release of a hazardous material at the site characterized in the site assessment conducted pursuant to, or a response plan approved pursuant to, Article 6 (commencing with Section 25395.90).

(2) An agency shall not take an action under an applicable statute to require a bona fide purchaser, innocent landowner, or contiguous property owner to take a response action, other than a response action required in an approved response plan, with respect to the hazardous material release at a site that is characterized in the site assessment conducted pursuant to, or a response plan approved pursuant to Article 6 (commencing with Section 25395.90), unless both of the following conditions apply:

(A) The conditions on the property pose an endangerment.

(B) The agency does one of the following:

(i) Makes all reasonable efforts, including taking appropriate administrative enforcement actions, to compel any necessary response action from other potentially responsible parties, and those efforts have been unsuccessful.

(ii) Reasonably determines, after the exercise of reasonable inquiry, that no potentially responsible party exists with sufficient financial resources to perform the required response action at the site.

(b) This section does not modify or limit the existing authority of a state or local agency to impose a condition on the issuance of a discretionary permit relating to the development, use, or occupancy of any site.

(c) The immunities described in this section shall attach when the bona fide purchaser, innocent landowner, or contiguous property owner enters into an agreement with an agency pursuant to Section 25395.92 and shall remain in effect unless one of the following occurs:

(1) The bona fide purchaser, innocent landowner, or contiguous property owner receives a written notice of an unapproved, material deviation from the agreement from the agency.

(2) The bona fide purchaser, innocent landowner, or contiguous property owner or an agency terminates the agreement before a finding of no further action is made pursuant to subdivision (b) of Section 25395.95 or a certificate of completion is issued pursuant to Section 25395.97.

(d) A person who otherwise qualifies for immunity under this chapter and who commits fraud, intentional nondisclosure, or misrepresentation to an agency with respect to any requirement of this chapter, does not qualify as a bona fide purchaser, innocent landowner, or contiguous property owner.

(e) This section does not relieve a bona fide purchaser, innocent landowner or contiguous property owner from reporting, disclosure and notification requirements under any applicable statute.

25395.82. (a) Notwithstanding Sections 25395.69, 25395.70, and 25395.75, on and after the date when the immunity specified in subdivision (c) of Section 25395.81 attaches, the person shall remain eligible for immunity if a release of hazardous materials at the site during a response action is de minimis and the agency determines that all necessary response actions to address the release have been taken.

(b) Notwithstanding Sections 25395.69, 25395.70, and 25395.75, on and after the date when the immunity specified in subdivision (c) of Section 25395.81 attaches, the person shall remain eligible for immunity if either of the following occur:

(1) Both of the following conditions are met:

(A) A release of hazardous materials that poses an unreasonable risk is discovered before the agency makes a finding of no further action pursuant to Section 25395.95 or issues a certificate of completion pursuant to Section 25395.97.

(B) The release specified in subparagraph (A) is appropriately resolved to the satisfaction of the agency pursuant to paragraph (8) of subdivision (a) of Section 25395.96.

(2) All of the following conditions are met:

(A) A release of hazardous materials that poses an unreasonable risk is discovered after the agency makes a finding of no further action pursuant to Section 25395.95, or issues a certificate of completion pursuant to Section 25395.97.

(B) The innocent landowner, bona fide purchaser, or contiguous property owner did not cause or contribute to the release.

(C) The release specified in subparagraph (A) is appropriately resolved to the satisfaction of the agency pursuant to paragraph (8) of subdivision (a) of Section 25395.96.

(c) Notwithstanding Sections 25395.69, 25395.70, and 25395.75, on and after the date when the immunity specified in subdivision (c) of Section 25395.81 attaches, the person shall remain eligible for immunity obtained pursuant to this chapter with regard to a release that is the subject of a finding of no further action made pursuant to Section 25395.95 or a certificate of completion issued pursuant to Section 25395.97. If the person causes or contributes to a release of a hazardous material, that person shall be responsible for responding to that release in accordance with all applicable statutes.

(d) Notwithstanding Sections 25395.69, 25395.70, and 25395.75, on and after the date when the immunity specified in subdivision (c) of Section 25395.81 attaches to a site and a release of hazardous materials is discovered on or under the site, a response action shall be conducted at the site in accordance with the following:

(1) If the response action is for petroleum related contamination caused predominately by a release from an underground storage tank, the funds in the Underground Storage Tank Cleanup Fund shall, to the extent permissible by law, be used in accordance with Section 25299.51.

(2) If the response action is for a hazardous materials release not otherwise subject to paragraph (1), and the agency determines the hazardous material release endangers public health or safety, the person who entered into the agreement with the agency shall pay for, or undertake, the response action. If the agency determines the hazardous materials release does not endanger public health or safety, the person who entered into the agreement shall not be required to pay for, or undertake, the response action.

25395.83. (a) If there are unrecovered costs incurred by an agency at a site for which an owner of the site is not liable as an innocent landowner, bona fide purchaser, or contiguous property owner, an agency shall have a lien on the site, or may, by agreement with the owner, obtain from the owner a lien on other property or other assurance of

payment for the unrecovered response costs, subject to all of the following requirements:

(1) A response action for which there are unrecovered costs of the agency is carried out at the site.

(2) The response action increased the fair market value of the site above the fair market value of the site that existed before the response action was initiated.

(b) The lien may include costs that are first incurred by the agency with respect to a response action at the site.

(c) The lien amount shall not exceed the increase in fair market value of the property attributable to the response action at the time of a sale or other disposition of the property, and shall not exceed the unrecovered response costs actually incurred by the agency.

(d) The lien shall continue until the earlier of satisfaction of the lien by sale or other means, or recovery of all response costs incurred by the agency at the site. Once the amount of the lien is satisfied in full, the agency shall record satisfaction on lien on the real property.

(e) The notice of the lien shall be recorded in the official records of the county recorder's office for the county in which the real property is located.

(f) A lien imposed under this section shall have the force and effect of, and the priority of, a judgment lien upon its recordation in the county in which the property subject to the lien is located.

25395.84. (a) A court of competent jurisdiction may award reasonable attorneys' fees and experts' fees to a person who initiates a claim under an applicable statute for contribution for, or recovery of, response costs incurred for a response action, or for any other response costs incurred at a site, if the person meets all of the following criteria:

(1) The person is a bona fide purchaser, an innocent landowner, or a contiguous property owner and qualifies for immunity pursuant to this chapter.

(2) The person is a prevailing party.

(3) On or before 20 calendar days prior to the date of the trial on issues relating to the response costs at issue, the person serves on the defendant both of the following:

(A) If a response plan has been approved for that site pursuant to Article 6 (commencing with Section 25395.90), a copy of the approved response plan.

(B) A written demand for compensation setting forth the specific sum demanded from the defendant, including a statement of the reasoning supporting the demand. The amount of written demand shall include all response costs sought from the defendant at issue, including all interest, but shall not include litigation expenses, attorneys' fees, and experts'

fees. The amount of the demand may include any alleged consequential damages.

(b) ln determining whether to award reasonable attorneys' fees and experts' fees pursuant to this section, a court shall consider the relationship of the amount of the written demand described in subparagraph (B) of paragraph (3) of subdivision (a) to the total sum of the response costs and, if appropriate and included in the demand, the consequential damages in the written demand, to the final determination of the costs and damages by the trier of fact.

(c) A court may award reasonable attorneys' fees and experts' fees to an agency that is the prevailing party in an action arising out of this chapter.

25395.85. An innocent landowner, bona fide purchaser, or contiguous landowner may seek contribution from any person who is responsible for a discharge or release of hazardous materials for which the innocent landowner, bona fide purchaser, or contiguous landowner incurs agency oversight costs for the review of a response plan or oversight of the implementation of a response plan subject to this chapter.

25395.86. (a) This chapter does not provide immunity from any of the following:

(1) Liability for bodily injury or wrongful death.

(2) Any requirement imposed under Chapter 6.5 (commencing with Section 25100), including, but not limited to, corrective action and closure and postclosure requirements.

(3) Criminal acts.

(4) Permit violations.

(5) Contractual indemnity agreements between purchasers and sellers of real property.

(6) New releases of hazardous materials that are caused or contributed to by an innocent landowner, bona fide purchaser, or contiguous property owner.

(b) This chapter shall not apply as a defense or immunity to any action taken by a redevelopment agency pursuant to Article 12.5 (commencing with Section 33459) of Chapter 4 of Part 1 of Division 24.

(c) This chapter does not limit the authority of an agency to conduct a response action it determines is necessary to protect public health and safety or the environment pursuant to an applicable statute.

(d) This chapter does not preclude a state or local agency that is taking property by eminent domain, negotiating to acquire property in lieu of taking it by eminent domain, or considering the taking of property through the exercise of eminent domain authority, from evaluating the impact on the value of the property resulting from a release or threatened release of any hazardous material, from incorporating that evaluation

into any offer of compensation for that property, or from presenting that evaluation at a trial or other proceeding to establish the value of the property.

(e) This chapter does not do either of the following:

(1) Limit a defense to liability that may be available to a person under any other provision of law.

(2) Impose any new obligation on an owner of real property other than those specifically assumed by the owner under an agreement entered into pursuant to Article 6 (commencing with Section 25395.90).

Article 5. Information and Reports

25395.87. (a) On or before March 31, 2005, the California Environmental Protection Agency shall develop a form that, upon approval of a response plan, shall be completed and submitted to the agency by a bona fide purchaser or innocent landowner who qualifies for immunity pursuant to this chapter. The form shall include, but is not required to be limited to, all of the following information:

(1) A description of the site, including its address and location.

(2) A description of the type and extent of hazardous materials releases and threatened releases identified for response at the site pursuant to a response plan.

(3) An estimate of the cost of the response action to be undertaken pursuant to a response plan.

(4) A description of the present and proposed use of the site, including current and potential future zoning and land use designations.

(5) A description of any land use restrictions, covenants, deed restrictions or other conditions imposed on the site owned by a party who qualifies for immunity pursuant to this chapter.

(6) A description and the concentrations of the release and threatened releases specified in paragraph (2) that will not be remediated pursuant to the response plan.

(b) On or before January 1, 2006, and annually thereafter, the California Environmental Protection Agency shall, to the extent that resources are available, compile the information submitted pursuant to this section and post a report of its findings on its Web site. The posted report shall compare the data collected pursuant to this section with information collected prior to January 1, 2005, to the extent that this information is available.

(c) The report posted pursuant to subdivision (b) shall, to the extent practicable, compare the number and quality of response actions completed pursuant to this chapter with similar response actions completed prior to its enactment, and shall evaluate the impact of the

benefit of this chapter's immunities on the acquisition and development of properties.

Article 6. Streamlined Site Investigation And Response Plan Agreements

25395.90. (a) Except as otherwise expressly provided in this article, the definitions in Article 2 (commencing with Section 25395.63) apply to the terms used in this article.

(b) ''Action level'' has the same meaning as defined in paragraph (1) of subdivision (c) of Section 116455.

(c) ''Host jurisdiction'' means the city or county in which the site is located and which has the authority to take action regarding the site pursuant to Title 7 (commencing with Section 65000) of the Government Code.

(d) ''Unreasonable risk'' at a site means that a condition at a site requires a response action pursuant to Chapter 6.8 (commencing with Section 25300) of this code or Division 7 (commencing with Section 13000) of the Water Code.

25395.91. (a) Only a bona fide purchaser, innocent landowner, or contiguous property owner who meets the requirements specified in Section 25395.80 is eligible to enter into an agreement pursuant to this article.

(b) An agreement entered under this article is not subject to Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code, including, but not limited to, Section 10295 of the Public Contract Code.

25395.92. (a) A bona fide purchaser, innocent landowner, or contiguous property owner who seeks to qualify for the immunity provided by this chapter shall enter into an agreement with an agency pursuant to this article that includes the performance of a site assessment, and, if the agency determines that a response plan is necessary pursuant to Section 25395.96, the preparation and implementation of a response plan.

(b) Before finalizing the agreement, the requested agency shall notify other appropriate agencies, including the host jurisdiction.

(c) A person who enters into an agreement with an agency pursuant to this section shall submit sufficient information to the agency for the agency to determine whether the site is an eligible site, whether the person meets the conditions to qualify as a bona fide purchaser, innocent landowner, or contiguous property owner pursuant to this chapter, and to prepare an agreement pursuant to this section.

(d) (1) A person who enters into an agreement pursuant to this section shall agree to take all actions required for a response action

pursuant to Chapter 6.8 (commencing with Section 25300) and Division 7 (commencing with Section 13000) of the Water Code. These actions may include actions necessary to prevent an unreasonable risk before the approval of a response plan.

(2) In determining whether there is unreasonable risk at a site for purposes of this subdivision, the agency shall take into account the intended use of the property, in accordance with any changed use of the property, as specified in subdivision (d) of Section 25395.96.

25395.93. (a) A person may withdraw from an agreement entered into pursuant to this article by providing a 30-day written notice to the agency and doing both of the following:

(1) Reimbursing the agency for all costs incurred by the agency pursuant to the agreement.

(2) Demonstrating to the satisfaction of the agency, that conditions at the site to which the agreement applies do not pose an endangerment to public health and safety or the environment. If the agency determines that conditions at the site pose an endangerment to public health, safety, or the environment, this article does not prevent the agency from exercising its authority to take appropriate response actions or to cause the person or persons responsible for the endangerment to take appropriate response actions.

(b) A person who enters into an agreement with an agency pursuant to this article shall reimburse the agency for all agency costs, including, but not limited to, costs incurred while reviewing a site assessment plan or a response plan or overseeing the implementation of a site assessment or response plan by the person pursuant to this article, except that the department's costs shall be reimbursed pursuant to Chapter 6.66 (commencing with Section 25269) and shall be recoverable pursuant to Section 25360.

(c) The entry into an agreement pursuant to this article shall not constitute an admission of fact or liability or conclusion of law for any purpose or proceeding and no person who enters into an agreement under this article shall not be deemed liable under any other provision of law solely by reason of entering into that agreement.

(d) If the conditions described in paragraph (1) of subdivision (c) of Section 25395.81 or in subdivision (d) of Section 25395.81 occur, an agency may withdraw from an agreement entered into pursuant to this chapter by providing a 30-day written notice to the other party.

25395.94. (a) (1) A person who enters into an agreement pursuant to this article with an agency for the oversight of a site assessment shall submit a site assessment plan to the agency to conduct a site assessment of the site in accordance with the requirements of this section.

(2) If the agency requires a health risk assessment as part of that agreement, the health assessment shall be prepared in accordance with subdivisions (b), (c), and (d) of Section 25356.1.5.

(b) The site assessment plan shall provide for the evaluation of all of the following:

(1) Whether a release of hazardous materials has occurred at the site, a threat of a release of hazardous materials exists at the site, or there is a threat of a release of hazardous materials from the site.

(2) If a release or threatened release of hazardous materials exists at the site or there is a release or a threatened release from the site, whether the release or threatened release poses an unreasonable risk to public health and safety or the environment.

(c) The site assessment plan shall also include all of the following:

(1) Adequate characterization of the hazardous materials released or threatened to be released at, or from, the site and documentation of the findings.

(2) Reasonably available information about the site, including, where appropriate, a risk assessment that evaluates the risk posed by any hazardous materials released or threatened to be released at, or from, the site, and information regarding reasonably anticipated foreseeable uses of the site based on current and projected land use and zoning designations.

(3) If the release has impacted groundwater, reasonable characterization of underlying groundwater, including present and anticipated beneficial uses of that water.

(d) A person shall submit the site assessment plan to the agency for review and approval.

(e) The agency shall evaluate the adequacy of the site assessment plan to ensure that it contains all necessary information.

(f) After evaluating the site assessment plan, if the agency finds that the site assessment plan is adequate, the agency shall approve the site assessment plan and provide notification to appropriate persons, including notification of any public water system that relies on impacted groundwater for public drinking water purposes.

25395.95. (a) After implementation of the site assessment plan, the person shall submit a report of the findings made pursuant to the plan to the agency. Based upon a review of this information, the agency shall determine whether a response action is necessary to address any unreasonable risk from hazardous materials at the site.

(b) If the agency determines, that there is no unreasonable risk at the site and that there are no hazardous materials at the site at levels that are not suitable for unrestricted use of the site, the agency shall make a finding that no further action is necessary at the site.

(c) If the agency determines that there are hazardous materials at the site at levels that are not suitable for unrestricted use, but that are suitable for the reasonably anticipated foreseeable use of the site based on current and projected land use and zoning designations, the agency shall find that no further action is necessary at the site except that a land use control that imposes appropriate restrictions pursuant to Section 25395.99 shall be executed and recorded and the public comment and participation requirements of Section 25395.96 shall be met before the execution and recording of any land use control. On or before 15 days after the date when the land use control is recorded pursuant to Section 25395.99, the agency shall state in writing that this act constitutes ''appropriate care'' for the purposes of Section 25395.67.

25395.96. (a) If, upon review of the site assessment prepared pursuant to this article, the agency determines that a response action is necessary to prevent or eliminate an unreasonable risk, the bona fide purchaser, innocent landowner, or contiguous property owner shall submit a response plan to the agency to conduct a response action at the site, in conformance with the agreement entered into pursuant to Section 25395.92. The response plan shall include all of the following:

(1) (A) An opportunity for the public, other agencies, and the host jurisdiction to participate in decisions regarding the response action, taking into consideration of the nature of the community interest.

(B) If a regional board is the agency, the regional board shall provide access to the proposed response plan and site assessment at the regional board for public review, conduct a public hearing with 30 days prior notice, provide notice on the agenda of the public hearing, and take action on the response plan in a regularly scheduled regional board meeting.

(C) If the department is the agency, the methods for public participation proposed in the response plan shall include reasonable public notice in English and other languages commonly spoken in the area, access to the proposed response plan and site assessment at the agency and local repositories and reasonable opportunity to comment. The department shall hold a public meeting in the area to receive comments if a public meeting is requested. The department shall consider any comments received prior to acting on the response plan. Methods for public participation may also include, but are not limited to, the use of factsheets, public notices, direct notification of interested parties, public meetings, and an opportunity to comment on the proposed response plan prior to approval.

(D) To the extent possible, the agency shall coordinate its public participation activities with those undertaken by the host jurisdiction and other agencies associated with the development of the property, to avoid duplication to the extent feasible.

(E) It is the intent of the Legislature that the public participation process established pursuant to this subdivision ensures full and robust participation of a community affected by this chapter.

(2) Identification of the release or threatened release that is the subject of the response plan and documentation that the plan is based on an adequate characterization of the site.

(3) An identification of the response plan objectives and the proposed remedy, and an identification of the reasonably anticipated future land uses of the site and of the current and projected land use and zoning designations. This identification shall include confirmation by the host jurisdiction that the anticipated future land uses and current and projected land uses and zoning designations are accurate.

(4) A description of activities that will be implemented to control any endangerment that may occur during the response action at the site.

(5) A description of any land use control that is part of the response action.

(6) A description of wastes other than hazardous materials at the site and how they will be managed in conjunction with the response action.

(7) Provisions for the removal of containment or storage vessels and other sources of contamination, including soils and free product, that cause an unreasonable risk.

(8) Provisions for the agency to require further response actions based on the discovery of hazardous materials that pose an unreasonable risk to human health and safety or the environment that are discovered during the course of the response action or subsequent development of the site.

(9) Any other information that the agency determines is necessary.

(b) The agency shall evaluate the adequacy of the plan submitted pursuant to subdivision (a) and shall approve the plan if the agency makes all of the following findings:

(1) The plan contains the information required by subdivision (a).

(2) When implemented, the plan will place the site in condition that allows it to be used for its reasonably anticipated future land use without unreasonable risk to human health and safety and the environment.

(3) The plan addresses any public comments.

(4) If applicable, the plan provides for long-term operation and maintenance, including land use and engineering controls, that are part of the remedy contained in the response plan.

(c) (1) On or before 60 days after the date an agency receives a response plan, the agency shall make a written determination that proper completion of the response plan constitutes ''appropriate care'' for purposes of subdivision (a) of Section 25395.67.

(2) Upon approval of the response plan by the agency, the agency shall notify all appropriate persons, including the host jurisdiction.

(d) If the use of the property changes, after a response plan is approved, to a use that requires a higher level of protection, the agency may require the preparation and implementation of a new response plan pursuant to this article.

(e) The owner of a site shall not make any change in use of a site inconsistent with any land use control recorded for the site, unless the change is approved by the agency in accordance with subdivision (f) of Section 25395.99.

25395.97. (a) Except as provided in Section 25395.99, the agency shall issue a certificate of completion upon determining that all response actions have been satisfactorily completed in accordance with an approved response plan.

(b) Notwithstanding subdivision (a), the agency shall issue a certificate of completion when a response action plan includes long-term obligations that have not been completed, including operation and maintenance requirements or monitoring, only if the agency makes all of the following determinations:

(1) All response actions, other than long-term operation and maintenance at the site, have been completed.

(2) The person has submitted an adequate long-term operation and maintenance plan and has demonstrated initial compliance.

(c) If the agency determines that long-term operation and maintenance is required at a site, the agency may, as a condition of issuing a certificate of completion, enter into an operation and maintenance agreement with the person that governs the long-term operation and maintenance activities and that provides for adequate financial assurance.

25395.98. A person who acquires a property from an innocent landowner, bona fide purchaser, or contiguous property owner, and the property was previously issued a certificate of completion or no further action determination, may qualify as a bona fide prospective purchaser or contiguous property owner by demonstrating to the agency that the person meets all of the qualifying conditions of Section 25395.80 and either Section 25395.69 or 25395.70, as applicable.

25395.99. (a) A response plan may require the use of a land use control that imposes appropriate conditions, restrictions, and obligations on land use or activities, if, after completion of the removal and remedial actions specified in the response plan, hazardous materials remain at the site at a level that is not suitable for the unrestricted use of the site.

(b) Except as provided in subdivision (c), if the agency approves a response plan that requires the use of a land use control, the land use control shall be executed by the landowner and recorded by the landowner in the office of the county recorder in each county in which

all, or a portion of, the land is located within 10 days of the date of execution.

(c) An agency shall not issue a certificate of completion to a person who submits a response plan that is approved by the agency and that requires the use of a land use control, until the agency receives a certified copy of the recorded land use control. If the site that requires the land use control does not have an owner, or the agency determines the owner is incapable of executing a land use control in accordance with this section, the agency may record in the county records a ''Notice of Land Use Restriction'' that has the same effect as any other land use control executed pursuant to this section, and that is subject to the variance and termination procedures specified in subdivision (f).

(d) Notwithstanding any other provision of law, a land use control that is executed pursuant to this section and that is recorded so as to provide constructive notice shall run with the land from the date of recordation, is binding upon all of the owners of the land, and their heirs, successors and assignees, and the agents, employees, or lessees of the owners, heirs, successors and assignees, and is enforceable pursuant to Article 8 (commencing with Section 25180) of Chapter 6.5.

(e) Notwithstanding any other provision of law, a land use control executed pursuant to this section is subject to Section 57012.

(f) A land use control imposed pursuant to this section is subject to the variance and removal procedures specified in Sections 25233 and 25234.

25395.100. To the extent consistent with the Resource Conservation and Recovery Act of 1976, as amended, (42 U.S.C. Sec. 6901 et seq.), the department may exclude any portion of a response action conducted entirely onsite from the hazardous waste facilities permit requirements of Sections 25200.3, 25201, and 25201.6, if both of the following apply:

(a) The response action is carried out pursuant to an approved response plan.

(b) The response plan specifies that the response action will be conducted in compliance with the standards, requirements, criteria, or limitations applicable to the construction, operation, and closure of the type of facility at the site, as necessary to prevent an unreasonable risk to public health and safety or the environment and any other condition imposed by the agency.

25395.101. (a) Except as expressly provided in this article, this article does not affect the authority of an agency to issue an order or take any other action under any provision of law to protect public health and safety or the environment.

(b) Except as otherwise expressly provided in this article, this article does not affect the authority of the agency or any other public agency to

pursue any existing legal, equitable, or administrative remedies pursuant to state or federal law.

(c) Except as otherwise expressly provided in this article, Chapter 6.8 (commencing with Section 25300) does not apply to this article.

(d) If a local agency determines that, due to an emergency, it is necessary to gain access to a site that is the subject of a finding of no further action or a certificate of completion, the person who has obtained immunity pursuant to this chapter with regard to that site shall allow the local agency access to the site to take any action necessary to mitigate that emergency, or take any other necessary response action. However, that person shall not be required to pay for, or undertake, any of those actions taken by or required by the local agency, unless the person caused or contributed to the release at the site that constituted the emergency.

Article 7. Repeal

25395.105. This chapter shall remain in effect only until January 1, 2010, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2010, deletes or extends that date.

SEC. 2. Chapter 6.83 (commencing with Section 25395.110) is added to Division 20 of the Health and Safety Code, to read:

CHAPTER 6.83. LAND USE AND REVITALIZATION

Article 1. Immunity Continuation

25395.110. (a) A person who, before January 1, 2010, qualifies for immunity pursuant to Chapter 6.82 (commencing with Section 25395.60), as that chapter read on December 31, 2009, shall continue to have that immunity on and after January 1, 2010, if the person continues to be in compliance with the requirements of former Chapter 6.82 (commencing with Section 25395.60) including, but not limited to, compliance with all response plans approved pursuant to Article 6 (commencing with Section 25395.90 of Chapter 6.82), and compliance with all other applicable laws.

(b) This article shall become operative January 1, 2010.

Article 2. Public Information

25395.115. The definitions set forth in this section govern the interpretation of this article.

(a) ''Agency'' means the department, the board, or a regional board.

(b) ''Board'' means the State Water Resources Control Board.

(c) (1) ''Bona fide purchaser'' means a person, or a tenant of a person, who acquires ownership of a site on or after January 1, 2005, and who establishes all of the following by a preponderance of the evidence:

(A) All releases of the hazardous materials at issue at the site occurred before the person acquired the site, except as described in subparagraph (B).

(B) All of the conditions of Section 25395.80 to qualify as a bona fide purchaser have been met.

(C) The person is not potentially liable, or affiliated with any other person who is potentially liable, for the release or threatened release at the site through any of the following circumstances:

(i) Any direct or indirect familial relationship.

(ii) Any contractual, corporate, or financial relationship, unless the contractual, corporate, or financial relationship is created by the instrument by which title or possession to the site is conveyed or financed or a contract for the sale of goods or services.

(iii) The result of a reorganization of a business entity that was potentially liable for the release or threatened release of hazardous materials at the site.

(2) For purposes of this section, ''release'' does not include passive migration.

(d) ''Department'' means the Department of Toxic Substances Control.

(e) ''Regional board'' means a California regional water quality control board.

25395.116. (a) To facilitate the decision of a bona fide purchaser to apply for a bona fide purchaser agreement, the bona fide purchaser may first enter into a consultative services agreement with the department pursuant to Section 25201.9 or with an agency.

(b) Under the terms of a consultative services agreement entered into in accordance with this section, an agency may review any environmental data and development plans that may be submitted by a bona fide purchaser.

(c) The consultative services agreement shall include all of the following:

(1) Require the bona fide purchaser to pay for the agency's services.

(2) Not commit the bona fide purchaser to purchase, remediate, or otherwise act with regard to the site.

(3) Provide for a review and meeting to discuss the environmental data and development plans within 30 days of submission.

(d) Upon review of the data and plans specified in paragraph (3) of subdivision (c), the agency shall provide comments to the bona fide purchaser of what further information might be needed to ascertain what response action, if any, will be necessary. The agency shall also provide

comments to the bona fide purchaser on any proposed response actions that may be necessary and an estimate of the time it may take to negotiate and approve a bona fide purchaser agreement.

(e) An agency shall enter into a consultative services agreement, in accordance with this section, subject to available staff and resources, as determined by the agency. If the agency declines to enter into a consultative services agreement, the agency shall provide specific reasons for its decision to the bona fide purchaser requesting the agreement.

25395.117. (a) On or before January 1, 2006, the agency and the California Environmental Protection Agency shall implement the requirements imposed by this section.

(b) The department shall revise and upgrade the department's database systems, including the list of hazardous substances release sites adopted pursuant to Section 25356 and the information sent to the agency pursuant to Section 65962.5 of the Government Code, to enable compatibility with existing databases of the board, including the GIS mapping system established pursuant to Section 25299.97. The department shall also install improvements to the database systems to maintain and display information that includes the number of brownfield sites, each brownfield site's location, acreage, response action, site assessments, and the number of orphan sites where the department is overseeing the response action.

(c) The California Environmental Protection Agency, the department, the regional boards, and the board shall expand their respective Web sites to allow access to information about brownfield sites and other response action sites through a single Web site portal.

25395.118. The department may expend any grant received pursuant to Section 128 of the Small Business Liability Relief and Brownfield Revitalization Act (42 U.S.C. Sec. 9628), for state response programs, to implement Section 25395.117 to the extent the activities are in accordance with the terms and conditions of the grant.

25395.119. (a) Using existing resources or when funds become available, the Secretary for Environmental Protection shall designate a brownfields ombudsperson whose responsibilities shall include, but are not limited to, all of the following:

(1) Assisting in the coordination of the brownfields activities of each office, board, and department within the California Environmental Protection Agency.

(2) Advocating and expanding the relationship between the California Environmental Protection Agency and local, state, and federal governmental entities' efforts pertaining to brownfields.

(3) Serving as the California Environmental Protection Agency's representative on committees, working groups, and other organizations pertaining to brownfields.

(4) Providing assistance in investigating complaints from the public, and helping to resolve and coordinate the resolution of those complaints relating to the brownfields activities of each office, board, and department within the California Environmental Protection Agency.

(5) Facilitating and advocating that the issue of environmental justice for communities most impacted, including low-income and racial minority populations, is considered in brownfields activities of each office, board, and department within the California Environmental Protection Agency.

(6) Assisting the California Environmental Protection Agency in implementing the guidelines established under Section 25401.2.

(b) The brownfield ombudsperson is not authorized to make or reverse a decision of an office, board, or department within the California Environmental Protection Agency.

CHAPTER 706

An act to add Chapter 3.3 (commencing with Section 39630) to Part 2 of Division 26 of the Health and Safety Code, relating to air emissions.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. Chapter 3.3 (commencing with Section 39630) is added to Part 2 of Division 26 of the Health and Safety Code, to read:

CHAPTER 3.3. CRUISE SHIPS

39630. The Legislature finds and declares that it is in the interests of all Californians to protect the air quality from increasing volumes of cruise ship engine emissions.

39631. (a) The state board shall enforce this chapter, and may adopt standards, rules, and regulations for that purpose pursuant to Section 39601.

(b) As used in this division, ''cruise ship'' means a commercial vessel that has the capacity to carry 250 or more passengers for hire. ''Cruise ship'' does not include the following:

(1) Vessels without berths or overnight accommodations for passengers.

(2) Noncommercial vessels, warships, vessels operated by nonprofit entities as determined by the Internal Revenue Service, and vessels operated by the state, United States, or a federal government.

39632. Commencing on January 1, 2005, a cruise ship shall not conduct onboard incineration while operating within three miles of the California coast, to the extent allowed by federal law.

CHAPTER 707

An act to amend, repeal and add Sections 41081, 44225, 44229, 44275, 44280, 44281, 44282, 44283, 44287, and 44299.1 of, and to add and repeal Section 44299.2 of, the Health and Safety Code, to amend, add, and repeal Sections 42885 and 42889 of the Public Resources Code, and to amend, repeal, and add Section 9250.2 of the Vehicle Code, relating to air pollution.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

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

(a) California's urban and rural areas suffer from severe air pollution problems caused in significant part by the operation of motor vehicles, emissions from heavy-duty commercial vehicles moving goods, and the operation of off road engines and diesel-powered farm equipment. The continuation and expansion of incentive programs to reduce emissions from these sources is crucial to protecting public health and achieving health- based air quality standards in the most heavily polluted parts of California.

(b) The State Air Resources Board and the local air quality management districts and air pollution control districts should adopt and implement programs to achieve the maximum feasible and cost effective emission reductions from vehicular sources and off road engines, in order to meet health- based air quality standards by the earliest practicable date, and to reduce the risk to public health from toxic air contaminants that are produced by these sources.

(c) Predictable, sustained, and long-term funding, is necessary to provide incentives to achieve further reductions of emissions from mobile source pollution that go beyond what can be achieved with

traditional ''command-and-control'' regulations on motor vehicles and stationary sources.

(d) Internal combustion engines are the single largest source of air pollution threatening the public health and environment of all Californians. The combustion of petroleum fuels produces smog-forming pollutants such as NO_x and hydrocarbons, as well as particulate matter, the inhalation of which can cause lung damage, cancer, and respiratory illness.

(e) Much of California, including all of its urban areas, fails to meet state and federal ambient air quality standards for ozone, a main component of smog. Children are especially susceptible to developing lung damage and chronic respiratory illness associated with living near ports, industrial sites, freeways, and other areas with high concentrations of diesel particulate matter. Asthma is one of the leading causes of hospital visits and admissions for children in California. Asthma prevalence has increased by 75 percent in California since 1980. For children, in particular, this translates to increased vulnerability to poor air quality days and corresponding school absences.

(f) Motor vehicle owners, along with the producers of gasoline and diesel fuels, and owners of other sources of emissions, should all contribute to a fair and balanced funding program that will achieve critically important reductions in emissions that otherwise cannot be obtained, and that are needed to protect the public health and environment of California.

(g) Existing stationary sources and new motor vehicle emissions have been reduced significantly and greater focus is now required to reduce emissions from those sources that have not been subject to similar controls with specific emphasis on in-use higher emitting vehicles.

SEC. 2. Section 41081 of the Health and Safety Code is amended to read:

41081. (a) Subject to Article 3.7 (commencing with Section 53720) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code, or with the approval of the board of supervisors of each county included, in whole or in part, within the Sacramento district, the Sacramento district board may adopt a surcharge on the motor vehicle registration fees applicable to all motor vehicles registered in those counties within the Sacramento district whose boards of supervisors have adopted a resolution approving the surcharge. The surcharge shall be collected by the Department of Motor Vehicles and, after deducting the department's administrative costs, the remaining funds shall be transferred to the Sacramento district. Prior to the adoption of any surcharge pursuant to this subdivision, the district board shall make a finding that any funds allocated to the district as a result of the adoption

of a county transportation sales and use tax are insufficient to carry out the purposes of this chapter.

(b) The surcharge shall not exceed six dollars ($6).

(c) After consulting with the Department of Motor Vehicles on the feasibility thereof, the Sacramento district board may provide, in the surcharge adopted pursuant to subdivision (a), to exempt from all or part of the surcharge any category of low-emission motor vehicle.

(d) Funds received by the Sacramento district pursuant to this section shall be used by that district as follows:

(1) The revenues resulting from the first four dollars ($4) of each surcharge shall be used to implement reductions in emissions from vehicular sources, including, but not limited to, a clean fuels program and motor vehicle use reduction measures.

(2) The revenues resulting from the next two dollars ($2) of each surcharge shall be used to implement the following programs that achieve emission reductions from vehicular sources and off-road engines, to the extent that the district determines the program remediates air pollution harms created by motor vehicles on which the surcharge is imposed:

(i) Projects eligible for grants under the Carl Moyer Memorial Air Quality Standards Attainment Program (Chapter 9 (commencing with Section 44275) of Part 5).

(ii) The new purchase, retrofit, repower, or add-on of equipment for previously unregulated agricultural sources of air pollution, as defined in Section 39011.5, within the Sacramento district, for a minimum of three years from the date of adoption of an applicable rule or standard, or until the compliance date of that rule or standard, whichever is later, if the state board has determined that the rule or standard complies with Sections 40913, 40914, and 41503.1, after which period of time, a new purchase, retrofit, repower, or add-on of equipment shall not be funded pursuant to this chapter. The district shall follow any guidelines developed under subdivision (a) of Section 44287 for awarding grants under this program.

(iii) The new purchase of schoolbuses pursuant to the Lower-Emission School Bus Program adopted by the state board.

(iv) An accelerated vehicle retirement or repair program that is adopted by the state board pursuant to authority granted hereafter by the Legislature by statute.

(e) Not more than 5 percent of the funds collected pursuant to this section shall be used by the district for administrative expenses.

(f) No project funded by the program shall be used for credit under any state or federal emissions averaging, banking, or trading program. No emission reduction generated by the program shall be used as marketable emission reduction credits or to offset any emission

reduction obligation of any person or entity. Projects involving new engines that would otherwise generate marketable credits under state or federal averaging, banking, and trading programs shall include transfer of credits to the engine end user and retirement of those credits toward reducing air emissions in order to qualify for funding under the program. A purchase of a low-emission vehicle or of equipment pursuant to a corporate or a controlling board's policy, but not otherwise required by law, shall generate surplus emissions reductions and may be funded by the program.

(g) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

SEC. 2.5. Section 41081 is added to the Health and Safety Code, to read:

41081. (a) Subject to Article 3.7 (commencing with Section 53720) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code, or with the approval of the board of supervisors of each county included, in whole or in part, within the Sacramento district, the Sacramento district board may adopt a surcharge on the motor vehicle registration fees applicable to all motor vehicles registered in those counties within the Sacramento district whose boards of supervisors have adopted a resolution approving the surcharge. The surcharge shall be collected by the Department of Motor Vehicles and, after deducting the department's administrative costs, the remaining funds shall be transferred to the Sacramento district. Prior to the adoption of any surcharge pursuant to this subdivision, the district board shall make a finding that any funds allocated to the district as a result of the adoption of a county transportation sales and use tax are insufficient to carry out the purposes of this chapter.

(b) The surcharge shall not exceed two dollars ($2) for each motor vehicle whose registration expires on or after December 31, 1989, and prior to December 31, 1990. For each motor vehicle whose registration expires on or after December 31, 1990, the surcharge shall not exceed four dollars ($4).

(c) After consulting with the Department of Motor Vehicles on the feasibility thereof, the Sacramento district board may provide, in the surcharge adopted pursuant to subdivision (a), to exempt from all or part of the surcharge any category of low-emission motor vehicle.

(d) Funds received by the Sacramento district pursuant to this section shall be used to implement the strategy with respect to the reduction in emissions from vehicular sources, including, but not limited to, a clean fuels program and motor vehicle use reduction measures. Not more than 5 percent of the funds collected pursuant to this section shall be used by the district for administrative expenses.

(e) This section shall become operative on January 1, 2015.

SEC. 3. Section 44225 of the Health and Safety Code is amended to read:

44225. A district may increase the fee established under Section 44223 to up to six dollars ($6). A district may increase the fee only if the following conditions are met:

(a) A resolution providing for both the fee increase and a corresponding program for expenditure of the increased fees for the reduction of air pollution from motor vehicles pursuant to, and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of, the California Clean Air Act of 1988 is adopted and approved by the governing board of the district.

(b) In districts with nonelected officials on their governing boards, the resolution shall be adopted and approved by both a majority of the governing board and a majority of the board members who are elected officials.

(c) An increase in fees established pursuant to this section shall become effective on either April 1 or October 1, as provided in the resolution adopted by the board pursuant to subdivision (a).

(d) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

SEC. 3.5. Section 44225 is added to the Health and Safety Code, to read:

44225. On and after April 1, 1992, a district may increase the fee established under Section 44223 to up to four dollars ($4). A district may increase the fee only if the following conditions are met:

(a) A resolution providing for both the fee increase and a corresponding program for expenditure of the increased fees for the reduction of air pollution from motor vehicles pursuant to, and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of, the California Clean Air Act of 1988 is adopted and approved by the governing board of the district.

(b) In districts with nonelected officials on their governing boards, the resolution shall be adopted and approved by both a majority of the governing board and a majority of the board members who are elected officials.

(c) An increase in fees established pursuant to this section shall become effective on either April 1 or October 1, as provided in the resolution adopted by the board pursuant to subdivision (a).

(d) This section shall become operative on January 1, 2015.

SEC. 4. Section 44229 of the Health and Safety Code is amended to read:

44229. (a) After deducting all administrative costs it incurs through collection of fees pursuant to Section 44227, the Department of Motor Vehicles shall distribute the revenues to districts, which shall use the revenues resulting from the first four dollars ($4) of each fee imposed to reduce air pollution from motor vehicles and to carry out related planning, monitoring, enforcement, and technical studies necessary for implementation of the California Clean Air Act of 1988. Fees collected by the Department of Motor Vehicles pursuant to this chapter shall be distributed to districts based upon the amount of fees collected from motor vehicles registered within each district.

(b) Notwithstanding the provisions of Section 44241 and Section 44243, a district shall use the revenues resulting from the next two dollars ($2) of each fee imposed pursuant to Section 44227 to implement the following programs that the district determines remediate air pollution harms created by motor vehicles on which the surcharge is imposed:

(1) Projects eligible for grants under the Carl Moyer Memorial Air Quality Standards Attainment Program (Chapter 9 (commencing with Section 44275) of Part 5).

(2) The new purchase, retrofit, repower, or add-on equipment for previously unregulated agricultural sources of air pollution, as defined in Section 39011.5, for a minimum of three years from the date of adoption of an applicable rule or standard, or until the compliance date of that rule or standard, whichever is later, if the state board has determined that the rule or standard complies with Sections 40913, 40914, and 41503.1, after which period of time, a new purchase, retrofit, repower, or add-on of equipment shall not be funded pursuant to this chapter. The districts shall follow any guidelines developed under subdivision (a) of Section 44287 for awarding grants under this program.

(3) The new purchase of schoolbuses pursuant to the Lower-Emission School Bus Program adopted by the state board.

(4) An accelerated vehicle retirement or repair program that is adopted by the state board pursuant to authority granted hereafter by the Legislature by statute.

(c) The Department of Motor Vehicles may annually expend not more than the following percentages of the fees collected pursuant to Section 44227 on administrative costs:

(1) During the first year after the operative date of this chapter, not more than 5 percent of the fees collected may be used for administrative costs.

(2) During the second year after the operative date of this chapter, not more than 3 percent of the fees collected may be used for administrative costs.

(3) During any year subsequent to the second year after the operative date of this chapter, not more than 1 percent of the fees collected may be used for administrative costs.

(d) No project funded by the program shall be used for credit under any state or federal emissions averaging, banking, or trading program. No emission reduction generated by the program shall be used as marketable emission reduction credits or to offset any emission reduction obligation of any person or entity. Projects involving new engines that would otherwise generate marketable credits under state or federal averaging, banking, and trading programs shall include transfer of credits to the engine end user and retirement of those credits toward reducing air emissions in order to quality for funding under the program. A purchase of a low-emision vehicle or of equipment pursuant to a corporate or a controlling board's policy, but not otherwise required by law, shall generate surplus emissions reductions and may be funded by the program.

(e) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

SEC. 4.5. Section 44229 is added to the Health and Safety Code, to read:

44229. (a) After deducting all administrative costs it incurs through collection of fees pursuant to Section 44227, the Department of Motor Vehicles shall distribute the revenues to districts which shall use the fees to reduce air pollution from motor vehicles and to carry out related planning, monitoring, enforcement, and technical studies necessary for implementation of the California Clean Air Act of 1988. Fees collected by the Department of Motor Vehicles pursuant to this chapter shall be distributed to districts based upon the amount of fees collected from motor vehicles registered within each district.

(b) The Department of Motor Vehicles may annually expend not more than the following percentages of the fees collected pursuant to Section 44227 on administrative costs:

(1) During the first year after the operative date of this chapter, not more than 5 percent of the fees collected may be used for administrative costs.

(2) During the second year after the operative date of this chapter, not more than 3 percent of the fees collected may be used for administrative costs.

(3) During any year subsequent to the second year after the operative date of this chapter, not more than 1 percent of the fees collected may be used for administrative costs.

(c) This section shall become operative on January 1, 2015.

SEC. 5. Section 44275 of the Health and Safety Code is amended to read:

44275. (a) As used in this chapter, the following terms have the following meanings:

(1) ''Advisory board'' means the Carl Moyer Program Advisory Board created by Section 44297.

(2) ''Btu'' means British thermal unit.

(3) ''Commission'' means the State Energy Resources Conservation and Development Commission.

(4) ''Cost-effectiveness'' means dollars provided to a project pursuant to subdivision (d) of Section 44283 for each ton of covered emission reduction attributed to a project or to the program as a whole. In calculating cost-effectiveness, one-time grants of funds made at the beginning of a project shall be annualized using a time value of public funds or discount rate determined for each project by the state board, taking into account the interest rate on bonds, interest earned by state funds, and other factors as determined appropriate by the state board. Cost-effectiveness shall be calculated by dividing annualized costs by average annual emissions reduction. The state board, in consultation with the districts and concerned members of the public, shall establish appropriate cost effective limits for oxides of nitrogen, particulate matter, and reactive organic gases and a reasonable system for comparing the cost-effectiveness of proposed projects as described in subdivision (a) of Section 44283.

(5) ''Covered emissions'' include emissions of oxides of nitrogen, particulate matter, and reactive organic gases from any covered source.

(6) ''Covered engine'' includes any internal combustion engine or electric motor and drive powering a covered source.

(7) ''Covered source'' includes onroad vehicles offroad nonrecreational equipment and vehicles, locomotives, diesel marine vessels, agricultural sources of air pollution, as defined in Section 39011.5, and, as determined by the state board, other high-emitting engine categories.

(8) ''Covered vehicle'' includes any vehicle or piece of equipment powered by a covered engine.

(9) ''District'' means a county air pollution control district or an air quality management district.

(10) ''Fund'' means the Carl Moyer Memorial Air Quality Standards Attainment Trust Fund created by Section 44299.

(11) ''Mobile Source Air Pollution Reduction Review Committee'' means the Mobile Source Air Pollution Reduction Review Committee created by Section 44244.

(12) ''Incremental cost'' means the cost of the project less a baseline cost that would otherwise be incurred by the applicant in the normal

course of business. Incremental costs may include added lease or fuel costs pursuant to Section 44283 as well as incremental capital costs.

(13) ''New very low emission vehicle'' means a heavy-duty vehicle that qualifies as a very low emission vehicle when it is a new vehicle, where new vehicle has the same meaning as defined in Section 430 of the Vehicle Code, or that is modified with the approval and warranty of the original equipment manufacturer to qualify as a very low emission vehicle within 12 months of delivery to an owner for private or commercial use.

(14) ''NO_x'' means oxides of nitrogen.

(15) ''Program'' means the Carl Moyer Memorial Air Quality Standards Attainment Program created by subdivision (a) of Section 44280.

(16) ''Repower'' means replacing an engine with a different engine. The term repower, as used in this chapter, generally refers to replacing an older, uncontrolled engine with a new, emissions-certified engine, although replacing an older emissions-certified engine with a newer engine certified to lower emissions standards may be eligible for funding under this program.

(17) ''Retrofit'' means making modifications to the engine and fuel system such that the retrofitted engine does not have the same specifications as the original engine.

(18) ''Very low emission vehicle'' means a heavy-duty vehicle with emissions significantly lower than otherwise applicable baseline emission standards or uncontrolled emission levels pursuant to Section 44282.

(b) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

SEC. 5.5. Section 44275 is added to the Health and Safety Code, to read:

44275. (a) As used in this chapter, the following terms have the following meaning:

(1) ''Advisory board'' means the Carl Moyer Program Advisory Board created by Section 44297.

(2) ''Btu'' means British thermal unit.

(3) ''Commission'' means the State Energy Resources Conservation and Development Commission.

(4) ''Cost-effectiveness'' means dollars provided to a project pursuant to subdivision (d) of Section 44283 for each ton of NO_x reduction attributed to a project or to the program as a whole. In calculating cost-effectiveness, one-time grants of funds made at the beginning of a project shall be annualized using a time value of public funds or discount rate determined for each project by the state board,

taking into account the interest rate on bonds, interest earned by state funds, and other factors as determined appropriate by the state board. Cost-effectiveness shall be calculated by dividing annualized costs by average annual emissions reduction of NO_x in this state.

(5) ''Covered engine'' includes any internal combustion engine or electric motor and drive powering a covered source.

(6) ''Covered source'' includes onroad vehicles of 14,000 pounds GVWR or greater, offroad nonrecreational equipment and vehicles, locomotives, diesel marine vessels, stationary agricultural engines, and, as determined by the state board, other high-emitting diesel engine categories.

(7) ''Covered vehicle'' includes any vehicle or piece of equipment powered by a covered engine.

(8) ''District'' means a county air pollution control district or an air quality management district.

(9) ''Fund'' means the Carl Moyer Memorial Air Quality Standards Attainment Trust Fund created by Section 44299.

(10) ''Mobile Source Air Pollution Reduction Review Committee'' means the Mobile Source Air Pollution Reduction Review Committee created by Section 44244.

(11) ''Incremental cost'' means the cost of the project less a baseline cost that would otherwise be incurred by the applicant in the normal course of business. Incremental costs may include added lease or fuel costs pursuant to Section 44283 as well as incremental capital costs.

(12) ''New very low emission vehicle'' means a vehicle that qualifies as a very low emission vehicle when it is a new vehicle, where new vehicle has the same meaning as defined in Section 430 of the Vehicle Code, or that is modified with the approval and warranty of the original equipment manufacturer to qualify as a very low emission vehicle within 12 months of delivery to an owner for private or commercial use.

(13) ''NO_x'' means oxides of nitrogen.

(14) ''Program'' means the Carl Moyer Memorial Air Quality Standards Attainment Program created by subdivision (a) of Section 44280.

(15) ''Repower'' means replacing an engine with a different engine. The term repower, as used in this chapter, generally refers to replacing an older, uncontrolled engine with a new, emissions-certified engine, although replacing an older emissions-certified engine with a newer engine certified to lower emissions standards may be eligible for funding under this program.

(16) ''Retrofit'' means making modifications to the engine and fuel system such that the retrofitted engine does not have the same specifications as the original engine.

(17) ''Very low emission vehicle'' means a vehicle with emissions significantly lower than otherwise applicable baseline emission standards or uncontrolled emission levels pursuant to Section 44282.

(b) This section shall become operative on January 1, 2015.

SEC. 6. Section 44280 of the Health and Safety Code is amended to read:

44280. (a) There is hereby created the Carl Moyer Memorial Air Quality Standards Attainment Program. The program shall be administered by the state board in accordance with this chapter. The administration of the program may be delegated to the districts.

(b) The program shall provide grants to offset the incremental cost of projects that reduce covered emissions from covered sources in California. Eligibility for grant awards shall be determined by the state board, in consultation with the districts, in accordance with this chapter.

(c) The program shall also provide funding for a fueling infrastructure demonstration program and for technology development efforts that are expected to result in commercially available technologies in the near-term that would improve the ability of the program to achieve its goals. The infrastructure demonstration and technology development portions of the program shall be managed by the commission, in consultation with the state board.

(d) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

SEC. 6.5. Section 44280 is added to the Health and Safety Code, to read:

44280. (a) There is hereby created the Carl Moyer Memorial Air Quality Standards Attainment Program. The program shall be administered by the state board in accordance with this chapter. The administration of the program may be delegated to the districts.

(b) The program shall provide grants to offset the incremental cost of projects that reduce emissions of NO_x from covered sources in California. Eligibility for grant awards shall be determined by the state board, in consultation with the districts, in accordance with this chapter.

(c) The program shall also provide funding for a fueling infrastructure demonstration program and for technology development efforts that are expected to result in commercially available technologies in the near-term that would improve the ability of the program to achieve its goals. The infrastructure demonstration and technology development portions of the program shall be managed by the commission, in consultation with the state board.

(d) This section shall become operative on January 1, 2015.

SEC. 7. Section 44281 of the Health and Safety Code is amended to read:

44281. (a) Eligible projects include, but are not limited to, any of the following:

(1) Purchase of new very low or zero-emission covered vehicles or covered heavy-duty engines.

(2) Emission-reducing retrofit of covered engines, or replacement of old engines powering covered sources with newer engines certified to more stringent emissions standards than the engine being replaced, or with electric motors or drives.

(3) Purchase and use of emission-reducing add-on equipment that has been verified by the state board for covered vehicles.

(4) Development and demonstration of practical, low-emission retrofit technologies, repower options, and advanced technologies for covered engines and vehicles with very low emissions of oxides of nitrogen.

(5) Light- and medium-duty vehicle projects in compliance with guidelines adopted by the state board pursuant to Title 13 of the California Code of Regulations.

(b) No project shall be funded under this chapter after the compliance date required by any local, state, or federal statute, rule, regulation, memoranda of agreement or understanding, or other legally binding document, except that an otherwise qualified project may be funded even if the State Implementation Plan assumes that the change in equipment, vehicles, or operations will occur, if the change is not required by the compliance date of a statute, regulation, or other legally binding document in effect as of the date the grant is awarded. No project funded by the program shall be used for credit under any state or federal emissions averaging, banking, or trading program. No emission reduction generated by the program shall be used as marketable emission reduction credits or to offset any emission reduction obligation of any person or entity. Projects involving new engines that would otherwise generate marketable credits under state or federal averaging, banking, and trading programs shall include transfer of credits to the engine end user and retirement of those credits toward reducing air emissions in order to qualify for funding under the program. A purchase of a low-emission vehicle or of equipment pursuant to a corporate or a controlling board's policy, but not otherwise required by law, shall generate surplus emissions reductions and may be funded by the program.

(c) The program may also provide funding toward installation of fueling or electrification infrastructure as provided in Section 44284.

(d) Eligible applicants may be any individual, company, or public agency that owns one or more covered vehicles that operate primarily within California or otherwise contribute substantially to the NO_x, PM or ROG emissions inventory in California.

(e) It is the intent of the Legislature that all emission reductions generated by this chapter shall contribute to public health by reducing, for the life of the vehicle being funded, the total amount of emissions in California.

(f) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

SEC. 7.5. Section 44281 is added to the Health and Safety Code, to read:

44281. (a) Eligible projects are any of the following:

(1) Purchase of new very low or zero-emission covered vehicles or covered engines.

(2) Emission-reducing retrofit of covered engines, or replacement of old engines powering covered sources with newer engines certified to more stringent emissions standards than the engine being replaced, or with electric motors or drives.

(3) Purchase and use of emission-reducing add-on equipment for covered vehicles.

(4) Development and demonstration of practical, low-emission retrofit technologies, repower options, and advanced technologies for covered engines and vehicles with very low emissions of oxides of nitrogen.

(b) No new purchase, retrofit, repower, or add-on equipment shall be funded under this chapter if it is required by any local, state, or federal statute, rule, regulation, memoranda of agreement or understanding, or other legally binding document, except that an otherwise qualified project may be funded even if the State Implementation Plan assumes that the change in equipment, vehicles, or operations will occur, if the change is not required by a statute, regulation, or other legally binding document in effect as of the date the grant is awarded. No project funded by the program shall be used for credit under any state or federal emissions averaging, banking, or trading program. No emission reduction generated by the program shall be used as marketable emission reduction credits or to offset any emission reduction obligation of any entity. Projects involving new engines that would otherwise generate marketable credits under state or federal averaging, banking, and trading programs shall include transfer of credits to the engine end user and retirement of those credits toward reducing air emissions in order to qualify for funding under the program. A purchase of a low-emission vehicle or of equipment pursuant to a corporate or a controlling board's policy, but not otherwise required by law, shall generate surplus emissions reductions and may be funded by the program.

(c) The program may also provide funding toward installation of fueling or electrification infrastructure as provided in Section 44284.

(d) Eligible applicants may be any individual, company, or public agency that owns one or more covered vehicles that operate primarily within California or otherwise contribute substantially to the NO_x emissions inventory in California.

(e) It is the intent of the Legislature that all emission reductions generated by this chapter shall contribute to public health by reducing, for the life of the vehicle being funded, the total amount of emissions in California.

(f) This section shall become operative on January 1, 2015.

SEC. 8. Section 44282 of the Health and Safety Code is amended to read:

44282. The following criteria apply to all projects to be funded through the program except for projects funded through the Advanced Technology Account and the Infrastructure Demonstration Program:

(a) The state board may establish project criteria, including minimum project life for source categories, in the guidelines described in Section 44287. For previously unregulated source categories, project criteria shall consider the timing of newly established regulatory requirements.

(b) To be eligible, projects shall meet the cost-effectiveness per ton of covered emissions reduced requirements of Section 44283.

(c) To be eligible, retrofits, repowers, and installation of add-on equipment for covered vehicles shall be performed, or new covered vehicles delivered to the end user, or covered vehicles scrapped on or after the date the program is implemented.

(d) Retrofit technologies, new engines, and new vehicles shall be certified for sale or under experimental permit for operation in California.

(e) Repower projects that replace older, uncontrolled engines with new, emissions-certified engines or that replace emissions-certified engines with new engines certified to a more stringent NO_x emissions standard are approvable subject to the other applicable selection criteria. The state board shall determine appropriate baseline emission levels for the uncontrolled engines being replaced.

(f) For heavy-duty-vehicle projects, retrofit and add-on equipment projects shall document a NO_x or PM emission reduction of at least 25 percent and no increase in other covered emissions compared to the applicable baseline emissions accepted by the state board for that engine year and application. The state board shall determine appropriate baseline emission levels. Acceptable documentation shall be defined by the state board. After study of available emission reduction technologies and after public notice and comment, the state board may revise the minimum percentage emission reduction criterion for retrofits and

add-on equipment provided for in this section to improve the ability of the program to achieve its goals.

(g) (1) For heavy-duty-vehicle projects involving the purchase of new very low or zero-emission vehicles, engines shall be certified to an optional low NO_x emissions standard established by the state board, except as provided for in paragraph (2).

(2) For heavy-duty-vehicle projects involving the purchase of new very low or zero-emission covered vehicles for which no optional low NO_x emission standards are available, documentation shall be provided showing that the low or zero-emission engine emits not more than 70 percent of the NO_x or NO_x plus hydrocarbon emissions of a new engine certified to the applicable baseline NO_x or NO_x plus hydrocarbon emission standard for that engine and meets applicable particulate standards. The state board shall specify the documentation required. If no baseline emission standard exists for new vehicles in a particular category, the state board shall determine an appropriate baseline emission level for comparison.

(h) For projects other than heavy-duty-vehicle projects, the state board shall determine appropriate criteria under the provisions of Section 44287.

(i) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

SEC. 8.5. Section 44282 is added to the Health and Safety Code, to read:

44282. The following criteria apply to all projects to be funded through the program except for projects funded through the Advanced Technology Account and the Infrastructure Demonstration Program:

(a) Except for projects involving marine vessels, 75 percent or more of vehicle miles traveled or hours of operation shall be projected to be in California for at least five years following the grant award. Projects involving marine vessels and engines shall be limited to those that spend enough time operating in California air basins over the lifetime of the project to meet the cost-effectiveness criteria based on NO_x reductions in California, as provided in Section 44283.

(b) To be eligible, projects shall meet cost-effectiveness per ton of NO_x reduced requirements of Section 44283.

(c) To be eligible, retrofits, repowers, and installation of add-on equipment for covered vehicles shall be performed, or new covered vehicles delivered to the end user, on or after the date the program is implemented.

(d) Retrofit technologies, new engines, and new vehicles shall be certified for sale or under experimental permit for operation in California.

(e) Repower projects that replace older, uncontrolled engines with new, emissions-certified engines or that replace emissions-certified engines with new engines certified to a more stringent NO_x emissions standard are approvable subject to the other applicable selection criteria. The state board shall determine appropriate baseline emission levels for the uncontrolled engines being replaced.

(f) Retrofit and add-on equipment projects shall document a NO_x emission reduction of at least 25 percent and no increase in particulate emissions compared to the applicable baseline emissions accepted by the state board for that engine year and application. The state board shall determine appropriate baseline emission levels. Acceptable documentation shall be defined by the state board. After study of available emission reduction technologies and after public notice and comment, the state board may revise the minimum percentage NO_x reduction criterion for retrofits and add-on equipment provided for in this section to improve the ability of the program to achieve its goals.

(g) (1) For projects involving the purchase of new very low or zero-emission vehicles, engines shall be certified to an optional low NO_x emissions standard established by the state board, except as provided for in paragraph (2).

(2) For projects involving the purchase of new very low or zero-emission covered vehicles for which no optional low NO_x emission standards are available, documentation shall be provided showing that the low or zero-emission engine emits not more than 70 percent of the NO_x or NO_x plus hydrocarbon emissions of a new engine certified to the applicable baseline NO_x or NO_x plus hydrocarbon emission standard for that engine and meets applicable particulate standards. The state board shall specify the documentation required. If no baseline emission standard exists for new vehicles in a particular category, the state board shall determine an appropriate baseline emission level for comparison.

(h) This section shall become operative on January 1, 2015.

SEC. 9. Section 44283 of the Health and Safety Code is amended to read:

44283. (a) Grants shall not be made for projects with a cost-effectiveness, calculated in accordance with this section, of more than thirteen thousand six hundred dollars ($13,600) per ton of NO_x reduced in California. For projects obtaining reactive organic gas and particulate matter reductions, the state board shall determine appropriate adjustment factors to calculate a weighted cost-effectiveness.

(b) Only covered emission reductions occurring in this state shall be included in the cost-effectiveness determination. The extent to which emissions generated at sea contribute to air quality in California nonattainment areas shall be incorporated into these methodologies

based on a reasonable assessment of currently available information and modeling assumptions.

(c) The state board shall develop protocols for calculating the surplus covered emission reductions in California from representative project types over the life of the project.

(d) The cost of the covered emission reduction is the amount of the grant from the program, including matching funds provided pursuant to subdivision (e) of Section 44287, plus any other state funds, or funds under the district's budget authority or fiduciary control, provided toward the project. The state board shall establish reasonable methodologies for evaluating project cost-effectiveness, consistent with the definition contained in paragraph (4) of subdivision (a) of Section 44275, and with accepted methods, taking into account a fair and reasonable discount rate or time value of public funds.

(e) A grant shall not be made that, net of taxes, provides the applicant with funds in excess of the incremental cost of the project. Incremental lease costs may be capitalized according to guidelines adopted by the state board so that these incremental costs may be offset by a one-time grant award.

(f) Funds under a district's budget authority or fiduciary control may be used to pay for the incremental cost of liquid or gaseous fuel, other than standard gasoline or diesel, which is integral to a covered emission reducing technology that is part of a project receiving grant funding under the program. The fuel shall be approved for sale by the state board. The incremental fuel cost over the expected lifetime of the vehicle may be offset by the district if the project as a whole, including the incremental fuel cost, meets all of the requirements of this chapter, including the maximum allowed cost-effectiveness. The state board shall develop an appropriate methodology for converting incremental fuel costs over the vehicle lifetime into an initial cost for the purposes of determining project cost-effectiveness. Incremental fuel costs may not be included in project costs for fuels dispensed from any facility that was funded, in whole or in part, from the fund.

(g) For purposes of determining any grant amount pursuant to this chapter, the incremental cost of any new purchase, retrofit, repower, or add-on equipment shall be reduced by the value of any current financial incentive that directly reduces the project price, including any tax credits or deductions, grants, or other public financial assistance. Project proponents applying for funding shall be required to state in their application any other public financial assistance to the project.

(h) For projects that would repower offroad equipment by replacing uncontrolled diesel engines with new, certified diesel engines, the state board may establish maximum grant award amounts per repower. A

repower project shall also be subject to the incremental cost maximum pursuant to subdivision (e).

(i) After study of available emission reduction technologies and costs and after public notice and comment, the state board may reduce the values of the maximum grant award criteria stated in this section to improve the ability of the program to achieve its goals. Every year the state board shall adjust the maximum cost-effectiveness amount established in subdivision (a) and any per-project maximum set by the state board pursuant to subdivision (h) to account for inflation.

(j) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

SEC. 9.5. Section 44283 is added to the Health and Safety Code, to read:

44283. (a) Grants shall not be made for projects with a cost-effectiveness, calculated in accordance with this section, of more than twelve thousand dollars ($12,000) per ton of NO_X reduced in California.

(b) Only NO_X reductions occurring in this state shall be included in the cost-effectiveness determination. The extent to which emissions generated at sea contribute to air quality in California nonattainment areas shall be incorporated into these methodologies based on a reasonable assessment of currently available information and modeling assumptions.

(c) The state board shall develop protocols for calculating the surplus NO_X reductions in California from representative project types over the life of the project.

(d) The cost of the NO_X reduction is the amount of the grant from the program, including matching funds provided pursuant to subdivision (e) of Section 44287, plus any other state funds, or funds under the district's budget authority or fiduciary control, provided toward the project. The state board shall establish reasonable methodologies for evaluating project cost-effectiveness, consistent with the definition contained in subdivision (c) of Section 44275, and with accepted methods, taking into account a fair and reasonable discount rate or time value of public funds.

(e) A grant shall not be made that, net of taxes, provides the applicant with funds in excess of the incremental cost of the project. Incremental lease costs may be capitalized according to guidelines adopted by the state board so that these incremental costs may be offset by a one-time grant award.

(f) Funds under a district's budget authority or fiduciary control may be used to pay for the incremental cost of liquid or gaseous fuel, other than standard gasoline or diesel, which is integral to a NO_X reducing

technology that is part of a project receiving grant funding under the program. The fuel shall be approved for sale by the state board. The incremental fuel cost over the expected lifetime of the vehicle may be offset by the district if the project as a whole, including the incremental fuel cost, meets all of the requirements of this chapter, including the maximum allowed cost-effectiveness. The state board shall develop an appropriate methodology for converting incremental fuel costs over the vehicle lifetime into an initial cost for the purposes of determining project cost-effectiveness. Incremental fuel costs may not be included in project costs for fuels dispensed from any facility that was funded, in whole or in part, from the fund.

(g) For purposes of determining any grant amount pursuant to this chapter, the incremental cost of any new purchase, retrofit, repower, or add-on equipment shall be reduced by the value of any current financial incentive that directly reduces the project price, including any tax credits or deductions, grants, or other public financial assistance. Project proponents applying for funding shall be required to state in their application any other public financial assistance to the project.

(h) For projects that would repower offroad equipment by replacing uncontrolled diesel engines with new, certified diesel engines, the state board may establish maximum grant award amounts per repower. A repower project shall also be subject to the incremental cost maximum pursuant to subdivision (e).

(i) After study of available emission reduction technologies and costs and after public notice and comment, the state board may reduce the values of the maximum grant award criteria stated in this section to improve the ability of the program to achieve its goals. Every year the state board shall adjust the maximum cost-effectiveness amount established in subdivision (a) and any per-project maximum set by the state board pursuant to subdivision (h) to account for inflation.

(j) This section shall become operative on January 1, 2015.

SEC. 10. Section 44287 of the Health and Safety Code is amended to read:

44287. (a) The state board shall establish or update grant criteria and guidelines consistent with this chapter for covered vehicle projects as soon as practicable, but not later than January 1, 2006. The adoption of guidelines is exempt from the rulemaking provisions of 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 state board shall solicit input and comment from the districts during the development of the criteria and guidelines and shall make every effort to develop criteria and guidelines that are compatible with existing district programs that are also consistent with this chapter. Guidelines shall include protocols to calculate project cost-effectiveness. The grant

criteria and guidelines shall include safeguards to ensure that the project generates surplus emissions reductions. Guidelines shall enable and encourage districts to cofund projects that provide emissions reductions in more than one district. The state board shall make draft criteria and guidelines available to the public 45 days before final adoption, and shall hold at least one public meeting to consider public comments before final adoption. The state board may develop separate guidelines and criteria for the different types of eligible projects described in subdivision (a) of Section 44281.

(b) The state board, in consultation with the participating districts, may propose revisions to the criteria and guidelines established pursuant to subdivision (a) as necessary to improve the ability of the program to achieve its goals. A proposed revision shall be made available to the public 45 days before final adoption of the revision and the state board shall hold at least one public meeting to consider public comments before final adoption of the revision.

(c) The state board shall reserve funds for, and disburse funds to, districts from the fund for administration pursuant to this section and Section 44299.1.

(d) The state board shall develop guidelines for a district to follow in applying for the reservation of funds, in accordance with this chapter. It is the intent of the Legislature that district administration of any reserved funds be in accordance with the project selection criteria specified in Sections 44281, 44282, and 44283 and all other provisions of this chapter. The guidelines shall be established and published by the state board as soon as practicable, but not later than January 1, 2006.

(e) Funds shall be reserved by the state board for administration by a district that adopts an eligible program pursuant to this chapter and offers matching funds at a ratio of one dollar ($1) of matching funds committed by the district or the Mobile Source Air Pollution Reduction Review Committee for every two dollars ($2) committed from the fund. Funds available to the Mobile Source Air Pollution Reduction Review Committee may be counted as matching funds for projects in the South Coast Air Basin only if the committee approves the use of these funds for matching purposes. Matching funds may be any funds under the district's budget authority that are committed to be expended in accordance with the program. Funds committed by a port authority or a local government, in cooperation with a district, to be expended in accordance with the program may also be counted as district matching funds. Matching funds provided by a port authority or a local government may not exceed 30 percent of the total required matching funds in any district that applies for more than three hundred thousand dollars ($300,000) of the state board funds. Only a district, or a port

authority or a local government teamed with a district, may provide matching funds.

(f) The state board may adjust the ratio of matching funds described in subdivision (e), if it determines that an adjustment is necessary in order to maximize the use of, or the air quality benefits provided by, the program, based on a consideration of the financial resources of the district.

(g) Notwithstanding subdivision (e), a district need not provide matching funds for state board funds allocated to the district for program outreach activities pursuant to paragraph (4) of subdivision (a) of Section 44299.1.

(h) A district may include within its matching funds a reasonable estimate of direct or in-kind costs for assistance in providing program outreach and application evaluation. In-kind and direct matching funds shall not exceed 15 percent of the total matching funds offered by a district. A district may also include within its matching funds any money spent on or after February 25, 1999, that would have qualified as matching funds but were not previously claimed as matching funds.

(i) A district desiring a reservation of funds shall apply to the state board following the application guidelines established pursuant to this section. The state board shall approve or disapprove a district application not later than 60 days after receipt. Upon approval of any district application, the state board shall simultaneously approve a reservation of funding for that district to administer. Reserved funds shall be disbursed to the district so that funding of a district-approved project is not impeded.

(j) Notwithstanding any other provision of this chapter, districts and the Mobile Source Air Pollution Reduction Review Committee shall not use funds collected pursuant to Section 41081 or Chapter 7 (commencing with Section 44220), or pursuant to Section 9250.11 of the Vehicle Code, as matching funds to fund a project with stationary or portable engines, locomotives, or marine vessels.

(k) Any funds reserved for a district pursuant to this section are available to the district for a period of not more than two years from the time of reservation. Funds not expended by June 30 of the second calendar year following the date of the reservation shall revert back to the state board as of that June 30, and shall be deposited in the Covered Vehicle Account established pursuant to Section 44299. The funds may then be redirected based on applications to the fund. Regardless of any reversion of funds back to the state board, the district may continue to request other reservations of funds for local administration. Each reservation of funds shall be accounted for separately, and unused funds from each application shall revert back to the state board as specified in this subdivision.

(*l*) The state board shall specify a date each year when district applications are due. If the eligible applications received in any year oversubscribe the available funds, the state board shall reserve funds on an allocation basis, pursuant to Section 44299.2. The state board may accept a district application after the due date for a period of months specified by the state board. Funds may be reserved in response to those applications, in accordance with this chapter, out of funds remaining after the original reservation of funds for the year.

(m) Guidelines for a district application shall require information from an applicant district to the extent necessary to meet the requirements of this chapter, but shall otherwise minimize the information required of a district.

(n) A district application shall be reviewed by the state board immediately upon receipt. If the state board determines that an application is incomplete, the applicant shall be notified within 10 working days with an explanation of what is missing from the application. A completed application fulfilling the criteria shall be approved as soon as practicable, but not later than 60 working days after receipt.

(o) The commission, in consultation with the districts, shall establish project approval criteria and guidelines for infrastructure projects consistent with Section 44284 as soon as practicable, but not later than February 15, 2000. The commission shall make draft criteria and guidelines available to the public 45 days before final adoption, and shall hold at least one public meeting to consider public comments before final adoption.

(p) The commission, in consultation with the participating districts, may propose revisions to the criteria and guidelines established pursuant to subdivision (o) as necessary to improve the ability of the program to achieve its goals. A revision may be proposed at any time, or may be proposed in response to a finding made in the annual report on the program published by the state board pursuant to Section 44295. A proposed revision shall be made available to the public 45 days before final adoption of the revision and the commission shall hold at least one public meeting to consider public comments before final adoption of the revision.

(q) Unclaimed funds will be allocated by the state board in accordance with Section 44299.2.

(r) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

SEC. 10.5. Section 44287 is added to the Health and Safety Code, to read:

44287. (a) The state board shall establish grant criteria and guidelines consistent with this chapter for covered vehicle projects as soon as practicable, but not later than January 1, 2000. The adoption of guidelines is exempt from the rulemaking provisions of 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 state board shall solicit input and comment from the districts during the development of the criteria and guidelines and shall make every effort to develop criteria and guidelines that are compatible with existing district programs that are also consistent with this chapter. Guidelines shall include protocols to calculate project cost-effectiveness. The grant criteria and guidelines shall include safeguards to ensure that the project generates surplus emissions reductions. Guidelines shall enable and encourage districts to cofund projects that provide emissions reductions in more than one district. The state board shall make draft criteria and guidelines available to the public 45 days before final adoption, and shall hold at least one public meeting to consider public comments before final adoption.

(b) The state board, in consultation with the participating districts, may propose revisions to the criteria and guidelines established pursuant to subdivision (a) as necessary to improve the ability of the program to achieve its goals. A proposed revision shall be made available to the public 45 days before final adoption of the revision and the state board shall hold at least one public meeting to consider public comments before final adoption of the revision.

(c) The state board shall reserve funds for, and disburse funds to, districts from the fund for administration pursuant to this section and Section 44299.1.

(d) The state board shall develop guidelines for a district to follow in applying for the reservation of funds, in accordance with this chapter. It is the intent of the Legislature that district administration of any reserved funds be in accordance with the project selection criteria specified in Sections 44281, 44282, and 44283 and all other provisions of this chapter. The guidelines shall be established and published by the state board as soon as practicable, but not later than January 1, 2000.

(e) Funds shall be reserved by the state board for administration by a district that adopts an eligible program pursuant to this chapter and offers matching funds at a ratio of one dollar ($1) of matching funds committed by the district or the Mobile Source Air Pollution Reduction Review Committee for every two dollars ($2) committed from the fund. Funds available to the Mobile Source Air Pollution Reduction Review Committee may be counted as matching funds for projects in the South Coast Air Basin only if the committee approves the use of these funds for matching purposes. Matching funds may be any funds under the

district's budget authority that are committed to be expended in accordance with the program. Funds committed by a port authority or a local government, in cooperation with a district, to be expended in accordance with the program may also be counted as district matching funds. Matching funds provided by a port authority or a local government may not exceed 30 percent of the total required matching funds in any district that applies for more than three hundred thousand dollars ($300,000) of the state board funds. Only a district, or a port authority or a local government teamed with a district, may provide matching funds.

(f) The state board may adjust the ratio of matching funds described in subdivision (e), if it determines that an adjustment is necessary in order to maximize the use of, or the air quality benefits provided by, the program, based on a consideration of the financial resources of the district.

(g) Notwithstanding subdivision (e), a district need not provide matching funds for state board funds allocated to the district for program outreach activities pursuant to paragraph (4) of subdivision (a) of Section 44299.1.

(h) A district may include within its matching funds a reasonable estimate of direct or in-kind costs for assistance in providing program outreach and application evaluation. In-kind and direct matching funds shall not exceed 15 percent of the total matching funds offered by a district. A district may also include within its matching funds any money spent on or after February 25, 1999, that would have qualified as matching funds but were not previously claimed as matching funds.

(i) A district desiring a reservation of funds shall apply to the state board following the application guidelines established pursuant to this section. The state board shall approve or disapprove a district application not later than 60 days after receipt. Upon approval of any district application, the state board shall simultaneously approve a reservation of funding for that district to administer. Reserved funds shall be disbursed to the district so that funding of a district-approved project is not impeded.

(j) Notwithstanding any other provision of this chapter, districts and the Mobile Source Air Pollution Reduction Review Committee shall not use funds collected pursuant to Section 41081 or Chapter 7 (commencing with Section 44220), or pursuant to Section 9250.11 of the Vehicle Code, as matching funds to fund a project with stationary or portable engines, locomotives, or marine vessels.

(k) Any funds reserved for a district pursuant to this section are available to the district for a period of not more than two years from the time of reservation. Funds not expended by June 30 of the second calendar year following the date of the reservation shall revert back to

the state board as of that June 30, and shall be deposited in the Covered Vehicle Account established pursuant to Section 44299. The funds may then be redirected based on applications to the fund. Regardless of any reversion of funds back to the state board, the district may continue to request other reservations of funds for local administration. Each reservation of funds shall be accounted for separately, and unused funds from each application shall revert back to the state board as specified in this subdivision.

(*l*) The state board shall specify a date each year when district applications are due. If the eligible applications received in any year oversubscribe the available funds, the state board shall reserve funds on an allocation basis, pursuant to subdivision (b) of Section 44299.1. The state board may accept a district application after the due date for a period of months specified by the state board. Funds may be reserved in response to those applications, in accordance with this chapter, out of funds remaining after the original reservation of funds for the year.

(m) Guidelines for a district application shall require information from an applicant district to the extent necessary to meet the requirements of this chapter, but shall otherwise minimize the information required of a district.

(n) A district application shall be reviewed by the state board immediately upon receipt. If the state board determines that an application is incomplete, the applicant shall be notified within 10 working days with an explanation of what is missing from the application. A completed application fulfilling the criteria shall be approved as soon as practicable, but not later than 60 working days after receipt.

(o) The state board, in consultation with the districts, shall establish project approval criteria and guidelines for infrastructure projects consistent with Section 44284 as soon as practicable, but not later than February 15, 2000. The commission shall make draft criteria and guidelines available to the public 45 days before final adoption, and shall hold at least one public meeting to consider public comments before final adoption.

(p) The state board, in consultation with the participating districts, may propose revisions to the criteria and guidelines established pursuant to subdivision (o) as necessary to improve the ability of the program to achieve its goals. A revision may be proposed at any time, or may be proposed in response to a finding made in the annual report on the program published by the state board pursuant to Section 44295. A proposed revision shall be made available to the public 45 days before final adoption of the revision and the commission shall hold at least one public meeting to consider public comments before final adoption of the revision.

(q) This section shall become operative on January 1, 2015.

SEC. 11. Section 44299.1 of the Health and Safety Code is amended to read:

44299.1. (a) To ensure that emission reductions are obtained as needed from pollution sources, any money deposited in or appropriated to the fund shall be segregated and administered as follows:

(1) Not more than 2 percent of the moneys in the fund shall be allocated to program support and outreach costs incurred by the state board and the commission directly associated with implementing the program pursuant to this chapter. These funds shall be allocated to the state board and the commission in proportion to total program funds administered by the state board and the commission.

(2) Not more than 2 percent of the moneys in the fund shall be allocated to direct program outreach activities. The state board may use these funds for program outreach contracts or may allocate outreach funds to participating air districts in proportion to each district's allocation from the Covered Vehicle Account. The state board shall report on the use of outreach funds in their reports to the Legislature pursuant to Section 44295.

(3) The balance shall be deposited in the Covered Vehicle Account to be expended to offset added costs of new very low or zero-emission vehicle technologies, and emission reducing repowers, retrofits, and add-on equipment for covered vehicles and engines, and other projects specified in Section 44281.

(b) Funds in the Covered Vehicle Account shall be allocated to a district that submits an eligible application to the state board pursuant to Section 44287. The state board shall determine the maximum amount of annual funding from the Covered Vehicle Account that each district may receive. This determination shall be based on the population in each district as well as the relative importance of obtaining covered emission reductions in each district, specifically through the program.

(c) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

SEC. 11.5. Section 44299.1 is added to the Health and Safety Code, to read:

44299.1. (a) To ensure that emission reductions are obtained as needed from pollution sources, any money deposited in or appropriated to the fund shall be segregated and administered as follows:

(1) Ten percent, not to exceed two million dollars ($2,000,000), shall be allocated to the Infrastructure Demonstration Project to be used pursuant to Section 44284.

(2) Ten percent shall be deposited in the Advanced Technology Account to be used to support research, development, demonstration,

and commercialization of advanced low-emission technologies for covered sources that show promise of contributing to the goals of the program.

(3) Not more than 2 percent of the moneys in the fund shall be allocated to program support and outreach costs incurred by the state board and the commission directly associated with implementing the program pursuant to this chapter. These funds shall be allocated to the state board and the commission in proportion to total program funds administered by the state board and the commission.

(4) Not more than 2 percent of the moneys in the fund shall be allocated to direct program outreach activities. The state board may use these funds for program outreach contracts or may allocate outreach funds to participating air districts in proportion to each district's allocation from the Covered Vehicle Account. The state board shall report on the use of outreach funds in their reports to the Legislature pursuant to Section 44295.

(5) The balance shall be deposited in the Covered Vehicle Account to be expended to offset added costs of new very low or zero-emission vehicle technologies, and emission reducing repowers, retrofits, and add-on equipment for covered vehicles and engines.

(b) Funds in the Covered Vehicle Account shall be allocated to a district that submits an eligible application to the state board pursuant to Section 44287. The state board shall determine the maximum amount of annual funding from the Covered Vehicle Account that each district may receive. This determination shall be based on the population in each district as well as the relative importance of obtaining NO_x reductions in each district, specifically through the program.

(c) This section shall become operative on January 1, 2015.

SEC. 12. Section 44299.2 is added to the Health and Safety Code, to read:

44299.2. Funds shall be allocated to local air pollution control and air quality management districts, and shall be subject to administrative terms and conditions as follows:

(a) Available funds shall be distributed to districts taking into consideration the population of the area, the severity of the air quality problems experienced by the population, and the historical allocation of the Carl Moyer Memorial Air Quality Standards Attainment Trust Fund, except that the South Coast Air Quality Management District shall be allocated a percentage of the total funds available to districts that is proportional to the percentage of the total state population residing within the jurisdictional boundaries of that district. For the purposes of this subdivision, population shall be determined by the state board based on the most recent data provided by the Department of Finance. The allocation to the South Coast Air Quality Management District shall be

subtracted from the total funds available to districts. Each district, except the South Coast Air Quality Management District, shall be awarded a minimum allocation of two hundred thousand dollars ($200,000), and the remainder, which shall be known as the ''allocation amount,'' shall be allocated to all districts as follows:

(1) The state board shall distribute 30 percent of the allocation amount to the districts in proportion to the percentage of the total residual state population that resides within each district's boundaries. For purposes of this paragraph, ''total residual state population'' means the total state population, less the total population that resides within the South Coast Air Quality Management District.

(2) The state board shall distribute 30 percent of the allocation amount to the districts in proportion to the severity of the air quality problems to which each district's population is exposed. The severity of the exposure shall be calculated as follows:

(A) Each district shall be awarded severity points based on the district's attainment designation and classification, as most recently promulgated by the federal Environmental Protection Agency for the National Ambient Air Quality Standard for ozone averaged over eight hours, as follows:

(i) A district that is designated attainment for the federal eight-hour ozone standard shall be awarded one point.

(ii) A district that is designated nonattainment for the federal eight hour ozone standard shall be awarded severity points based on classification. Two points shall be awarded for transitional, basic, or marginal classifications, three points for moderate classification, four points for serious classification, five points for severe classification, six points for severe-17 classification, and seven points for extreme classification.

(B) Each district shall be awarded severity points based on the district's attainment designation and classification for the National Ambient Air Quality Standard for particulate matter, averaged annually, as follows:

(i) A district that is designated attainment for the federal annual particulate-matter-standard shall be awarded one point.

(ii) A district that is designated nonattainment for the federal annual particulate-matter-standard shall be awarded severity points based on classification. Two points shall be awarded for moderate classification, three points awarded for serious classification where one-third or less of the contributing emissions is secondary particulate formed from non-dust precursors, and four points for serious classification where more than one-third of the contributing emissions is secondary particulate formed from non-dust precursors.

(C) The points awarded under subparagraphs (A) and (B), shall be added together for each district, and the total shall be multiplied by the population residing within the district boundaries, to yield the local air quality exposure index.

(D) The local air quality exposure index for each district shall be summed together to yield a total state exposure index. Funds shall be allocated under this paragraph to each district in proportion to its local air quality exposure index divided by the total state exposure index.

(3) The state board shall distribute 40 percent of the allocation amount to the districts in proportion to the allocation of funds from the Carl Moyer Memorial Air Quality Standards Attainment Trust Fund, as follows:

(A) Because each district is awarded a minimum allocation pursuant to subdivision (a), there shall be no additional minimum allocation from the Carl Moyer historical allocation funds. The total amount allocated in this way shall be subtracted from total funding previously awarded to the district under the Carl Moyer Memorial Air Quality Standards Attainment Program, and the remainder, which shall be known as directed funds, shall be allocated pursuant to subparagraph (B).

(B) Each district with a population that is greater than or equal to 1 percent of the state's population shall receive an additional allocation based on the population of the district and the district's relative share of emission reduction commitments in the State Implementation Plan to attain the National Ambient Air Quality Standard for ozone averaged over one hour. This additional allocation shall be calculated as a percentage share of the directed funds for each district, derived using a ratio of each district's share amount to the base amount, which shall be calculated as follows:

(i) The base amount shall be the total Carl Moyer program funds allocated by the state board to the districts in the 2002–03 fiscal year, less the total of the funds allocated through the minimum allocation to each district in the 2002–03 fiscal year.

(ii) The share amount shall be the allocation that each district received in the 2002–03 fiscal year, not including the minimum allocation. There shall be one share amount for each district.

(iii) The percentage share shall be calculated for each district by dividing the district's share amount by the base amount, and multiplying the result by the total directed funds available under this subparagraph.

(b) Funds shall be distributed as expeditiously as reasonably practicable, and a report of the distribution shall be made available to the public.

(c) All funds allocated pursuant to this section shall be expended as provided in the guidelines adopted pursuant to Section 44287 within two years from the date of allocation. Funds not expended within the two

years shall be returned to the Covered Vehicle Account within 60 days and shall be subject to further allocation as follows:

(1) Within 30 days of the deadline to return funds, the state board shall notify the districts of the total amount of returned funds available for reallocation, and shall list those districts that request supplemental funds from the reallocation and that are able to expend those funds within one year.

(2) Within 90 days of the deadline to return funds, the state board shall allocate the returned funds to the districts listed pursuant to paragraph (1).

(3) All supplemental funds distributed under this subdivision shall be expended consistent with the Carl Moyer Air Quality Standards Attainment Program within one year of the date of supplemental allocation. Funds not expended within one year shall be returned to the Covered Vehicle Account and shall be distributed at the discretion of the state board to districts, taking into consideration of each district's ability to expeditiously utilize the remaining funds consistent with the Carl Moyer Air Quality Standards Attainment Program.

(d) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

SEC. 13. Section 42885 of the Public Resources Code is amended to read:

42885. (a) For purposes of this section, ''California tire fee'' means the fee imposed pursuant to this section.

(b) (1) (A) Every person who purchases a new tire, as defined in subdivision (g), shall pay a California tire fee of one dollar ($1.00) per tire.

(B) On or after January 1, 2005, every person who purchases a new tire, as defined in subdivision (g), shall pay a California tire fee of one dollar and seventy-five cents ($1.75) per tire.

(C) On and after January 1, 2007, every person who purchases a new tire, as defined in subdivision (g), shall pay a California tire fee of one dollar and fifty cents ($1.50) per tire.

(2) The retail seller shall charge the retail purchaser the amount of the California tire fee as a charge that is separate from, and not included in, any other fee, charge, or other amount paid by the retail purchaser.

(3) The retail seller shall collect the California tire fee from the retail purchaser at the time of sale and may retain $1\frac{1}{2}$ percent of the fee as reimbursement for any costs associated with the collection of the fee. The retail seller shall remit the remainder to the state on a quarterly schedule for deposit in the California Tire Recycling Management Fund, which is hereby created in the State Treasury.

(c) The board, or its agent authorized pursuant to Section 42882, shall be reimbursed for its costs of collection, auditing, and making refunds associated with the California Tire Recycling Management Fund, but not to exceed 3 percent of the total annual revenue deposited in the fund.

(d) The California tire fee imposed pursuant to subdivision (a) shall be separately stated by the retail seller on the invoice given to the customer at the time of sale. Any other disposal or transaction fee charged by the retail seller related to the tire purchase shall be identified separately from the California tire fee.

(e) Any person or business who knowingly, or with reckless disregard, makes any false statement or representation in any document used to comply with this section is liable for a civil penalty for each violation or, for continuing violations, for each day that the violation continues. Liability under this section may be imposed in a civil action and shall not exceed twenty-five thousand dollars ($25,000) for each violation.

(f) In addition to the civil penalty that may be imposed pursuant to subdivision (e), the board may impose an administrative penalty in an amount not to exceed five thousand dollars ($5,000) for each violation of a separate provision or, for continuing violations, for each day that the violation continues, on any person who intentionally or negligently violates any permit, rule, regulation, standard, or requirement issued or adopted pursuant to this chapter. The board shall adopt regulations that specify the amount of the administrative penalty and the procedure for imposing an administrative penalty pursuant to this subdivision.

(g) For purposes of this section, ''new tire'' means a pneumatic or solid tire intended for use with on-road or off-road motor vehicles, motorized equipment, construction equipment, or farm equipment that is sold separately from the motorized equipment, or a new tire sold with a new or used motor vehicle, as defined in Section 42803.5, including the spare tire, construction equipment, or farm equipment. ''New tire'' does not include retreaded, reused, or recycled tires.

(h) The California tire fee may not be imposed on any tire sold with, or sold separately for use on, any of the following:

(1) Any self-propelled wheelchair.

(2) Any motorized tricycle or motorized quadricycle, as defined in Section 407 of the Vehicle Code.

(3) Any vehicle that is similar to a motorized tricycle or motorized quadricycle and is designed to be operated by a person who, by reason of the person's physical disability, is otherwise unable to move about as a pedestrian.

(i) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

SEC. 13.5. Section 42885 is added to the Public Resources Code, to read:

42885. (a) For purposes of this section, ''California tire fee'' means the fee imposed pursuant to this section.

(b) (1) Every person who purchases a new tire, as defined in subdivision (g), shall pay a California tire fee of seventy-five cents ($0.75) per tire.

(2) The retail seller shall charge the retail purchaser the amount of the California tire fee as a charge that is separate from, and not included in, any other fee, charge, or other amount paid by the retail purchaser.

(3) The retail seller shall collect the California tire fee from the retail purchaser at the time of sale and may retain 3 percent of the fee as reimbursement for any costs associated with the collection of the fee. The retail seller shall remit the remainder to the state on a quarterly schedule for deposit in the California Tire Recycling Management Fund, which is hereby created in the State Treasury.

(c) The board, or its agent authorized pursuant to Section 42882, shall be reimbursed for its costs of collection, auditing, and making refunds associated with the California Tire Recycling Management Fund, but not to exceed 3 percent of the total annual revenue deposited in the fund.

(d) The California tire fee imposed pursuant to subdivision (a) shall be separately stated by the retail seller on the invoice given to the customer at the time of sale. Any other disposal or transaction fee charged by the retail seller related to the tire purchase shall be identified separately from the California tire fee.

(e) Any person or business who knowingly, or with reckless disregard, makes any false statement or representation in any document used to comply with this section is liable for a civil penalty for each violation or, for continuing violations, for each day that the violation continues. Liability under this section may be imposed in a civil action and shall not exceed twenty-five thousand dollars ($25,000) for each violation.

(f) In addition to the civil penalty that may be imposed pursuant to subdivision (e), the board may impose an administrative penalty in an amount not to exceed five thousand dollars ($5,000) for each violation of a separate provision or, for continuing violations, for each day that the violation continues, on any person who intentionally or negligently violates any permit, rule, regulation, standard, or requirement issued or adopted pursuant to this chapter. The board shall adopt regulations that specify the amount of the administrative penalty and the procedure for imposing an administrative penalty pursuant to this subdivision.

(g) For purposes of this section, ''new tire'' means a pneumatic or solid tire intended for use with on-road or off-road motor vehicles, motorized equipment, construction equipment, or farm equipment that

is sold separately from the motorized equipment, or a new tire sold with a new or used motor vehicle, as defined in Section 42803.5, including the spare tire, construction equipment, or farm equipment. ''New tire'' does not include retreaded, reused, or recycled tires.

(h) The California tire fee may not be imposed on any tire sold with, or sold separately for use on, any of the following:

(1) Any self-propelled wheelchair.

(2) Any motorized tricycle or motorized quadricycle, as defined in Section 407 of the Vehicle Code.

(3) Any vehicle that is similar to a motorized tricycle or motorized quadricycle and is designed to be operated by a person who, by reason of the person's physical disability, is otherwise unable to move about as a pedestrian.

(i) This section shall become operative on January 1, 2015.

SEC. 14. Section 42889 of the Public Resources Code is amended to read:

42889. (a) (1) Commencing January 1, 2005, and until December 31, 2006, of the moneys collected pursuant to Section 42885, an amount equal to seventy-five cents ($0.75) per tire on which the fee is imposed shall be transferred by the State Board of Equalization to the Air Pollution Control Fund. The state board shall expend those moneys, or allocate those moneys to the districts for expenditure, to fund programs and projects that mitigate or remediate air pollution caused by tires in the state, to the extent that the state board or the applicable district determines that the program or project remediates air pollution harms created by tires upon which the fee described in Section 42885 is imposed.

(2) Commencing January 1, 2007, of the moneys collected pursuant to Section 42885, an amount equal to fifty cents ($0.50) per tire on which the fee is imposed shall be transferred by the State Board of Equalization to the Air Pollution Control Fund for expenditure by the state board as described in paragraph (1).

(b) The remaining moneys collected pursuant to Section 42885 shall be used to fund the waste tire program, and shall be appropriated to the board in the annual Budget Act in a manner consistent with the five-year plan adopted and updated by the board. These moneys shall be expended for the payment of refunds under this chapter and for the following purposes:

(1) To pay the administrative overhead cost of this chapter, not to exceed 6 percent of the total revenue deposited in the fund annually, or an amount otherwise specified in the annual Budget Act.

(2) To pay the costs of administration associated with collection, making refunds, and auditing revenues in the fund, not to exceed 3

percent of the total revenue deposited in the fund, as provided in subdivision (b) of Section 42885.

(3) To pay the costs associated with operating the tire recycling program specified in Article 3 (commencing with Section 42870).

(4) To pay the costs associated with the development and enforcement of regulations relating to the storage of waste tires and used tires. The board shall consider designating a city, county, or city and county as the enforcement authority of regulations relating to the storage of waste tires and used tires, as provided in subdivision (c) of Section 42850. If the board designates a local entity for that purpose, the board shall provide sufficient, stable, and noncompetitive funding to that entity for that purpose, based on available resources, as provided in the five-year plan adopted and updated as provided in subdivision (a) of Section 42855.5. The board may consider and create, as appropriate, financial incentives for citizens who report the illegal hauling or disposal of waste tires as a means of enhancing local and statewide waste tire and used tire enforcement programs.

(5) To pay the costs of cleanup, abatement, removal, or other remedial action related to waste tire stockpiles throughout the state, including all approved costs incurred by other public agencies involved in these activities by contract with the board. Not less than six million five hundred thousand dollars ($6,500,000) shall be expended by the board during each of the following fiscal years for this purpose: 2001–02 to 2006–07, inclusive.

(6) To make studies and conduct research directed at promoting and developing alternatives to the landfill disposal of waste tires.

(7) To assist in developing markets and new technologies for used tires and waste tires. The board's expenditure of funds for purposes of this subdivision shall reflect the priorities for waste management practices specified in subdivision (a) of Section 40051.

(8) To pay the costs associated with implementing and operating a waste tire and used tire hauler program and manifest system pursuant to Chapter 19 (commencing with Section 42950).

(9) To pay the costs to create and maintain an emergency reserve, which shall not exceed one million dollars ($1,000,000).

(10) To pay the costs of cleanup, abatement, or other remedial action related to the disposal of waste tires in implementing and operating the Farm and Ranch Solid Waste Cleanup and Abatement Grant Program established pursuant to Chapter 2.5 (commencing with Section 48100) of Part 7.

(c) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

SEC. 14.5. Section 42889 is added to the Public Resources Code, to read:

42889. Funding for the waste tire program shall be appropriated to the board in the annual Budget Act. The moneys in the fund shall be expended for the payment of refunds under this chapter and for the following purposes:

(a) To pay the administrative overhead cost of this chapter, not to exceed 5 percent of the total revenue deposited in the fund annually, or an amount otherwise specified in the annual Budget Act.

(b) To pay the costs of administration associated with collection, making refunds, and auditing revenues in the fund, not to exceed 3 percent of the total revenue deposited in the fund, as provided in subdivision (b) of Section 42885.

(c) To pay the costs associated with operating the tire recycling program specified in Article 3 (commencing with Section 42870).

(d) To pay the costs associated with the development and enforcement of regulations relating to the storage of waste tires and used tires. The board shall consider designating a city, county, or city and county as the enforcement authority of regulations relating to the storage of waste tires and used tires, as provided in subdivision (c) of Section 42850. If the board designates a local entity for that purpose, the board shall provide sufficient, stable, and noncompetitive funding to that entity for that purpose, based on available resources, as provided in the five-year plan adopted and updated as provided in subdivision (a) of Section 42855.5. The board may consider and create, as appropriate, financial incentives for citizens who report the illegal hauling or disposal of waste tires as a means of enhancing local and statewide waste tire and used tire enforcement programs.

(e) To pay the costs of cleanup, abatement, removal, or other remedial action related to waste tire stockpiles throughout the state, including all approved costs incurred by other public agencies involved in these activities by contract with the board. Not less than six million five hundred thousand dollars ($6,500,000) shall be expended by the board during each of the following fiscal years for this purpose: 2001–02 to 2006–07, inclusive.

(f) This section shall become operative on January 1, 2015.

SEC. 15. Section 9250.2 of the Vehicle Code is amended to read:

9250.2. (a) The department, if requested by the Sacramento Metropolitan Air Quality Management District pursuant to Section 41081 of the Health and Safety Code, shall impose and collect a surcharge on the registration fees for every motor vehicle registered in that district, not to exceed the amount of six dollars ($6), as specified by the governing body of that district.

(b) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

SEC. 15.5. Section 9250.2 is added to the Vehicle Code, to read:

9250.2. (a) The department, if requested by the Sacramento Metropolitan Air Quality Management District pursuant to Section 41081 of the Health and Safety Code, shall impose and collect a surcharge on the registration fees for every motor vehicle registered in that district, not to exceed either of the following amounts, whichever is applicable, as specified by the governing body of that district:

(1) For each motor vehicle registered in that district whose registration expires on or after December 31, 1989, and prior to December 31, 1990, two dollars ($2).

(2) For each motor vehicle registered in that district whose registration expires on or after December 31, 1990, not to exceed four dollars ($4).

(b) This section shall become operative on January 1, 2015.

CHAPTER 708

An act to add Chapter 1.695 (commencing with Section 5096.500) to Division 5 of the Public Resources Code, relating to state lands.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. Chapter 1.695 (commencing with Section 5096.500) is added to Division 5 of the Public Resources Code, to read:

CHAPTER 1.695. PUBLIC REVIEW OF STATE AGENCY ACQUISITION OF CONSERVATION LANDS

Article 1. General Provisions

5096.500. The Legislature finds and declares as follows:

(a) It is vital to ensure public confidence in amounts paid, and procedures used, for the acquisition of property by state agencies that spend taxpayer or bond funds.

(b) It is important to ensure that an acquisition agency act expeditiously to purchase critically needed conservation lands for their preservation and protection.

(c) The purpose of this chapter is to ensure that information on the acquisition of conservation lands by state agencies is made available to the public, while ensuring that these lands continue to be acquired in an efficient and expeditious manner.

5096.501. For purposes of this chapter, the following terms have the following meanings:

(a) ''Acquisition agency'' means the Wildlife Conservation Board or the State Coastal Conservancy.

(b) ''Conservation lands'' means any land or interest therein to be acquired by an acquisition agency, or that is owned by the state and under the jurisdiction of the Wildlife Conservation Board, the State Coastal Conservancy, the Department of Fish and Game, or the Department of Parks and Recreation.

(c) ''Major acquisition'' means an acquisition where an agency proposes to spend more than twenty-five million dollars ($25,000,000) of state funds.

Article 2. Conservation Lands Acquisition Procedures

5096.511. Prior to any action by an acquisition agency to approve a major acquisition of conservation lands, the acquisition agency shall contract for at least one independent appraisal of the fair market value of the land. The appraisal shall be conducted by a qualified member of the Appraisal Institute who is licensed pursuant to Part 3 (commencing with Section 11300) of Division 4 of the Business and Professions Code. The appraisal shall be prepared pursuant to the Uniform Standards of Professional Appraisal Practice.

5096.512. (a) In addition to the review by the Department of General Services pursuant to Section 1348.2 of the Fish and Game Code, the appraisal prepared pursuant to Section 5096.511 shall be reviewed by a qualified independent appraiser retained by the acquisition agency for this purpose, and who meets the following conditions:

(1) The review appraiser did not conduct the appraisal pursuant to Section 5096.511 and has no financial interest in the major acquisition.

(2) The review appraiser is licensed pursuant to Part 3 (commencing with Section 11300) of Division 4 of the Business and Professions Code.

(b) The review appraiser shall review the appraisal and prepare an appraisal review report that does all of the following:

(1) Summarizes the appraisal.

(2) States the basis on which the value of the land was established.

(3) Describes the standards used to prepare the appraisal.

(4) Determines whether or not the appraisal meets the standards established under the Uniform Standards of Professional Appraisal Practice.

(c) The appraisal review report need not include any proprietary information provided by or on behalf of the seller or that is otherwise exempt from public disclosure pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

(d) (1) If a major acquisition of conservation lands will be approved by more than one acquisition agency and each acquisition agency complies with paragraph (2), not more than one independent appraisal is required pursuant to Section 5096.511, and not more than one appraisal review report is required pursuant to this section.

(2) Paragraph (1) is applicable if each acquisition agency does all of the following:

(A) Utilizes the independent appraisal and appraisal review report, as required by this chapter.

(B) Makes an independent determination of whether to approve the major acquisition of conservation lands.

(C) Complies with all of the public disclosure and independent review requirements of this chapter.

5096.513. Not less than 30 calendar days prior to holding a public hearing for the purpose of authorizing a major acquisition of conservation lands, an acquisition agency shall make available for public review information, except information that is exempt from being disclosed pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) all of, that includes, but is not limited to, the following:

(a) A copy of the independent appraisal review prepared pursuant to Section 5096.512.

(b) A summary of the basis for the recommendation of approval for the major acquisition of the land made by the acquisition agency.

(c) Any relevant environmental studies, documents, or other information.

5096.514. Not more than 10 working days after the close of escrow for a major acquisition of conservation land by an acquisition agency, the acquisition agency shall make available to the public all of the following information, unless it is exempted from being disclosed pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code):

(a) A copy of the appraisal for the conservation land approved by the Department of General Services, and from which fair market value was determined.

(b) A copy of all other documents relevant to the purchase of the conservation land, including, but not limited to, environmental

assessments or other documents not already disclosed pursuant to Section 5096.513.

5096.515. The procedures and requirements established pursuant to this chapter are in addition to, and do not amend, modify, or supplant, any procedures or requirements established pursuant to the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Division 26.5 (commencing with Section 79500) of the Water Code) or the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Chapter 1.696 (commencing with Section 5096.600)), for the acquisition of conservation lands.

5096.516. (a) Except as provided in subdivision (c), conservation lands may not be sold to another owner, or have possession and control transferred to another agency, unless all of the following occur:

(1) The selling or transferring agency prepares and makes available to the public a detailed report that identifies why the conservation lands no longer serve a needed conservation purpose.

(2) The selling or transferring agency holds a duly noticed public hearing to accept public comment on the proposed sale or transfer of conservation lands.

(3) After compliance with paragraphs (1) and (2), the selling or transferring agency finds, based on substantial evidence, that the property no longer serves a needed conservation purpose.

(4) The sale or transfer of the land is authorized or approved as part of the annual Budget Act or pursuant to specific legislation authorizing the sale or transfer.

(b) Proceeds from the sale or transfer of conservation lands shall be used solely for one or more of the following purposes:

(1) The acquisition of conservation lands to achieve the same or equivalent objectives as the original acquisition of the property that was sold or transferred.

(2) To further the purposes of Division 21 (commencing with Section 31000).

(3) The acquisition of wildlife habitat to further the purposes of the Wildlife Conservation Law of 1947 (Chapter 4 (commencing with Section 1300) of Division 2 of the Fish and Game Code).

(4) The acquisition of wildlife habitat to further the purposes of Article 2 (commencing with Section 1410) of Chapter 4.3 of Division 2 of the Fish and Game Code.

(c) This section does not apply to any of the following:

(1) The sale or transfer of conservation lands solely for the purpose of boundary adjustments or consolidation of property ownership.

(2) The sale or transfer of lands subject to a conservation easement to keep lands in agricultural production.

(3) The sale or transfer to other public agencies or nonprofit organizations to improve conservation management, public access, historic preservation, or to protect or enhance the biological value of conservation lands.

(4) The sale or transfer of conservation lands by the State Coastal Conservancy when the sale or transfer of interests in land is provided for, consistent with Division 21 (commencing with Section 31000), at the time of acquisition of real property.

(5) The exchange of conservation lands for land of greater biological value as wildlife habitat.

(6) The sale or transfer of conservation lands that have a fair market value of less than one million dollars ($1,000,000).

(d) The requirements imposed by this section are in addition to any other requirements imposed by law or regulation.

CHAPTER 709

An act to amend Sections 115875 and 115880 of the Health and Safety Code, relating to public beaches.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) More than 50 public beaches and recreation areas along the San Francisco Bay shoreline provide year-round water recreation opportunities for more than 7 million bay area residents.

(b) Rains and storms carry bacteria and contaminants into San Francisco Bay, sometimes posing a serious public health threat to swimmers, windsurfers, and other bay area residents who recreate at these beaches.

(c) A significant number of warnings have been posted at public beaches along the bay shoreline in recent years, demonstrating that there is a polluted runoff problem in the bay that can be harmful to people.

(d) Protecting public health requires year-round, uniform, and consistent monitoring of bay beaches' water quality, and posting of easy-to-understand, multilingual health advisories when contaminants exceed safe levels.

(e) Prior to enactment of this act, state law did not mandate regular water quality monitoring at beaches along San Francisco Bay as it did for coastal beaches in California.

(f) It is imperative that counties along the San Francisco Bay monitor the water quality at their beaches effectively and consistently to protect the health of bay area residents who recreate on and in the bay.

SEC. 2. Section 115875 of the Health and Safety Code is amended to read:

115875. ''Public beach,'' as used in this article, means any beach area used by the public for recreational purposes that is owned, operated, or controlled by the state, any state agency, any local agency, or any private person in this state, and is located in the coastal zone, as defined in Section 30103 of the Public Resources Code, or within the jurisdiction of the San Francisco Bay Conservation and Development Commission, as set forth in Section 66610 of the Government Code.

SEC. 3. Section 115880 of the Health and Safety Code is amended to read:

115880. (a) The department shall by regulation, in consultation with local health officers and the public, establish minimum standards for the sanitation of public beaches, including, but not limited to, the removal of refuse, as it determines are reasonably necessary for the protection of the public health and safety.

(b) Prior to final adoption by the department, the regulations and standards required by this section shall undergo an external comprehensive review process similar to the process set forth in Section 57004 of the Health and Safety Code.

(c) The regulations shall, at a minimum, do all of the following, by December 31, 1998:

(1) Require the testing of the waters adjacent to all public beaches for microbiological contaminants, including, but not limited to, total coliform, fecal coliform, and enterococci bacteria. The department may require the testing of waters adjacent to all public beaches for microbiological indicators other than those set forth in this paragraph, or a subset of those set forth in this paragraph, if the department affirmatively establishes, based on the best available scientific studies and the weight of the evidence, that the alternative indicators are as protective of the public health.

(2) Establish protective minimum standards for total coliform, fecal coliform, and enterococci bacteria, or for other microbiological indicators that the department determines are appropriate for testing pursuant to paragraph (1).

(3) Establish protocols for all of the following:

(A) Determining monitoring site locations and monitoring frequency based on risks to public health.

(B) Making decisions regarding public notification of health hazards, including, but not limited to the posting, closing, and reopening of public beaches.

(4) Require that the waters adjacent to public beaches be tested for total coliform, fecal coliform, and enterococci bacteria, or for other microbiological indicators that the department determines are appropriate for testing pursuant to paragraph (1). Except as set forth in paragraph (5), testing shall be conducted on at least a weekly basis, from April 1 to October 31, inclusive, of each year, beginning in 1999, if all of the following apply:

(A) The beach is visited by more than 50,000 people annually.

(B) The beach is located on an area adjacent to a storm drain that flows in the summer.

(5) The monitoring frequency and locations established pursuant to this subdivision and related regulations may only be reduced or altered after the testing required pursuant to paragraph (4) reveals levels of microbiological contaminants that do not exceed for a period of two years the minimum protective standards established pursuant to paragraph (2).

(d) The local health officer shall be responsible for testing the waters adjacent to, and coordinating the testing of, all public beaches within his or her jurisdiction.

(e) The local health officer may meet the testing requirements of this section by utilizing test results from other agencies conducting microbiological contamination testing of the waters under his or her jurisdiction.

(f) Any city or county may adopt standards for the sanitation of public beaches within its jurisdiction that are stricter than the standards adopted by the state department pursuant to this section.

(g) Any duty imposed upon a local public officer or agency pursuant to this section shall be mandatory only during a fiscal year in which the Legislature has appropriated sufficient funds, as determined by the State Director of Health Services, in the annual Budget Act or otherwise for local agencies to cover the costs to those agencies associated with the performance of these duties. The State Director of Health Services shall annually, within 15 days after enactment of the Budget Act, file a written statement with the Secretary of the Senate and with the Chief Clerk of the Assembly memorializing whether sufficient funds have been appropriated.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a 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, within the meaning of Section 17556 of the Government Code.

CHAPTER 710

An act to amend Sections 72505, 72521, and 72530 of, and to add Section 72525 to, the Public Resources Code, relating to vessels.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. Section 72505 of the Public Resources Code is amended to read:

72505. Unless the context otherwise requires, the following definitions govern this division:

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

(b) ''Hazardous waste'' has the meaning set forth in Section 25117 of the Health and Safety Code, but does not include sewage.

(c) ''Graywater'' means drainage from dishwasher, shower, laundry, bath, and washbasin drains, but does not include drainage from toilets, urinals, hospitals, or cargo spaces.

(d) ''Large passenger vessel'' or ''vessel'' means a vessel of 300 gross registered tons or greater that is engaged in the carrying of passengers for hire, excluding all of the following vessels:

(1) Vessels without berths or overnight accommodations for passengers.

(2) Noncommercial vessels, warships, vessels operated by nonprofit entities as determined by the Internal Revenue Service, and vessels operated by the state, the United States, or a foreign government.

(e) ''Marine waters of the state'' means ''coastal waters'' as defined in Section 13181 of the Water Code.

(f) ''Marine sanctuary'' means marine waters of the state in the Channel Islands National Marine Sanctuary, Cordell Bank National Marine Sanctuary, Gulf of the Farallones National Marine Sanctuary, or Monterey Bay National Marine Sanctuary.

(g) ''Medical waste'' means medical waste subject to regulation pursuant to Part 14 (commencing with Section 117600) of Division 104 of the Health and Safety Code.

(h) ''Operator'' has the meaning set forth in Section 651 of the Harbors and Navigation Code.

(i) ''Other waste'' means photography laboratory chemicals, dry cleaning chemicals, or medical waste.

(j) ''Owner'' has the meaning set forth in Section 651 of the Harbors and Navigation Code.

(k) ''Release'' means discharging or disposing of wastes into the environment.

(*l*) ''Waste'' means hazardous waste and other waste.

SEC. 2. Section 72521 of the Public Resources Code is amended to read:

72521. If a large passenger vessel releases hazardous waste or other waste into the marine waters of the state or a marine sanctuary, or releases graywater into the marine waters of the state, the owner or operator shall immediately, but no later than 24 hours after the release, notify the board of the release. The owner or operator shall include all of the following information in the notification:

(a) Date of the release.

(b) Time of the release.

(c) Location of the release.

(d) Volume of the release.

(e) Source of the release.

(f) Remedial actions taken to prevent future releases.

SEC. 3. Section 72525 is added to the Public Resources Code, to read:

72525. The owner or operator of a large passenger vessel shall not release, or permit anyone to release, graywater from the vessel into the marine waters of the state.

SEC. 4. Section 72530 of the Public Resources Code is amended to read:

72530. (a) A person who violates Section 72520 or 72525 is subject to a civil penalty of not more than twenty-five thousand dollars ($25,000) for each violation.

(b) The civil penalty imposed for each separate violation pursuant to this section is separate from, and in addition to, any other civil penalty imposed for a separate violation pursuant to this section or any other provision of law.

(c) In determining the amount of a civil penalty imposed pursuant to this section, the court shall take into consideration all relevant circumstances, including, but not limited to, the nature, circumstance, extent, and gravity of the violation. In making this determination, the court shall consider the degree of toxicity and volume of the release, the extent of harm caused by the violation, whether the effects of the violation may be reversed or mitigated, and with respect to the defendant, the ability to pay, the effect of a civil penalty on the ability to continue in business, all voluntary cleanup efforts undertaken, the prior history of violations, the gravity of the behavior, the economic benefit, if any, resulting from the violation, and all other matters the court determines justice may require.

(d) (1) A civil action brought under this section may only be brought by the Attorney General upon complaint or request by the Department

of Fish and Game or the appropriate California regional water quality control board, or by a district attorney or city attorney.

(2) Notwithstanding Section 13223 of the Water Code, a regional water quality control board may delegate to its executive officer authority to request the Attorney General for judicial enforcement under this section.

(3) If a district attorney or city attorney brings an action under this section, the action shall be in the name of the people of the State of California.

(4) An action relating to the same violation may be joined or consolidated.

CHAPTER 711

An act to add Section 1367.06 to the Health and Safety Code, relating to health care coverage.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. Section 1367.06 is added to the Health and Safety Code, to read:

1367.06. (a) A health care service plan contract, except a specialized health care service plan contract, that is issued, amended, delivered, or renewed on or after January 1, 2005, that covers outpatient prescription drug benefits shall include coverage for inhaler spacers when medically necessary for the management and treatment of pediatric asthma.

(b) If a subscriber has coverage for outpatient prescription drugs, a health care service plan contract, except a specialized health care service plan contract, that is issued, amended, delivered, or renewed on or after January 1, 2005, shall include coverage for the following equipment and supplies when medically necessary for the management and treatment of pediatric asthma:

(1) Nebulizers, including face masks and tubing.

(2) Peak flow meters.

(c) The quantity of the equipment and supplies required to be covered pursuant to subdivisions (a) and (b) may be limited by the health care service plan if the limitations do not inhibit appropriate compliance with treatment as prescribed by the enrollee's physician and surgeon. A health care service plan shall provide for an expeditious process for approving

additional or replacement inhaler spacers, nebulizers, and peak flow meters when medically necessary for an enrollee to maintain compliance with his or her treatment regimen. The process required by Section 1367.24 may be used to satisfy the requirements of this section for an inhaler spacer.

(d) Education for pediatric asthma, including education to enable an enrollee to properly use the device identified in subdivisions (a) and (b), shall be consistent with current professional medical practice.

(e) The coverage required by this section shall be provided under the same general terms and conditions, including copayments and deductibles, applicable to all other benefits provided by the plan.

(f) A health care service plan shall disclose the benefits under this section in its evidence of coverage and disclosure forms.

(g) A health care service plan may not reduce or eliminate coverage as a result of the requirements of this section.

(h) Nothing in this section shall be construed to deny or restrict in any way the department's authority to ensure plan compliance with this chapter, if a plan provides coverage for prescription drugs.

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 that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 712

An act to amend Section 4584 of the Public Resources Code, relating to forest resources, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

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

(a) Past disruptions of natural fire cycles and other activities have resulted in wildfires of increasing intensity and severity that are a threat to the forest ecosystem, air quality, fresh water supplies, private citizens,

emergency services personnel, and the overall public health and safety of California.

(b) Healthy forests are a common goal for Californians, but overstocked forests cause increased tree mortality resulting in the build up of flammable fuels. The treatment of these hazardous fuels will reduce the impact of wildfires on communities and natural and cultural resources, and will restore health to fire-adapted ecosystems.

(c) Under the National Fire Plan, promulgated by the western Governors, the hazardous fuel treatment program has expanded significantly, with a greater focus on treatments intended to protect communities in the wildland urban interface.

(d) Opportunities to capture the federal funding available for the reduction of hazardous fuels from unhealthy forests near communities determined to be at risk, by the Department of Forestry and Fire Protection, from catastrophic wildfires are currently available pursuant to the bipartisan passage of Public Law 108-148.

(e) To better coordinate with and garner federal funding, California needs to expedite projects to increase safety for the forest ecosystem, air quality, fresh water supplies, private citizens, emergency services personnel, and the overall public health and safety of California, by reducing fire risks where ecosystem and public safety risks are excessive.

SEC. 2. Section 4584 of the Public Resources Code is amended to read:

4584. Upon determining that the exemption is consistent with the purposes of this chapter, the board may exempt from this chapter or portions thereof, a person engaged in forest management whose activities are limited to any of the following:

(a) The cutting or removal of trees for the purpose of constructing or maintaining a right-of-way for utility lines.

(b) The planting, growing, nurturing, shaping, shearing, removal, or harvest of immature trees for Christmas trees or other ornamental purposes or minor forest products, including fuelwood.

(c) The cutting or removal of dead, dying, or diseased trees of any size.

(d) Site preparation.

(e) Maintenance of drainage facilities and soil stabilization treatments.

(f) Timber operations on land managed by the Department of Parks and Recreation.

(g) (1) The one-time conversion of less than three acres to a nontimber use. No person, whether acting as an individual or as a member of a partnership, or as an officer or employee of a corporation or other legal entity, may obtain more than one exemption pursuant to

this subdivision in a five-year period. If a partnership has as a member, or if a corporation or any other legal entity has as an officer or employee, a person who has received this exemption within the past five years, whether as an individual or as a member of a partnership, or as an officer or employee of a corporation or other legal entity, then that partnership, corporation, or other legal entity is not eligible for this exemption. ''Person,'' for purposes of this subdivision, means an individual, partnership, corporation, or any other legal entity.

(2) (A) Notwithstanding Section 4554.5, the board shall adopt regulations that become effective and operative on or before July 1, 2002, and do all of the following:

(i) Identify the required documentation of a bona fide intent to complete the conversion that an applicant will need to submit in order to be eligible for the exemption in paragraph (1).

(ii) Authorize the department to inspect the sites approved in conversion applications that have been approved on or after January 1, 2002, in order to determine that the conversion was completed within the two-year period described in subparagraph (B) of paragraph (2) of subdivision (a) of Section 1104.1 of Title 14 of the California Code of Regulations.

(iii) Require the exemption under this subdivision to expire if there is a change in timberland ownership. The person who originally submitted an application for an exemption under this subdivision shall notify the department of a change in timberland ownership on or before five calendar days after a change in ownership.

(iv) The board may adopt regulations allowing a waiver of the five-year limitation described in paragraph (1) upon finding that the imposition of the five-year limitation would impose an undue hardship on the applicant for the exemption. The board may adopt a process for an appeal of a denial of a waiver.

(B) The application form for the exemption pursuant to paragraph (1) shall prominently advise the public that violations of the conversion exemption, including conversions applied for in the name of someone other than the person or entity implementing the conversion in bona fide good faith, is a violation of this chapter and penalties may accrue up to ten thousand dollars ($10,000) for each violation pursuant to Article 8 (commencing with Section 4601).

(h) Easements granted by a right-of-way construction agreement administered by the federal government if any timber sales and operations within or affecting these areas are reviewed and conducted pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. Sec. 4321 et seq.).

(i) The cutting, removal, or sale of timber or other solid wood forest products from the species Taxus brevifolia (Pacific yew), if the known

locations of any stands of this species three inches and larger in diameter at breast height are identified in the exemption notice submitted to the department. Nothing in this subdivision is intended to authorize the peeling of bark from, or the cutting or removal of, Taxus brevifolia within a watercourse and lake protection zone, special treatment area, buffer zone, or other area where timber harvesting is prohibited or otherwise restricted pursuant to board rules.

(j) (1) The cutting or removal of trees in compliance with Sections 4290 and 4291, that eliminates the vertical continuity of vegetative fuels and the horizontal continuity of tree crowns for the purpose of reducing flammable materials and maintaining a fuel break for a distance of not more than 150 feet on each side from an approved and legally permitted structure that complies with the California Building Code, when that cutting or removal is conducted in compliance with this subdivision. For purposes of this subdivision, an ''approved and legally permitted structure'' includes only structures that are designed for human occupancy and garages, barns, stables, and structures used to enclose fuel tanks.

(2) (A) The cutting or removal of trees pursuant to this subdivision is limited to cutting or removal that will result in a reduction in the rate of fire spread, fire duration and intensity, fuel ignitability, or ignition of the tree crowns and shall be in accordance with any regulations adopted by the board pursuant to this section.

(B) Trees may not be cut or removed pursuant to this subdivision by the clearcutting regeneration method, by the seed tree removal step of the seed tree regeneration method, or by the shelterwood removal step of the shelterwood regeneration method.

(3) (A) Surface fuels, including logging slash and debris, low brush, and deadwood, that could promote the spread of wildfire shall be chipped, burned, or otherwise removed from all areas of timber operations within 45 days from the date of commencement of timber operations pursuant to this subdivision.

(B) (i) All surface fuels that are not chipped, burned, or otherwise removed from all areas of timber operations within 45 days from the date of commencement of timber operations may be determined to be a nuisance and subject to abatement by the department or the city or county having jurisdiction.

(ii) The costs incurred by the department, city, or county, as the case may be, to abate the nuisance upon any parcel of land subject to the timber operations, including, but not limited to, investigation, boundary determination, measurement, and other related costs, may be recovered by special assessment and lien against the parcel of land by the department, city, or county. The assessment may be collected at the same time and in the same manner as ordinary ad valorem taxes, and shall be

subject to the same penalties and the same procedure and sale in case of delinquency as is provided for ad valorem taxes.

(4) All timber operations conducted pursuant to this subdivision shall conform to applicable city or county general plans, city or county implementing ordinances, and city or county zoning ordinances. Nothing in this paragraph is intended to authorize the cutting, removal, or sale of timber or other solid wood forest products within an area where timber harvesting is prohibited or otherwise restricted pursuant to the rules or regulations adopted by the board.

(5) (A) The board shall adopt regulations, initially as emergency regulations in accordance with subparagraph (B), that the board considers necessary to implement and to obtain compliance with this subdivision.

(B) The emergency regulations adopted pursuant to subparagraph (A) shall be adopted 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 adoption of emergency regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, and safety, or general welfare.

(k) (1) Until January 1, 2008, the harvesting of trees, limited to those trees that eliminate the vertical continuity of vegetative fuels and the horizontal continuity of tree crowns, for the purpose of reducing the rate of fire spread, duration and intensity, fuel ignitability, or ignition of tree crowns.

(2) The board may authorize an exemption pursuant to paragraph (1) only if the tree harvesting will decrease fuel continuity and increase the quadratic mean diameter of the stand, and the tree harvesting area will not exceed 300 acres.

(3) The notice of exemption, which shall be known as the Forest Fire Prevention Exemption, may be authorized only if all of the conditions specified in paragraphs (4) to (10), inclusive, are met.

(4) A registered professional forester shall prepare the notice of exemption and submit it to the director, and include a map of the area of timber operations that complies with the requirements of paragraphs (1), (3), (4), and (7) to (12), inclusive, of subdivision (x) of Section 1034 of Title 14 of the California Code of Regulations.

(5) (A) The registered professional forester who submits the notice of exemption shall include a description of the preharvest stand structure and a statement of the postharvest stand stocking levels.

(B) The level of residual stocking shall be consistent with maximum sustained production of high quality timber products. The residual stand shall consist primarily of healthy and vigorous dominant and codominant trees from the preharvest stand. Stocking shall not be

reduced below the standards required by any of the following provisions that apply to the exemption at issue:

(i) Clauses 1 to 4, inclusive, of subparagraph (A) of paragraph (1) of subdivision (a) of Section 913.3 of Title 14 of the California Code of Regulations.

(ii) Clauses 1 to 4, inclusive, of subparagraph (A) of paragraph (1) of subdivision (a) of Section 933.3 of Title 14 of the California Code of Regulations.

(iii) Clauses 1 to 4, inclusive, of subparagraph (A) of paragraph (1) of subdivision (a) of Section 953.3 of Title 14 of the California Code of Regulations.

(C) If the preharvest dominant and codominant crown canopy is occupied by trees less than 14 inches diameter at breast height, a minimum of 100 trees over four inches diameter at breast height shall be retained per acre for Site I, II, and III lands, and a minimum of 75 trees over four inches diameter at breast height shall be retained per acre for Site IV and V lands.

(6) (A) The registered professional forester who submits the notice shall include selection criteria for the trees to be harvested or the trees to be retained.

(B) All trees that are harvested or all trees that are retained shall be marked by or under the supervision of a registered professional forester before felling operations begin.

(7) (A) The registered professional forester submitting the notice, upon submission of the notice, shall provide a confidential archaeology letter that includes all of the information required by any of the following provisions that apply to the exemption at issue:

(i) Paragraphs (2) and (7) to (11), inclusive, of subdivision (c) of Section 929.1 of Title 14 of the California Code of Regulations, and include site records if required pursuant to subdivision (g) of that section or pursuant to Section 929.5 of Title 14 of the California Code of Regulations.

(ii) Paragraphs (2) and (7) to (11), inclusive, of subdivision (c) of Section 949.1 of Title 14 of the California Code of Regulations, and include site records if required pursuant to subdivision (g) of that section or pursuant to Section 949.5 of Title 14 of the California Code of Regulations.

(iii) Paragraphs (2) and (7) to (11), inclusive, of subdivision (c) of Section 969.1 of Title 14 of the California Code of Regulations, and include site records if required pursuant to subdivision (g) of that section or pursuant to Section 969.5 of Title 14 of the California Code of Regulations.

(B) The director shall submit a complete copy of the confidential archaeological letter and two copies of all required archaeological or

historical site records, to the appropriate Information Center of the California Historical Resource Information System within 30 days from the date of notice submittal to the director. Before submitting the notice to the director, the registered professional forester shall send a copy of the notice to Native Americans, as defined in Section 895.1 of Title 14 of the California Code of Regulations.

(8) Only trees less than 18 inches stump diameter, measured at eight inches above ground level, may be removed. However, within 500 feet of a legally permitted structure, or in an area prioritized as a shaded fuel break in a community wildfire protection plan approved by a public fire agency, if the goal of fuel reduction cannot be achieved by removing trees less than 18 inches stump diameter, trees less than 24 inches stump diameter may be removed if that removal complies with this section and is necessary to achieve the goal of fuel reduction. A fuel reduction effort shall not violate the canopy closure regulations adopted by the board on June 10, 2004, and as those regulations may be amended.

(9) Ladder and surface fuels shall be removed to achieve a minimum clearance distance of eight feet, measured from the base of the live crown of the postharvest dominant and codominant trees to the top of the surface fuels. Surface fuels in the harvest area, including logging slash and debris, low brush, and deadwood, that could promote the spread of wildfire, shall be treated to achieve the goal of an average of four foot maximum flame height under average severe fire weather conditions. This goal shall be achieved on approximately 80 percent of the treated area. The treatment shall include chipping, removing, or other methods necessary to achieve the goal, and shall be done within 120 days from the start of timber operations or by April 1 of the year following surface fuel creation if the surface fuels are piled and burned.

(10) Timber operations shall comply with the requirements of paragraphs (1) to (10), inclusive of subdivision (b) of Section 1038 of Title 14 of the California Code of Regulations.

(11) After the timber operations are complete, the department shall conduct an on-site inspection to determine compliance with this subdivision and whether appropriate enforcement action should be initiated.

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 that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

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

In order for this act to apply during the fire season beginning in 2004, it is necessary that this act take effect immediately.

CHAPTER 713

An act to amend Section 3702 of, and to add Sections 7861.5, 8552.1, and 8552.3 to, the Fish and Game Code, relating to fish and game.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. Section 3702 of the Fish and Game Code is amended to read:

3702. Funds deposited in the State Duck Stamp Account shall be used for projects or endowments approved by the commission for the purpose of protecting, preserving, restoring, enhancing, and developing migratory waterfowl breeding and wintering habitat, evaluating habitat projects, and conducting waterfowl resource assessments and other waterfowl related research. These funds may be used to reimburse nonprofit organizations for completed habitat projects. Subject to Section 3704, the department may make grants or enter into contracts with nonprofit organizations for the use of these funds when it finds that the contracts are necessary for carrying out the purposes of this article.

SEC. 2. Section 7861.5 is added to the Fish and Game Code, to read:

7861.5. In consultation with the Commercial Salmon Trollers Advisory Committee, the department may allocate funds from the Commercial Salmon Stamp Account for the following purposes:

(a) For restoration projects to assist in the recovery of salmon stocks listed as threatened or endangered under Chapter 1.5 (commencing with Section 2050) of Division 3, or the federal Endangered Species Act (16 U.S.C. Sec. 1531 et seq.).

(b) As matching funds for federal salmon restoration moneys.

SEC. 3. Section 8552.1 is added to the Fish and Game Code, to read:

8552.1. The commission, in consultation with the department and representatives of the commercial roe herring fishery, and after holding at least one public hearing, may adjust the fees charged for permits; including fees for the issuance or transfer of permits, to a level that will

not discourage the transfer of permits or limit entry into the fishery, and that will ensure sufficient funds to cover reasonable department costs associated with the management of the fishery, including research and enforcement costs.

SEC. 4. Section 8552.3 is added to the Fish and Game Code, to read:

8552.3. The commission may, in consultation with representatives of the commercial herring roe fishery, and after holding at least one public hearing, adopt regulations intended to facilitate the transfer of herring permits, including, but not limited to, regulations that would do the following:

(a) Allow an individual to own a single permit for each of the different herring gillnet platoons in San Francisco Bay.

(b) Eliminate the point system for qualifying for a herring permit.

(c) Allow a herring permit to be passed from a parent to child, or between husband and wife.

CHAPTER 714

An act to amend Section 30906 of, and to add Chapter 3.5 (commencing with Section 30920) to Division 20.4 of, the Public Resources Code, relating to water.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. Section 30906 of the Public Resources Code is amended to read:

30906. It is the intent of the Legislature to invest in clean water projects that will do all of the following:

(a) Assist small local communities in meeting water pollution control requirements.

(b) Improve agricultural water quality and reduce pollutants in agricultural drainage water.

(c) Implement urban stormwater treatment programs and reduce nonpoint sources of pollution.

(d) Provide comprehensive capability to monitor and analyze water quality in groundwater basins throughout the state.

(e) Improve water quality in coastal and marine waters, particularly those waters that affect marine protected areas and marine managed areas.

SEC. 2. Chapter 3.5 (commencing with Section 30920) is added to Division 20.4 of the Public Resources Code, to read:

CHAPTER 3.5. MARINE MANAGED AREAS PROGRAM

30920. (a) The purpose of this chapter is to provide authorization for projects that restore and protect the water quality and environment of marine managed areas, as defined in subdivision (d) of Section 36602, including areas of special biological significance, as defined in the California Ocean Plan adopted pursuant to Section 13170.2 of the Water Code.

(b) The board shall give priority to projects that treat or otherwise remove existing waste discharges, or prevent probable waste discharges, into areas of special biological significance.

30921. (a) Upon appropriation by the Legislature for that purpose, funds may be expended by the board, in consultation with the State Coastal Conservancy, the California Coastal Commission, and, as appropriate, the Department of Fish and Game, to award grants, not to exceed one million dollars ($1,000,000) per project, to local public agencies and nonprofit organizations for the purposes of this chapter.

(b) The projects funded to carry out this chapter shall demonstrate the capability of contributing to sustained, long-term water quality or environmental restoration or protection benefits for a period of 20 years, address the causes of degradation rather than the symptoms, and be consistent with water quality control plans and resource protection plans prepared, implemented, or adopted by the board, the applicable regional board, the Department of Fish and Game, and the State Coastal Conservancy.

(c) An applicant for funds to carry out this chapter shall be required to submit to the board a monitoring and reporting plan that does all of the following:

(1) Identifies the sources of pollution to be prevented or reduced by the project.

(2) Describes the baseline water quality or environmental quality to be addressed.

(3) Describes the manner in which the project will be effective in preventing or reducing pollution and in demonstrating the desired environmental results.

(4) Describes the monitoring program, including, but not limited to, the methodology, frequency, and duration of monitoring.

(d) Upon completion of the project, a recipient of funds to carry out this chapter shall submit a report to the board that summarizes the completed activities and indicates whether the purposes of the project have been met. The report shall include information collected by the

recipient in accordance with the project monitoring and reporting plan, including a determination of the effectiveness of the project in preventing or reducing pollution, and the results of the monitoring program. The board shall make the report available to the public, watershed groups, and federal, state, and local agencies.

(e) The board may not award more than 25 percent of a grant to carry out this chapter in advance of the expenditure of funds by a grantee.

(f) An applicant for funds to carry out this chapter shall inform the board of any necessary public agency approvals, entitlements, and permits that may be necessary to implement the project. The applicant shall certify to the board, at the appropriate time, that those approvals, entitlements, and permits have been granted.

(g) Where recovery plans for coho salmon, steelhead trout, or other threatened or endangered coastal and marine aquatic species exist, projects funded to carry out this chapter shall be consistent with those plans and, to the extent feasible, shall seek to implement actions specified in those plans.

(h) The board, in consultation with the California Coastal Commission, shall appoint a marine managed areas water quality task force comprised of individuals representing the breadth and diversity of coastal communities, interested nonprofit groups, and marine resource users. All proposals for grant funding to carry out this chapter shall be reviewed by the task force. The task force may recommend projects to the board for funding consideration.

(i) The board shall provide opportunity for public review and comment in awarding funds to carry out this chapter.

CHAPTER 715

An act to amend Section 37002 of, and to add Chapter 7 (commencing with Section 37030) to Division 28 of, the Public Resources Code, and to add Section 19560 to the Revenue and Taxation Code, relating to conservation.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. Section 37002 of the Public Resources Code is amended to read:

37002. As used in this division, the following terms have the following meanings:

(a) ''Approval'' or ''approval for acceptance'' means the board's approval of the granting of a tax credit for a donation of property pursuant to the program.

(b) ''Board'' means the Wildlife Conservation Board created pursuant to Article 2 (commencing with Section 1320) of Chapter 4 of Division 20 of the Fish and Game Code.

(c) ''Conservation easement'' means a conservation easement, as defined by Section 815.1 of the Civil Code, that is contributed in perpetuity.

(d) ''Department'' means any entity created by statute within the Resources Agency and authorized to hold title to land, or the Resources Agency.

(e) (1) ''Designated nonprofit organization'' means a nonprofit organization qualified under Section 501(c)(3) of Title 26 of the United States Code that has as a principal purpose the conservation of land and water resources and that is designated by a local government or a department to accept property pursuant to this division in lieu of the local government or a department. In order to be eligible to receive a donation of property pursuant to this division, a nonprofit organization shall have experience in land conservation.

(2) If bond funds are used pursuant to Chapter 7 (commencing with Section 37030), the designated nonprofit organization shall also meet the eligibility requirements specified in the relevant provision of the applicable bond act, for a nonprofit organization.

(f) ''Donee'' means any of the following:

(1) A department to which a donor has applied to donate property.

(2) A local government that has filed a joint application with a donor requesting approval of a donation of property to that local government.

(3) A designated nonprofit organization.

(g) ''Donor'' means a property owner that donates, or submits an application to donate, property pursuant to the program.

(h) (1) ''Local government'' means any city, county, city and county, or any district, as defined in Section 5902 or in Division 26 (commencing with Section 35100), or any joint powers authority made up of one or more of those entities or those entities and departments.

(2) If bond funds are used pursuant to Chapter 7 (commencing with Section 37030), ''local government'' also includes any other local government entity eligible to receive bond funds pursuant to the relevant provision of the applicable bond act.

(i) ''Program'' means the Natural Heritage Preservation Tax Credit Program authorized by this division.

(j) ''Property'' means any real property, and any perpetual interest therein, including land, conservation easements, and land containing water rights, as well as water rights.

(k) ''Secretary'' means the Secretary of the Resources Agency.

SEC. 2. Chapter 7 (commencing with Section 37030) is added to Division 28 of the Public Resources Code, to read:

CHAPTER 7. BOND FUNDS

37030. The Legislature finds and declares all of the following:

(a) Current justifiable needs for the acquisition of property for environmental purposes substantially exceed state-approved bond funds available for these purposes.

(b) The Natural Heritage Preservation Tax Credit Act of 2000 authorizes the acquisition of qualified property through donations eligible for a credit against the personal income or bank and corporation tax in an amount equal to 55 percent of the fair market value of any qualified contribution.

(c) Where property owners are able to utilize this tax credit, state acquisition costs are nearly halved.

(d) Authorizing the expenditure of bond funds to acquire property using these tax credits will significantly expand the acquisition power of existing bond funds.

37031. (a) For bond provisions listed in paragraphs (1) to (3), inclusive, of subdivision (c) of Section 37032, ''purpose'' means scheme and design.

(b) For bond provisions listed in paragraphs (4) to (11), inclusive, of subdivision (c) of Section 37032, ''purpose'' means scope and effect.

(c) For bond funds eligible to be used under this chapter, pursuant to paragraph (12) of subdivision (c) of Section 37032, if the bond act is passed by initiative, ''purpose'' shall be defined pursuant to subdivision (b), but if the bond act is not passed by initiative, ''purpose'' shall be defined pursuant to subdivision (a).

(d) For purposes of this chapter, ''property'' means property as defined in subdivision (j) of Section 37002 that is acquired pursuant to this division using bond funds in accordance with this chapter.

37032. (a) If a department or local government identifies property that may be acquired pursuant to this division and determines that the acquisition would comply with the purpose of a bond provision listed in subdivision (c) and any applicable guidelines developed for that bond provision by the administering agency, and all of the requirements of this division are met and the department or local government acquires the property pursuant to this division, the department or local government may expend funds from the bond provision that have been appropriated, allocated, or awarded to it, to acquire the property using the tax credit provided by this division.

(b) The applicable bond provisions from which a department or local government may use bond funds to acquire property using the tax credit provided by this division do not include grants of bond funds distributed through a competitive process.

(c) The applicable bond provisions from which a department or local government may expend bond funds pursuant to subdivision (a) are the following:

(1) Section 5096.615.

(2) Subdivision (a) or (b), or paragraph (1) of subdivision (c), of Section 5096.650.

(3) Funds under paragraph (2) of subdivision (c) of Section 5096.650 that are to be expended pursuant to paragraph (6) of subdivision (b) of Section 31220.

(4) Section 79541 of the Water Code.

(5) Section 79542 of the Water Code.

(6) Section 79544 of the Water Code.

(7) Subdivision (e) or (f) of Section 79550 of the Water Code.

(8) Section 79565 of the Water Code.

(9) Section 79568 of the Water Code.

(10) Section 79570 of the Water Code.

(11) Section 79572 of the Water Code.

(12) Other bond funds, if the bond act specifies that its funds may be used for the purposes of this division.

37034. (a) (1) If a department determines that property is available for acquisition by donation, and that the acquisition of the property would comply with the requirements of an applicable bond provision specified in subdivision (c) of Section 37032 and any applicable guidelines developed for that bond provision by the administering agency, and the department believes the acquisition of the property would comply with the requirements of this division, the department may request the prospective donor of the property to submit an application pursuant to Section 37010. If the prospective donor agrees to submit that application, the department may apply for approval of the donation pursuant to the requirements of this division.

(2) If a local government determines that property is available for acquisition by donation, and that the acquisition of the property would comply with the requirements of an applicable bond provision specified in subdivision (c) of Section 37032 and any applicable guidelines developed for that bond provision by the administering agency, and the local government believes that the acquisition of the property would comply with the requirements of this division, the local government may request the department that allocated to it the relevant bond funds to determine whether it agrees with the local government's determinations and beliefs made pursuant to this paragraph. If the department agrees

with the local government and gives its approval for the acquisition with bond funds that it has allocated to the local government, the local government may request the prospective donor of the property to submit an application pursuant to Section 37010. If the prospective donor agrees to submit the application, the local government may apply for approval of the donation pursuant to the requirements of this division.

(3) In addition to the requirements of Section 37011, the application shall include, and shall not be accepted if it does not include, a signed authorization by the donor, in a form and manner mutually agreeable to the board and the Franchise Tax Board, for the disclosure of the information necessary to make the payment as required by subdivision (b). For purposes of subdivision (b) of Section 1798.24 of the Civil Code, the signed authorization shall be the donor's voluntary consent to the disclosure of the information.

(b) (1) If the board gives approval, the department or local government may acquire the property pursuant to this division. Through the process outlined in this section, the department shall reimburse the General Fund for the tax credit claimed pursuant to this chapter under Section 17053.30 or 23630 of the Revenue and Taxation Code by transferring bond funds identified under subdivision (c) of Section 37032 to the Natural Heritage Preservation Tax Credit Reimbursement Account, on the basis of information provided to the department under Section 37040 regarding credit claimed for a qualified contribution under Section 17053.30 or 23630 of the Revenue and Taxation Code in that tax year.

(2) (A) Upon approval by the board, and prior to the time the department, local government, or designated nonprofit organization receives the property, the department shall encumber bond funds identified under subdivision (c) of Section 37032 in an amount necessary to pay for the tax credit as provided in Section 17053.30 or 23630, as applicable, of the Revenue and Taxation Code.

(B) The acquisition agreement or any other document that clearly delineates the commitment pursuant to this division shall be the only documentation required for the department to encumber the bond funds as required by this paragraph.

(C) Except as prohibited by the relevant bond act, notwithstanding Section 13340 of the Government Code or any other provision of law, the encumbrance shall be available without regard to fiscal years to allow payments to the Natural Heritage Preservation Tax Credit Reimbursement Account for the tax credit due the donor of the property under Section 17053.30 or 23630, as applicable, of the Revenue and Taxation Code.

(3) The Franchise Tax Board shall provide the board information pursuant to subdivision (a) of Section 19560 of the Revenue and

Taxation Code on tax credits claimed. The board shall provide the information required by Section 37040 to the relevant department. Upon notification that a qualified tax credit has been claimed, the department, pursuant to paragraph (1), shall transfer bond funds in the amount of the tax credit for that tax year to the Natural Heritage Preservation Tax Credit Reimbursement Account within 60 days of receipt of the notification.

37035. (a) (1) If a department determines that a designated nonprofit organization, in lieu of the department, should accept property that the department applies to acquire pursuant to paragraph (1) of subdivision (a) of Section 37034, and determines that the acceptance by the designated nonprofit organization would comply with the purpose of the applicable bond provision specified in subdivision (c) of Section 37032, the department may, upon that determination and upon making the determinations and having the belief required by paragraph (1) of subdivision (a) of Section 37034, apply to acquire the property for that designated nonprofit organization pursuant to this division. The department shall not make that application until the prospective donor agrees to submit an application pursuant to Section 37010 and paragraph (3) of subdivision (a) of Section 37034 and the designated nonprofit organization agrees to accept the property if it is acquired pursuant to this division.

(2) If a local government determines that a designated nonprofit organization, in lieu of the local government, should accept property that the local government applies to acquire pursuant to paragraph (2) of subdivision (a) of Section 37034, and determines that the acceptance by the designated nonprofit organization would comply with the purpose of the applicable bond provision specified in subdivision (c) of Section 37032, the local government may, upon that determination and making the determinations and having the belief required by paragraph (2) of subdivision (a) of Section 37034, request the department that allocated to it the relevant bond funds to determine whether it agrees with the local government's determinations made pursuant to this paragraph. If the department agrees with the local government, gives its approval for the designated nonprofit organization's acceptance of the property, and gives its approval pursuant to paragraph (2) of subdivision (a) of Section 37034, the local government may apply to acquire the property for that designated nonprofit organization pursuant to this division. The local government shall not make that application until the prospective donor agrees to submit an application pursuant to Section 37010 and paragraph (3) of subdivision (a) of Section 37034 and the designated nonprofit organization agrees to accept the property if it is acquired pursuant to this division.

(b) If a department or local government applies for a designated nonprofit organization to acquire property, pursuant to subdivision (a),

the department and donor, and the local government, if applicable, shall comply with all requirements of this division that apply to the department and donor, and to the local government, if applicable, when the department or local government otherwise applies to acquire property pursuant to this division.

37036. (a) The Natural Heritage Preservation Tax Credit Reimbursement Account is established in the General Fund to receive moneys paid pursuant to this chapter.

(b) Upon appropriation by the Legislature, moneys in the Natural Heritage Preservation Tax Credit Reimbursement Account shall be used only to reimburse the General Fund as determined by the departments pursuant to paragraph (1) of subdivision (b) of Section 37034.

(c) The moneys in the Natural Heritage Preservation Tax Credit Reimbursement Account may not be loaned to another fund and may not accrue interest.

37038. If the board is the department that receives moneys pursuant to any of the bond provisions listed in subdivision (c) of Section 37032 and the board wishes to use those bond funds to acquire property pursuant to this division using those bond funds, the board shall make separate determinations regarding whether the acquisition of that property would comply with the purpose of the applicable bond provision and any applicable guidelines developed for that bond provision by the administering agency, and whether the acquisition would comply with the requirements of this division.

37040. (a) The board shall notify the Controller, the Treasurer, and the relevant department of the information listed in subdivision (b) after the board receives notification from the Franchise Tax Board pursuant to Section 19560 of the Revenue and Taxation Code that a person is claiming a tax credit under this chapter.

(b) The board shall provide all of the following information:

(1) The bond fund and specific provision of the bond act under which the credit is being claimed.

(2) The project name, appropriation under which the credit was encumbered, and, if applicable, the related local government.

(3) The department that will transfer the appropriate bond funds to the Natural Heritage Preservation Tax Credit Reimbursement Account.

(4) The amount of the tax credit for that tax year.

37042. The Legislature finds and declares that the expenditure of bond funds pursuant to this chapter does not constitute the use of bond proceeds or other indebtedness to pay a year-end state budget deficit, as prohibited by subdivision (c) of Section 1.3 of Article XVI of the California Constitution.

SEC. 3. Section 19560 is added to the Revenue and Taxation Code, to read:

19560. (a) The Franchise Tax Board shall provide the Wildlife Conservation Board, within a reasonable time, information on the amount of the tax credit claimed under Chapter 7 (commencing with Section 37030) of Division 28 of the Public Resources Code, with respect to each qualified contribution, as described in Section 17053.30 or 23630, that is claimed during that year, and any other information the Wildlife Conservation Board requires to correctly allocate the credit to the appropriate bond fund section, appropriation, department, and, if applicable, the related local government.

(b) The Franchise Tax Board shall not provide the Wildlife Conservation Board information pursuant to subdivision (a) if providing that information would disclose tax return information of a taxpayer, unless the taxpayer has consented to that disclosure pursuant to paragraph (3) of subdivision (a) of Section 37034 of the Public Resources Code.

CHAPTER 716

An act to amend Section 77 of Chapter 741 of the Statutes of 2003, relating to water.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. Section 77 of Chapter 741 of the Statutes of 2003 is amended to read:

SEC. 77. The Legislature finds and declares all of the following:

(a) The current fiscal crisis requires that the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50) be administered in the most cost-efficient manner consistent with ensuring public participation in the development of program guidelines and outreach and technical assistance to communities throughout the state.

(b) Notwithstanding paragraphs (1) and (2) of subdivision (a) of Section 79505.6 or Section 79575 of the Water Code, agencies responsible for the development of guidelines and reports pursuant to those sections shall use electronic communication, including publication of information on the Internet, shall determine the timing of the development of guidelines, and shall use any and all other efficiencies necessary to provide a public process reasonably calculated to provide access and relevant grant application and award information

to interested persons within the budgetary and personnel constraints imposed by the state budget. To the maximum extent feasible, each state agency shall provide outreach to disadvantaged communities to promote access to relevant grant application and award information.

(c) It is the intent of the Legislature that, through the annual budget process, there be a review of progress undertaken by state agencies to develop guidelines to implement this act.

CHAPTER 717

An act to amend Section 25401.1 of the Health and Safety Code, relating to hazardous substances.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) Existing law, the California Land Environmental Restoration and Reuse Act (Chapter 6.10 (commencing with Section 25401.1) of Division 20 of the Health and Safety Code), which is also known as CLERRA, gives cities and counties the authority to either order or directly undertake the investigation and cleanup of abandoned and underutilized parcels of contaminated properties, commonly called ''brownfields.''

(b) CLERRA provides local governments, owners, occupants, and lenders, with immunity from being required by state or local environmental agencies to do further investigation or cleanup work on properties that have already been cleaned up pursuant to the CLERRA environmental oversight process.

(c) Furthermore, under CLERRA, the California Environmental Protection Agency (CalEPA) is required to develop pilot screening numbers for 54 hazardous substances that are typically found at brownfield sites.

(d) These advisory screening numbers will serve as reference numbers to help developers and local governments estimate the costs and extent of cleanup of contaminated sites, providing valuable information in their development decisions.

(e) CLERRA also requires CalEPA to publish a list of screening numbers for specified contaminants to protect human health and safety.

(f) After public workshops in northern and southern California in late February 2004, CalEPA plans to publish final screening numbers and a guidance manual by June 2004.

SEC. 2. Section 25401.1 of the Health and Safety Code is amended to read:

25401.1. For purposes of this chapter, the following terms have the following meanings:

(a) ''Department'' means the Department of Toxic Substances Control.

(b) ''Hazardous material'' means a substance or waste that because of its physical, chemical, or other characteristics may pose a risk of endangering human health or safety or of degrading the environment. ''Hazardous material'' includes, but is not limited to, all of the following:

(1) A hazardous substance, as defined in Section 25281 or 25316.

(2) A hazardous waste, as defined in Section 25117.

(3) A waste, as defined in Section 13050 of the Water Code or as defined in paragraph (2) of subdivision (b) of Section 101075.

(c) ''Local agency'' means the local department, office, or other agency of a city or county designated pursuant to subdivision (a) of Section 25401.2.

(d) ''Oversight agency'' means the department or the regional board, as appropriate, that oversees a site investigation and remedial action pursuant to this chapter.

(e) ''Person'' means an individual, trust, firm, joint stock company, business concern, partnership, limited liability company, association, or corporation, including, but not limited to, a government corporation. ''Person'' also includes any city, county, city and county, district, commission, or the state, or any department, agency, or political subdivision thereof, any interstate body, and the United States and its agencies and instrumentalities to the extent permitted by law.

(f) ''Phase I environmental assessment'' means a preliminary assessment of a property to determine whether there has been, or may have been, a release of hazardous material on or near the property, based on reasonably available information about the property and the area in its vicinity. A phase I environmental assessment may include, but is not limited to, a review of public and private records of current and historical land uses, historical aerial photographs of the property and the area in its vicinity, relevant files of federal, state, and local agencies, regulatory correspondence, records of prior releases of hazardous materials and environmental reports, database searches, visual and other surveys of the property, and interviews with available current and previous owners and operators of the property. A phase I environmental assessment does not require sampling or testing on or around a property.

(g) ''Preliminary endangerment assessment'' means an activity that is performed to determine whether current or past hazardous material management practices or waste management practices have resulted in a release or threatened release of hazardous materials that pose a threat to public health or the environment. A preliminary endangerment assessment shall be conducted in a manner that complies with the guidelines published by the department entitled ''Preliminary Endangerment Assessment: Guidance Manual,'' and that evaluates whether any hazardous material has been discharged, threatens to discharge, or is discharging, to waters of the state. A preliminary endangerment assessment requires sampling and analysis of a property, a preliminary determination of the type and extent of hazardous materials release or threatened release on contamination of the property, and a preliminary evaluation of the risks that hazardous materials contamination of the property may pose to public health or the environment, including waters of the state.

(h) (1) ''Property'' means real property, as defined in Section 658 of the Civil Code.

(2) ''Property'' does not include any of the following:

(A) A site listed on the National Priorities List pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Sec. 9601 et seq.) or proposed for, and ranked as, qualifying for this list.

(B) A site on the list maintained by the department pursuant to Section 25356.

(C) An active or former federal military base or property that is or was owned by any department, agency, or instrumentality of the United States.

(D) A property for which a no-further-action determination has been issued by the department or a regional board, under applicable statutes or regulations.

(E) A site that is, or becomes, subject to an enforcement action or order issued by a regional board pursuant to Division 7 (commencing with Section 13000) of the Water Code, or an enforcement action by the department pursuant to Chapter 6.5 (commencing with Section 25100) or Chapter 6.8 (commencing with Section 25300).

(F) A site that is, or becomes, subject to a corrective action requirement, or for which a no-further-action determination has been issued, by a regional board or a local oversight program pursuant to Section 25297.1 or Chapter 6.75 (commencing with Section 25299.10), unless the local agency makes one of the findings described in subdivision (b) of Section 25401.3 for a hazardous material other than petroleum.

(G) A site that is, or becomes, subject to a corrective action order issued pursuant to Section 25187, or a site that is, or becomes, authorized or permitted pursuant to Chapter 6.5 (commencing with Section 25100) for the treatment, storage, or disposal of hazardous waste.

(H) A site that is, or becomes, subject to a response or cleanup operation under Chapter 7.4 (commencing with Section 8670.1) of Division 1 of Title 2 of the Government Code.

(I) A site that is, or becomes, subject to an order for corrective action issued pursuant to Part 5 (commencing with Section 45000) of Division 30 of the Public Resources Code.

(J) A site located within a redevelopment area established pursuant to Division 24 (commencing with Section 33000).

(K) A site that is larger than five acres of contiguous property under the same ownership, unless the site is an infill site, as defined in Section 21061.0.5 of the Public Resources Code.

(i) For purposes of this subparagraph, a ''qualified urban use,'' as defined in Section 21072 of the Public Resources Code, includes an industrial use.

(ii) For purposes of this subparagraph, a parcel is adjoining or immediately adjacent to the site, as required by subdivision (a) of Section 21061.0.5 of the Public Resources Code, if the parcel is separated from the site only by an improved public right-of-way.

(L) A site that has one or more full-time equivalent employees on an annualized basis, excluding employees who are primarily responsible for maintaining site security.

(M) A site that is owned by any state or local public agency.

(N) A site that is being used for productive agriculture.

(O) A site for which the owner or operator, within 60 days following receipt of a notice from a local agency issued pursuant to Section 25401.3 or 25401.4, enters into a voluntary agreement with an oversight agency to commence and complete a site investigation and remediation of the property under that oversight agency's oversight and jurisdiction.

(P) A site for which the owner or operator, within 60 days following receipt of a notice from a local agency issued pursuant to Section 25401.3 or 25401.4, requests the designation of an administering agency to oversee a site investigation and remedial action at the site pursuant to Chapter 6.65 (commencing with Section 25260).

(Q) Property that is the subject of continuous expansion or improvement, and is owned or operated by an operating industrial or commercial activity.

(R) Residential property with an owner-occupied dwelling.

(S) Property occupied by a family-owned business that has no employees other than members of the family or a business that has no employees other than the owners.

(T) Property that is dedicated to a public use by a public utility, as provided in Section 1007 of the Civil Code.

(U) Property acquired, to be acquired or proposed for use as a schoolsite, prior to its occupancy for a school, if a school district has entered into an enforceable environmental oversight agreement with the department to conduct a preliminary endangerment assessment or other response action at the property pursuant to Section 17213.1 of the Education Code. The exclusion provided in this subparagraph shall not apply if the school district determines, after entering into that agreement, not to pursue the use of the site as a school, or if the agreement between the department and the school district is terminated or expires.

(i) (1) ''Qualified person'' means one of the following:

(A) For activities conducted under Section 25401.6, an environmental assessor, as defined in paragraph (2).

(B) For activities conducted under Section 25401.7, an environmental assessor, as defined in paragraph (2), who also has demonstrated expertise in hazardous materials site investigation and cleanup.

(2) ''Environmental assessor'' means a class II environmental assessor registered by the Office of Environmental Health Hazard Assessment pursuant to Chapter 6.98 (commencing with Section 25570), a professional engineer registered in this state, a geologist registered in this state, a certified engineering geologist registered in this state, or a licensed hazardous substance contractor certified pursuant to Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code. A licensed hazardous substance contractor shall hold the equivalent of a degree from an accredited public or private college or university or from a private postsecondary educational institution approved by the Bureau for Private Postsecondary and Vocational Education with at least 60 units in environmental, biological, chemical, physical, or soil science, engineering geology, or environmental or public health, or a directly related science field. In addition, any person who conducts a phase I environmental assessment shall have at least two years of experience in the preparation of those assessments and any person who conducts a preliminary endangerment assessment shall have at least three years of experience in conducting those assessments.

(j) ''Reasonably foreseeable uses'' means land uses that are authorized under the applicable general plan and zoning code, and any additional uses that are identified by the local land use agency as reasonably foreseeable uses for a property at the time the preliminary endangerment assessment for that property is being prepared pursuant to Section 25401.4 or 25401.6.

(k) ''Remedial action'' means a remedial action, as defined in subdivision (g) of Section 25260.

(*l*) ''Remediation plan'' means a proposal to complete a site investigation and a remedial action on a property, a schedule for the conduct of that site investigation and remedial action, the method for the oversight of those actions, and the state and local laws, ordinances, regulations, and standards that are applicable to those actions, for approval by the oversight agency pursuant to Section 25401.5 or 25401.7.

(m) ''Regional board'' means a California regional water quality control board.

(n) ''Release'' has the same meaning as defined in Section 25320, but with respect to a hazardous material.

(o) ''Responsible party'' means a ''responsible party'' or ''liable person'' as defined in subdivision (a) of Section 25323.5, or a person subject to an order pursuant to subdivision (a) of Section 13304 of the Water Code.

(p) ''Site investigation'' has the same meaning as defined in Section 25260.

(q) ''Written determination of completion'' means a document issued by the oversight agency that certifies that a remedial action carried out pursuant to this chapter has been satisfactorily completed, in accordance with an approved remediation plan, that applicable remedial action standards and objectives have been achieved, that financial assurance for all operation and maintenance activities, if applicable, has been obtained, and that the property for which the written determination of completion is issued does not pose a significant risk to human health or the environment, does not impact the beneficial uses of waters of the state, and is in a condition that allows it permanently to be used for its reasonably foreseeable uses without any significant risk to human health or any significant potential for future environmental damage. The written determination of completion shall also specifically describe any conditions, restrictions, or limitations imposed on the site, including financial assurance, if applicable, and any land use controls placed on the property. The written determination of completion shall specifically identify the locations where the remediation plan that formed the basis of the determination is kept on file by the oversight agency and the local agency. These files shall be made available to the public upon request.

CHAPTER 718

An act to add and repeal Article 8 (commencing with Section 89270) of Chapter 2 of Part 55 of the Education Code, relating to the California State University.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. Article 8 (commencing with Section 89270) is added to Chapter 2 of Part 55 of the Education Code, to read:

Article 8. Entry-Level Master's Nursing Programs

89270. This article shall be known, and may be cited, as the Entry-Level Master's Nursing Programs Act.

89270.5. The Legislature finds and declares all of the following:

(a) In order to meet a growing demand for registered nurses and nurses with master's of science in nursing degrees in this state, the number of positions in professional nursing programs must be increased.

(b) The shortage of faculty for schools of nursing is a recognized problem not only in California, but nationally.

(c) Nurses with master's of science in nursing degrees are an important academic resource in nursing and are needed to fill new positions in professional nursing programs as well as to replace retiring faculty.

(d) Qualified applicants with baccalaureate degrees in nonnursing fields who are seeking a master's of science in nursing degree must first complete a registered nurse prelicensure program. These students compete for limited positions in these undergraduate prelicensure programs and are placed on the same lists for admission as students who have not earned baccalaureate degrees.

(e) Most registered nurse prelicensure programs are oversubscribed. Applicants with baccalaureate degrees have a proven academic capability and are more academically advanced than are students who have not earned baccalaureate degrees and with whom they compete for admission to nursing programs.

(f) Currently, one campus within the California State University system offers an innovative graduate level program for students with nonnursing baccalaureate degrees. This program creates a registered nurse prelicensure program approved by the Board of Registered Nursing that qualifies the student for licensure as a registered nurse and

also awards a master's of science in nursing degree upon completion of the school's master's degree program.

(g) This entry-level master's program graduates new licensees, offers greater flexibility for prospective nursing students, and adds to the pool of nurses with a master's of science in nursing degree.

89272. As used in this article, the following terms have the following meanings:

(a) ''Entry-level master's program'' means a program of study in nursing that provides qualified applicants who have a baccalaureate degree in a nonnursing field with the didactic knowledge and clinical skills in the prelicensure sequence of the program to meet the qualifications for licensure as a registered nurse, followed by a second sequence leading to a master's degree in nursing.

(b) ''Entry-level master's program prelicensure sequence'' means that portion of the entry-level master's program that qualifies the student for licensure as a registered nurse.

(c) ''Prelicensure program'' means the courses of instruction prescribed by the Board of Registered Nursing for licensure, in a program in this state accredited by the board for training registered nurses, or in a school of nursing outside of this state that, in the opinion of the board at the time the application is filed with the board, are equivalent to the minimum requirements of the board for licensure established for an accredited program in this state.

(d) ''Newly established programs'' means any California State University entry-level master's program established or supported with supplemental funds provided under this article.

(e) ''Private partners'' means any organization or foundation that helps fund a California State University entry-level master's program for the purpose of establishing or expanding access to the California State University entry-level master's program.

(f) ''Supplemental funds'' means all sums appropriated to the California State University through the annual Budget Act for the purpose of establishing or expanding access to the California State University entry-level master's program in accordance with this article.

89274. (a) The Chancellor of the California State University, in consultation with the Board of Registered Nursing, shall determine which campuses are eligible for supplemental funds for establishing entry-level master's programs in nursing at campuses of the California State University according to this section and according to all of the following criteria:

(1) The campus has a nursing program that is approved by the Board of Registered Nursing.

(2) In order to be eligible for funds, a program shall include an 18-month entry-level master's program prelicensure sequence that is followed by an 18-month entry-level master's program sequence.

(3) In order to be eligible for funds, a California State University program shall plan for, and ultimately enroll, at least 10 students with bachelor's degrees in the entry-level master's program prelicensure sequence, but no campus may receive funds for more than 20 new prelicensure students per academic year.

(4) Appropriated funds may not supplant funds that would otherwise be budgeted for graduate or undergraduate nursing education.

(b) This section does not limit or restrict the maximum number of students that can be enrolled in the entry-level master's prelicensure sequence or the entry-level master's program.

89276. (a) The chancellor shall annually establish the total amount of funding necessary to support four entry-level master's degree programs in nursing at the California State University.

(b) Funding provided under this article may not exceed one-half the annual actual cost of the entry-level master's program.

(c) The California State University may enroll students in both oncampus credit courses and self-supporting Extended Education courses in order to recoup the remaining annual actual program costs in excess of any supplemental funding that is allocated pursuant to this article.

(d) The chancellor shall allocate supplemental funds pursuant to subdivision (a), granting first priority to campuses that fulfill one or both of the following criteria:

(1) Primarily serve, or train nurses to serve, those counties with the lowest ratio of registered nurses per 100,000 residents.

(2) Offer programs that are established in collaboration with private industry partners, if the private industry partner provides financial assistance in the form of one or more of the following:

(A) Direct financial support.

(B) Tuition or student fee assistance.

(C) In-kind nursing faculty, staff, or mentor assistance.

(e) If no funding is provided in the annual Budget Act to fulfill the obligations of this article, the California State University is encouraged to make entry-level master's program courses available to students through self-supporting Extended Education programs, whereby students pay the full cost of instruction, as determined by the individual campus.

(f) On or before January 1 of each year, the chancellor shall prepare and submit to the Legislature a report regarding the status of the California State University entry-level master's programs, including, but not necessarily limited to, the number of programs created, the

number of licensed registered nurses resulting from the entry-level master's prelicensure program component, and the number of nurses with a master's degree in nursing that have graduated from California State University entry-level master's programs.

89278. This article shall remain in effect only until January 1, 2014, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2014, deletes or extends that date.

CHAPTER 719

An act to add Division 26.5 (commencing with Section 35500) to the Public Resources Code, relating to natural resources.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. Division 26.5 (commencing with Section 35500) is added to the Public Resources Code, to read:

DIVISION 26.5. CALIFORNIA OCEAN PROTECTION ACT

CHAPTER 1. GENERAL PROVISIONS

35500. This division shall be known, and may be cited, as the California Ocean Protection Act.

35505. The Legislature finds and declares all of the following:

(a) California's coastal and ocean resources are critical to the state's environmental and economic security, and integral to the state's high quality of life and culture. A healthy ocean is part of the state's legacy, and is necessary to support the state's human and wildlife populations. Each generation of Californians has an obligation to be good stewards of the ocean, to pass the legacy on to their children.

(b) The ocean and coastal waters offshore of the state are unique and valuable natural resources that the state holds in trust for the people of California. The state of our ocean's health is well documented. Reports such as the 1997 Resources Agency report, ''California's Ocean Resources: An Agenda for the Future,'' the 2003 Pew Oceans Commission report, ''America's Living Oceans: Charting a Course for Sea Change,'' and the United States Commission on Oceans Policy's 2004 preliminary report, document degraded ocean values, due to coastal and ocean development, onshore and offshore pollution, certain

fishing and aquaculture practices, and invasive species, among other things.

(c) The preservation of the state's ocean resources depends on healthy, productive, and resilient ocean ecosystems. The governance of ocean resources should be guided by principles of sustainability, ecosystem health, precaution, recognition of the interconnectedness between land and ocean, decisions informed by good science and improved understanding of coastal and ocean ecosystems, and public participation in decisionmaking.

(d) Good governance and stewardship of ocean resources necessitate more efficient and effective use of public funds.

(e) The state needs to coordinate governance and stewardship of the state's ocean, to identify priorities, bridge existing gaps, and ensure effective and scientifically sound approaches to protecting and conserving the most important ocean resources.

(f) The California Ocean Resources Management Act of 1990 (Division 27 (commencing with Section 36000)) establishes the California Ocean Resources Management Program. The mission of the program is to ensure comprehensive and coordinated management, conservation, and enhancement of the state's ocean resources, for their intrinsic value and the benefit of current and future generations.

(g) Terrestrial sources of ocean pollution in the state contribute to significant water quality degradation, causing deleterious impacts to public health and marine ecosystems, as well as coastal and recreational economics that are essential to the state's future.

35510. The Legislature finds and declares all of the following:

(a) The coastal waters offshore of the state and the ocean ecosystems associated with those waters are natural resources that the state holds in trust for the people of the state.

(b) It is the state's policy that all public agencies shall consider the following principles in administering the laws established for the protection and conservation of coastal waters:

(1) State decisions affecting coastal waters and the ocean environment should be designed and implemented to conserve the health and diversity of ocean life and ecosystems, allow and encourage those activities and uses that are sustainable, and recognize the importance of aesthetic, educational, and recreational uses.

(2) The ocean ecosystem is inextricably linked to activities on land and all public agencies should consider the impact of activities on land that may adversely affect the health of the coastal and ocean environment.

(3) It is the state's policy to incorporate ecosystem perspectives into the management of coastal and ocean resources, using sound science, with a priority of protecting, conserving, and restoring coastal and ocean

ecosystems, rather than managing on a single species or single resource basis.

(4) A goal of all state actions shall be to improve monitoring and data gathering, and advance scientific understanding, to continually improve efforts to protect, conserve, restore, and manage coastal waters and ocean ecosystems.

(5) State and local actions that affect ocean waters or coastal or ocean resources should be conducted in a manner consistent with protection, conservation, and maintenance of healthy coastal and ocean ecosystems and restoration of degraded ocean ecosystems.

(6) Improving the quality of coastal waters and the health of fish in coastal waters should be a priority for the state.

35515. The Legislature finds and declares that the purpose of this division is to integrate and coordinate the state's laws and institutions responsible for protecting and conserving ocean resources, including coastal waters and ocean ecosystems, to accomplish all of the following objectives:

(a) Provide a set of guiding principles for all state agencies to follow, consistent with existing law, in protecting the state's coastal and ocean resources.

(b) Encourage cooperative management with federal agencies, to protect and conserve representative coastal and ocean habitats and the ecological processes that support those habitats.

(c) Improve coordination and management of state efforts to protect and conserve the ocean by establishing a cabinet level oversight body responsible for identifying more efficient methods of protecting the ocean at less cost to taxpayers.

(d) Use California's private and charitable resources more effectively in developing ocean protection and conservation strategies.

(e) Provide for public access to the ocean and ocean resources, including to marine protected areas, for recreational use, and aesthetic, educational, and scientific purposes, consistent with the sustainable long-term conservation of those resources.

CHAPTER 2. DEFINITIONS

35550. Unless the context requires otherwise, the following definitions govern this division:

(a) ''Council'' means the Ocean Protection Council established pursuant to Section 35600.

(b) ''Fund'' means the California Ocean Protection Trust Fund established pursuant to Section 35650.

(c) ''Public agency'' means a city, county, city and county, district, or the state or any agency or department of the state.

(d) ''Sustainable'' and ''sustainability'' mean both of the following:

(1) Continuous replacement of resources, taking into account fluctuations in abundance and environmental variability.

(2) Securing the fullest possible range of present and long-term economic, social, and ecological benefits, while maintaining biological diversity.

CHAPTER 3. OCEAN PROTECTION COUNCIL

35600. The Ocean Protection Council is established in state government. The council consists of the Secretary of the Resources Agency, the Secretary for Environmental Protection, and the Chair of the State Lands Commission.

35605. The Secretary of the Resources Agency is the chair of the council.

35610. One Member of the Senate, appointed by the Senate Committee on Rules, and one Member of the Assembly, appointed by the Speaker of the Assembly, shall meet with the council as nonvoting, ex officio members.

35612. (a) The council's meetings shall be open to the public.

(b) The council may sponsor conferences, symposia, and other public forums, to seek a broad range of public advice when establishing priorities for ocean resource protection, enhancement, and restoration.

35615. The council shall do all of the following:

(a) (1) Coordinate activities of state agencies, that are related to the protection and conservation of coastal waters and ocean ecosystems, to improve the effectiveness of state efforts to protect ocean resources within existing fiscal limitations, consistent with Sections 35510 and 35515.

(2) Establish policies to coordinate the collection and sharing of scientific data related to coast and ocean resources between agencies.

(3) Identify and recommend to the Legislature changes in law needed to achieve the goals of this section.

(b) (1) Identify changes in federal law and policy necessary to achieve the goals of this division and to improve protection, conservation, and restoration of ocean ecosystems in federal and state waters off the state's coast.

(2) Recommend to the Governor and the Legislature actions the state should take to encourage those changes in federal law and policy.

35620. The council shall take into account the research, findings, recommendations, and determinations of the State Interagency Coordinating Committee established pursuant to Section 36800 and the scientific review panel established pursuant to Section 36900. The council may review and recommend proposals to the State Interagency

Coordinating Committee, and to designating entities, to further the purposes of this division.

35625. (a) Under the direction of the Secretary of the Resources Agency, the executive officer of the State Coastal Conservancy shall act as secretary to the council, administer its affairs, and provide the staff services that the council needs to carry out this division, including, but not limited to, both of the following:

(1) Administering grants and expenditures authorized by the council from the fund or other sources, including, but not limited to, block grants from other state boards, commissions, or departments.

(2) Arranging meetings, agendas, and other administrative functions in support of the council.

(b) The Legislature may make appropriations to be used for the purposes of this division directly to the State Coastal Conservancy, for expenditures authorized by the council.

CHAPTER 4. CALIFORNIA OCEAN PROTECTION TRUST FUND

35650. (a) The California Ocean Protection Trust Fund is established in the State Treasury.

(b) Moneys deposited in the fund may be expended, upon appropriation by the Legislature, for both of the following:

(1) Projects and activities authorized by the council consistent with Chapter 3 (commencing with Section 35600).

(2) Upon authorization by the council, for grants or loans to public agencies, nonprofit corporations, or private entities for, or direct expenditures on, projects or activities that do one or more of the following:

(A) Eliminate or reduce threats to coastal and ocean ecosystems, habitats, and species.

(B) Foster sustainable fisheries, including development of more selective fishing gear, collaborative research and demonstration projects between persons who fish commercially and scientists, promotion of value-added wild fisheries to offset economic losses attributable to reduced fishing opportunities, and the creation of revolving loan programs for the purpose of implementing sustainable fishery projects.

(C) Improve coastal water quality.

(D) Allow for increased public access to, and enjoyment of, ocean and coastal resources, consistent with sustainable, long-term protection and conservation of those resources.

(E) Improve management, conservation, and protection of coastal waters and ocean ecosystems.

(F) Provide monitoring and scientific data to improve state efforts to protect and conserve ocean resources.

(G) Protect, conserve, and restore coastal waters and ocean ecosystems, including any of the following:

(i) Acquisition, installation, and initiation of monitoring and enforcement systems.

(ii) Acquisition from willing sellers of vessels, equipment, licenses, harvest rights, permits, and other rights and property, to reduce threats to ocean ecosystems and resources.

(H) Address coastal water contamination from biological pathogens, including collaborative projects and activities to identify the sources of pathogens and develop detection systems and treatment methods.

(c) Grants or loans may be made to a private entity pursuant to this section only for projects or activities that further public purposes consistent with Sections 35510 and 35515.

CHAPTER 720

An act to amend Section 51182 of the Government Code, and to amend Section 4291 of the Public Resources Code, relating to fire protection.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. Section 51182 of the Government Code is amended to read:

51182. (a) Any person who owns, leases, controls, operates, or maintains any occupied dwelling or occupied structure in, upon, or adjoining any mountainous area, forest-covered land, brush-covered land, grass-covered land, or any land that is covered with flammable material, which area or land is within a very high fire hazard severity zone designated by the local agency pursuant to Section 51179, shall at all times do all of the following:

(1) Maintain around and adjacent to the occupied dwelling or occupied structure a firebreak made by removing and clearing away, for a distance of not less than 30 feet on each side thereof or to the property line, whichever is nearer, all flammable vegetation or other combustible growth. This paragraph does not apply to single specimens of trees, ornamental shrubbery, or similar plants that are used as ground cover, if they do not form a means of rapidly transmitting fire from the native growth to any dwelling or structure.

(2) Maintain around and adjacent to the occupied dwelling or occupied structure additional fire protection or firebreaks made by removing all brush, flammable vegetation, or combustible growth that is located within 100 feet from the occupied dwelling or occupied structure or to the property line, or at a greater distance if required by state law, or local ordinance, rule, or regulation. This section does not prevent an insurance company that insures an occupied dwelling or occupied structure from requiring the owner of the dwelling or structure to maintain a firebreak of more than 100 feet around the dwelling or structure if a hazardous condition warrants such a firebreak of a greater distance. Grass and other vegetation located more than 30 feet from the dwelling or structure and less than 18 inches in height above the ground may be maintained where necessary to stabilize the soil and prevent erosion.

(3) Remove that portion of any tree that extends within 10 feet of the outlet of any chimney or stovepipe.

(4) Maintain any tree adjacent to or overhanging any building free of dead or dying wood.

(5) Maintain the roof of any structure free of leaves, needles, or other dead vegetative growth.

(6) Provide and maintain at all times a screen over the outlet of every chimney or stovepipe that is attached to any fireplace, stove, or other device that burns any solid or liquid fuel. The screen shall be constructed and installed in accordance with the California Building Standards Code.

(7) Prior to constructing a new dwelling or structure that will be occupied or rebuilding an occupied dwelling or occupied structure damaged by a fire in such zone, the construction or rebuilding of which requires a building permit, the owner shall obtain a certification from the local building official that the dwelling or structure, as proposed to be built, complies with all applicable state and local building standards, including those described in subdivision (b) of Section 51189, and shall provide a copy of the certification, upon request, to the insurer providing course of construction insurance coverage for the building or structure. Upon completion of the construction or rebuilding, the owner shall obtain from the local building official, a copy of the final inspection report that demonstrates that the dwelling or structure was constructed in compliance with all applicable state and local building standards, including those described in subdivision (b) of Section 51189, and shall provide a copy of the report, upon request, to the property insurance carrier that insures the dwelling or structure.

(b) A person is not required under this section to maintain any clearing on any land if that person does not have the legal right to maintain the clearing, nor is any person required to enter upon or to

damage property that is owned by any other person without the consent of the owner of the property.

SEC. 2. Section 4291 of the Public Resources Code is amended to read:

4291. A person that owns, leases, controls, operates, or maintains a building or structure in, upon, or adjoining any mountainous area, forest-covered lands, brush-covered lands, grass-covered lands, or any land that is covered with flammable material, shall at all times do all of the following:

(a) Maintain around and adjacent to the building or structure a firebreak made by removing and clearing away, for a distance of not less than 30 feet on each side of the building or structure or to the property line, whichever is nearer, all flammable vegetation or other combustible growth. This subdivision does not apply to single specimens of trees, ornamental shrubbery, or similar plants that are used as ground cover, if they do not form a means of rapidly transmitting fire from the native growth to any building or structure.

(b) Maintain around and adjacent to the building or structure additional fire protection or firebreak made by removing all brush, flammable vegetation, or combustible growth that is located within 100 feet from the building or structure or to the property line or at a greater distance if required by state law, or local ordinance, rule, or regulation. This section does not prevent an insurance company that insures a building or structure from requiring the owner of the building or structure to maintain a firebreak of more than 100 feet around the building or structure. Grass and other vegetation located more than 30 feet from the building or structure and less than 18 inches in height above the ground may be maintained where necessary to stabilize the soil and prevent erosion.

(c) Remove that portion of any tree that extends within 10 feet of the outlet of a chimney or stovepipe.

(d) Maintain any tree adjacent to or overhanging a building free of dead or dying wood.

(e) Maintain the roof of a structure free of leaves, needles, or other dead vegetative growth.

(f) Provide and maintain at all times a screen over the outlet of every chimney or stovepipe that is attached to a fireplace, stove, or other device that burns any solid or liquid fuel. The screen shall be constructed of nonflammable material with openings of not more than one-half inch in size.

(g) Prior to constructing a new building or structure or rebuilding a building or structure damaged by a fire in such an area, the construction or rebuilding of which requires a building permit, the owner shall obtain a certification from the local building official that the dwelling or

structure, as proposed to be built, complies with all applicable state and local building standards, including those described in subdivision (b) of Section 51189 of the Government Code, and shall provide a copy of the certification, upon request, to the insurer providing course of construction insurance coverage for the building or structure. Upon completion of the construction or rebuilding, the owner shall obtain from the local building official, a copy of the final inspection report that demonstrates that the dwelling or structure was constructed in compliance with all applicable state and local building standards, including those described in subdivision (b) of Section 51189 of the Government Code, and shall provide a copy of the report, upon request, to the property insurance carrier that insures the dwelling or structure.

(h) Except as provided in Section 18930 of the Health and Safety Code, the director may adopt regulations exempting structures with exteriors constructed entirely of nonflammable materials, or conditioned upon the contents and composition of same, he or she may vary the requirements respecting the removing or clearing away of flammable vegetation or other combustible growth with respect to the area surrounding those structures.

No exemption or variance shall apply unless and until the occupant thereof, or if there is not an occupant, the owner thereof, files with the department, in a form as the director shall prescribe, a written consent to the inspection of the interior and contents of the structure to ascertain whether this section and the regulations adopted under this section are complied with at all times.

(i) The director may authorize the removal of vegetation that is not consistent with the standards of this section. The director may prescribe a procedure for the removal of that vegetation and make the expense a lien upon the building, structure, or grounds, in the same manner that is applicable to a legislative body under Section 51186 of the Government Code.

(j) As used in this section, ''person'' means a private individual, organization, partnership, limited liability company, or corporation.

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 that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 721

An act to amend Sections 8495 and 8842 of, to add Sections 8841 and 8494 to, and to repeal Section 8836.5 of, the Fish and Game Code, relating to fishing.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. Section 8841 is added to the Fish and Game Code, to read:

8841. (a) The commission is hereby granted authority over all state-managed bottom trawl fisheries not managed under a federal fishery management plan pursuant to the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. Sec. 1801 et seq.) or a state fishery management plan pursuant to the Marine Life Management Act (Chapter 1052 of the Statutes of 1998), to ensure that resources are sustainably managed, to protect the health of ecosystems, and to provide for an orderly transition to sustainable gear types in situations where bottom trawling may not be compatible with these goals.

(b) The commission is hereby granted authority to manage all of the fisheries described in subdivision (a) in a manner that is consistent with the requirements of this section and in accordance with the requirements of Part 1.7 (commencing with Section 7050), including, but not limited to, the following:

(1) California halibut.

(2) Sea cucumber.

(3) Ridge-back, spot, and golden prawn.

(4) Pink shrimp.

(c) The commission is also granted authority over other types of gear targeting the same species as the bottom trawl fisheries referenced in subdivision (a) to manage in a manner that is consistent with the requirements of Part 1.7 (commencing with Section 7050).

(d) Every commercial bottom trawl vessel issued a state permit is subject to the requirements and policies of the federal groundfish observer program (50 C.F.R. 660.360).

(e) The commission may not authorize additional fishing areas for bottom trawls, unless the commission determines that adequate evidence establishes that additional fishing areas are sustainable, do not harm bottom habitat, and do not reasonably conflict with other users.

(f) It is unlawful to use roller gear more than eight inches in diameter.

(g) Commencing April 1, 2006, it is unlawful to fish commercially for prawns or pink shrimp, unless an approved bycatch reduction device

is used with each net. For the purposes of this subdivision, a rigid grate fish excluder device is the approved type of bycatch reduction device, unless the commission, the Pacific Fishery Management Council, or the National Marine Fisheries Service determines that a different type of fish excluder device has an equal or greater effectiveness at reducing bycatch.

(h) Except as provided in Section 8495 or 8842, it is unlawful to engage in bottom trawling in ocean waters of the state.

(i) This section does not apply to the use of trawl nets pursuant to a scientific research permit.

(j) The commission shall facilitate the conversion of bottom trawlers to gear that is more sustainable if the commission determines that conversion will not contribute to overcapacity or overfishing. The commission may participate in, and encourage programs that support, conversion to low-impact gear or capacity reduction by trawl fleets. The department may not issue new permits to bottom trawlers to replace those retired through a conversion program.

(k) As soon as practicable, but not later than May 1, 2005, the commission and the department shall submit to the Pacific Fishery Management Council and the National Marine Fisheries Service a request for federal management measures for the pink shrimp fishery that the commission and the department determine are needed to reduce bycatch or protect habitat, to account for uncertainty, or to otherwise ensure consistency with federal groundfish management.

(*l*) No vessel may utilize bottom trawling gear without a state or federal permit.

SEC. 2. Section 8494 is added to the Fish and Game Code, to read:

8494. (a) Commencing April 1, 2006, any vessel using bottom trawl gear in state-managed halibut fisheries, as described in subdivision (a) of Section 8841, shall possess a halibut bottom trawl permit issued by the department that authorizes the use of trawl gear by that vessel for the take of California halibut. An application for a California halibut bottom trawl vessel permit for the 2006–07 season shall be received by the department not later than January 1, 2006.

(b) A halibut bottom trawl vessel permit shall be issued annually, commencing with the 2006 permit year. Commencing with the 2007-08 season, in order to be eligible for that permit, an applicant shall have previously held a valid California halibut bottom trawl vessel permit.

(c) The department shall not issue a bottom trawl vessel permit pursuant to this section for use in the halibut fishery unless that vessel has landed a minimum of 200 pounds of California halibut and reported that landing on fish tickets as being caught with bottom trawl gear in at least one of the following:

(1) At least two of the calendar years 1995 to 2003, inclusive.

(2) At least one of the calendar years 1995 to 2003, inclusive, and from January 1, 2004, to February 19, 2004, inclusive.

(d) Permits issued pursuant this section may be transferred only if at least one of the following occur:

(1) The commission adopts a restricted access program for the fishery, including, but not limited to, if necessary, a plan for reducing capacity in this fishery in a manner that is consistent with the commission's policies regarding restricted access to commercial fisheries.

(2) Prior to the implementation of a restricted access program, the permit is transferred to another vessel owned by the same permitholder of equal or less capacity, as determined by the department based on the United States Coast Guard documentation papers, and if the originally permitted vessel was lost, stolen, destroyed, or suffered a major irreparable mechanical breakdown. The department may not issue a permit for a replacement vessel if the department determines that the originally permitted vessel was fraudulently reported as lost, stolen, destroyed, or damaged. Only the permitholder at the time of the loss, theft, destruction, or irreparable mechanical breakdown of a vessel may apply to transfer the vessel permit. Evidence that a vessel is lost, stolen, or destroyed shall be in the form of a copy of the report filed with the United States Coast Guard, or any other law enforcement agency or fire department that conducted an investigation of the loss.

(3) Prior to the implementation of a halibut trawl restricted access program, a vessel permitholder, or his or her heirs or assigns, requests to transfer the permit because of the death or permanent disability of the permitholder or the decision by the permitholder to retire from fishing upon reaching or exceeding age 65, and halibut landings contributed significantly to the catch record and economic income derived from the vessel, and the permit is authorized by the department to be transferred with the vessel. The department may request information that it determines is reasonably necessary from the permitholder or his or her heirs and assigns for the purpose of verifying statements in the request prior to authorizing the transfer of the permit.

(e) The commission shall establish California halibut bottom trawl vessel permit fees based on the recommendations of the department and utilizing the guidelines outlined in subdivision (b) of Section 711 to cover the costs of administering this section. Prior to the adoption of a restricted access program pursuant to subdivision (d), fees may not exceed one thousand dollars ($1,000) per permit.

(f) Individuals holding a federal groundfish trawl permit may retain and land up to 150 pounds of California halibut per trip without a California halibut trawl permit in accordance with federal and state

regulations, including, but not limited to, regulations developed under a halibut fishery management plan.

(g) This section shall become inoperative upon the adoption by the commission of a halibut fishery management plan in accordance with the requirements of Part 1.7 (commencing with Section 7050).

SEC. 3. Section 8495 of the Fish and Game Code is amended to read:

8495. (a) The following area is designated as the California halibut trawl grounds:

The ocean waters lying between one and three nautical miles from the mainland shore lying south and east of a line running due west (270° true) from Point Arguello and north and west of a line running due south (180° true) from Point Mugu.

(b) Notwithstanding the provisions of subdivision (a), the use of trawl gear for the take of fish is prohibited in the following areas of the California halibut trawl grounds:

(1) Around Point Arguello. The area from a line extending from Point Arguello true west (270°) and out three miles, to a line extending from Rocky Point true south (180°) and out three miles.

(2) Around Point Conception. From a point on land approximately one-half mile north of Point Conception at latitude 34° 27.5′ extending seaward true west (270°) from one to three miles, to a point on land approximately $^1/_2$ mile east of Point Conception at longitude 120° 27.5′ extending seaward true south (180°) from one to three miles.

(3) In the Hueneme Canyon in that portion demarked by the IMO Vessel Traffic safety zone on NOAA/NOS Chart 18725 and from one mile to the three mile limit of state waters.

(4) In Mugu Canyon, from Laguna point, a line extending true south (180°) and out three miles, to Point Mugu, a line extending true south (180°) and from one to three miles.

(c) (1) Notwithstanding the provisions of subdivision (a), commencing April 1, 2008, the following areas in the California halibut trawl grounds shall be closed to trawling, unless the commission finds that a bottom trawl fishery for halibut minimizes bycatch, is likely not damaging seafloor habitat, is not adversely affecting ecosystem health, and is not impeding reasonable restoration of kelp, coral, or other biogenic habitats:

(A) The ocean waters lying between one and three nautical miles from the mainland shore from a point east of a line extending seaward true south (180°) from a point on land approximately $^1/_2$ mile east of Point Conception at longitude 120° 27.5′ to a line extending due south from Gaviota.

(B) The ocean waters lying between one and two nautical miles from the mainland shore lying east of a line extending due south from Santa

Barbara Point (180°) and west of a line extending due south from Pitas Point (180°).

(C) Except as provided in subdivision (b), the ocean waters lying between one and three nautical miles from the mainland shore lying south and east of a line running due west (270° true) from Point Arguello to a line extending seaward true south (180°) from a point on land approximately $^1/_2$ mile east of Point Conception at longitude 120° 27.5′, and from the western border of the IMO Vessel Traffic safety zone on NOAA/NOS Chart 18725 in Hueneme Canyon running south and east to a line running due south (180° true) from Point Mugu.

(2) In making the finding described in paragraph (1), the commission shall pay special attention to areas where kelp and other biogenic habitats existed and where restoring such habitats is reasonably feasible, and to hard bottom areas and other substrate that may be particularly sensitive to bottom trawl impacts.

(d) Commencing January 1, 2008, the commission shall review information every three years from the federal groundfish observer program and other available research and monitoring information it determines relevant, and shall close any areas in the California halibut trawl grounds where it finds that the use of trawl gear does not minimize bycatch, is likely damaging seafloor habitat, is adversely affecting ecosystem health, or impedes reasonable restoration of kelp, coral, or other biogenic habitats. The commission shall pay special attention to areas where kelp and other biogenic habitats existed and where restoring those habitats is reasonably feasible, and to hard bottom areas and other substrate that may be particularly sensitive to bottom trawl impacts in making that finding.

(e) Notwithstanding any other provision of law, no trawl net shall be used in the California halibut trawl grounds with an entrance greater than 60 feet across and 6 feet in height, with wing panels that exceed 100 feet in length, that utilize less than 5 inch mesh in the body of the net and less than $7^1/_2$ inch mesh in the cod end of the net, or that uses any trawl doors on the net that exceed 500 pounds in weight. The commission may order modifications in net and mesh size as it determines necessary to assure trawl gear is used in a sustainable manner within the California halibut trawl grounds.

SEC. 4. Section 8836.5 of the Fish and Game Code is repealed.

SEC. 5. Section 8842 of the Fish and Game Code is amended to read:

8842. (a) Trawl nets of a design prescribed by the commission may be used or possessed to take shrimps or prawns under a permit issued by the department under regulations adopted by the commission.

Sections 8831, 8833, 8835, and 8836 do not apply to trawl nets used or possessed under a permit issued pursuant to this section.

(b) Trawling for shrimps or prawns shall be authorized only in those waters of Districts 6, 7, 10, 17, 18, and 19 that lie not less than three nautical miles from the nearest point of land on the mainland shore, and all offshore islands and the boundary line of District 19A, except that in waters lying between a line extending due west from False Cape and a line extending due west from Point Reyes, trawling is allowed not less than two nautical miles from the nearest point of land on the mainland shore until January 1, 2008.

(c) When fishing for pink shrimp (Pandalus jordani) under a permit issued pursuant to this section, it is unlawful to possess in excess of 1,500 pounds of incidentally taken fish per calendar day of a fishing trip, except Pacific whiting, shortbelly rockfish, and arrowtooth flounder, which may be taken in any amount not in excess of federal regulations. No Pacific halibut and not more than 150 pounds of California halibut shall be possessed or landed when fishing under a permit issued pursuant to this section. When fishing for ridgeback prawn and spotted prawn under a permit issued pursuant to this section, it is unlawful to possess in excess of 1,000 pounds of incidentally taken fish per trip.

(d) Commencing January 1, 2008, the commission shall permit the taking of pink shrimp not less than two nautical miles from shore in waters that lie between a line extending due west from False Cape and a line extending due west from Point Reyes from the nearest point of land on the mainland shore, if the commission finds that, upon review of information from the federal groundfish observer program and other available research and monitoring information that it determines relevant, the use of trawl gear minimizes bycatch, will not damage seafloor habitat, will not adversely affect ecosystem health, and will not impede reasonable restoration of kelp, coral, or other biogenic habitats. The commission shall pay special attention to areas where kelp and other biogenic habitats existed and where restoring those habitats is feasible, and to hard bottom areas and other substrate that may be particularly sensitive to bottom trawl impacts in making that finding.

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 that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 722

An act to amend Section 5093.68 of the Public Resources Code, relating to wild and scenic rivers.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. Section 5093.68 of the Public Resources Code is amended to read:

5093.68. (a) Within the boundaries of special treatment areas adjacent to wild, scenic, or recreational river segments, all of the following provisions shall apply, in addition to any other applicable provision under this chapter or generally, whether by statute or regulation:

(1) A timber operator, whether licensed or not, is responsible for the actions of his or her employees. The registered professional forester who prepares and signs a timber harvesting plan, a timber management plan, or a notice of timber operations is responsible for its contents, but is not responsible for the implementation or execution of the plan or notice unless employed for that purpose.

(2) A registered professional forester preparing a timber harvesting plan shall certify that he or she or a qualified representative has personally inspected the plan area on the ground.

(b) In order to temporarily suspend timber operations that are being conducted within special treatment areas adjacent to wild, scenic, or recreational rivers designated pursuant to Section 5093.54, while judicial remedies are pursued pursuant to this section, an inspecting forest officer of the Department of Forestry and Fire Protection may issue a written timber operations stop order if, upon reasonable cause, the officer determines that a timber operation is being conducted, or is about to be conducted, in violation of Chapter 8 (commencing with Section 4511) of Part 2 of Division 4, or of rules and regulations adopted pursuant to those provisions, and that the violation or threatened violation would result in imminent and substantial damage to soil, water, or timber resources or to fish and wildlife habitat. A stop order shall apply only to those acts or omissions that are the proximate cause of the violation or that are reasonably foreseen would be the proximate cause of a violation. The stop order shall be effective immediately and throughout the next day.

(c) A supervising forest officer may, after an onsite investigation, extend a stop order issued pursuant to subdivision (b) for up to five days, excluding Saturday and Sunday, if the forest officer finds that the

original stop order was issued upon reasonable cause. A stop order shall not be issued or extended for the same act or omission more than one time.

(d) Each stop order shall identify the specific act or omission that constitutes a violation or that, if foreseen, would constitute a violation, the specific timber operation that is to be stopped, and any corrective or mitigative actions that may be required.

(e) The Department of Forestry and Fire Protection may terminate the stop order if the timber operator enters into a written agreement with the department assuring that the timber operator will resume operations in compliance with the provisions of Chapter 8 (commencing with Section 4511) of Part 2 of Division 4, and with the rules and regulations adopted pursuant to those provisions, and will correct any violation. The department may require a reasonable cash deposit or bond payable to the department as a condition of compliance with the agreement.

(f) Notice of the issuance of a stop order or an extension of a stop order shall be deemed to have been made to all persons working on the timber operation when a copy of the written order is delivered to the person in charge of operations at the time that the order is issued or, if no persons are present at that time, by posting a copy of the order conspicuously on the yarder or log loading equipment at a currently active landing on the timber operations site. If no person is present at the site when the order is issued, the issuing forest officer shall deliver a copy of the order to the timber operator either in person or to the operator's address of record prior to the commencement of the next working day.

(g) As used in this section, ''forest officer'' means a registered professional forester employed by the Department of Forestry and Fire Protection in a civil service classification of forester II or higher grade.

(h) (1) Failure of the timber operator or an employee of the timber operator, after receiving notice pursuant to this section, to comply with a validly issued stop order is a violation of this section and a misdemeanor punishable by a fine of not less than five hundred dollars ($500) or more than five thousand dollars ($5,000), or by imprisonment for not more than one year in the county jail, or both. The person shall also be subject to civil damages to the state not to exceed ten thousand dollars ($10,000) for each misdemeanor violation. However, in all cases, the timber operator, and not an employee of the operator or any other person, shall be charged with that violation. Each day or portion thereof that the violation continues shall constitute a new and separate offense.

(2) In determining the penalty for any timber operator guilty of violating a validly issued stop order, the court shall take into consideration all relevant circumstances, including, but not limited to, the following:

(A) The extent of harm to soil, water, or timber resources or to fish and wildlife habitat.

(B) Corrective action, if any, taken by the defendant.

(i) Nothing in this section prevents a timber operator from seeking an alternative writ as prescribed in Chapter 2 (commencing with Section 1084) of Title 1 of Part 3 of the Code of Civil Procedure, or as provided by any other provision of law.

(j) (1) If a timber operator believes that a forest officer lacked reasonable cause to issue or extend a stop order pursuant to this section, the timber operator may present a claim to the State Board of Control pursuant to Part 3 (commencing with Section 900) of Division 3.6 of Title 1 of the Government Code for compensation and damages resulting from the stopping of timber operations.

(2) If the State Board of Control finds that the forest officer lacked reasonable cause to issue or extend the stop order, the board shall award a sum of not less than one hundred dollars ($100), nor more than one thousand dollars ($1,000), per day for each day the order was in effect.

SEC. 2. Section 5093.68 of the Public Resources Code is amended to read:

5093.68. (a) Within the boundaries of special treatment areas adjacent to wild, scenic, or recreational river segments, all of the following provisions shall apply, in addition to any other applicable provision under this chapter or generally, whether by statute or regulation:

(1) A timber operator, whether licensed or not, is responsible for the actions of his or her employees. The registered professional forester who prepares and signs a timber harvesting plan, a timber management plan, or a notice of timber operations is responsible for its contents, but is not responsible for the implementation or execution of the plan or notice unless employed for that purpose.

(2) A registered professional forester preparing a timber harvesting plan shall certify that he or she or a qualified representative has personally inspected the plan area on the ground.

(b) In order to temporarily suspend timber operations that are being conducted within special treatment areas adjacent to wild, scenic, or recreational rivers designated pursuant to Section 5093.54, while judicial remedies are pursued pursuant to this section, an inspecting forest officer of the Department of Forestry and Fire Protection may issue a written timber operations stop order if, upon reasonable cause, the officer determines that a timber operation is being conducted, or is about to be conducted, in violation of Chapter 8 (commencing with Section 4511) of Part 2 of Division 4, or of rules and regulations adopted pursuant to those provisions, and that the violation or threatened violation would result in imminent and substantial damage to soil, water,

or timber resources or to fish and wildlife habitat. A stop order shall apply only to those acts or omissions that are the proximate cause of the violation or that are reasonably foreseen would be the proximate cause of a violation. The stop order shall be effective immediately and throughout the next day.

(c) A supervising forest officer may, after an onsite investigation, extend a stop order issued pursuant to subdivision (b) for up to five days, excluding Saturday and Sunday, if the forest officer finds that the original stop order was issued upon reasonable cause. A stop order shall not be issued or extended for the same act or omission more than one time.

(d) Each stop order shall identify the specific act or omission that constitutes a violation or that, if foreseen, would constitute a violation, the specific timber operation that is to be stopped, and any corrective or mitigative actions that may be required.

(e) The Department of Forestry and Fire Protection may terminate the stop order if the timber operator enters into a written agreement with the department assuring that the timber operator will resume operations in compliance with the provisions of Chapter 8 (commencing with Section 4511) of Part 2 of Division 4, and with the rules and regulations adopted pursuant to those provisions, and will correct any violation. The department may require a reasonable cash deposit or bond payable to the department as a condition of compliance with the agreement.

(f) Notice of the issuance of a stop order or an extension of a stop order shall be deemed to have been made to all persons working on the timber operation when a copy of the written order is delivered to the person in charge of operations at the time that the order is issued or, if no persons are present at that time, by posting a copy of the order conspicuously on the yarder or log loading equipment at a currently active landing on the timber operations site. If no person is present at the site when the order is issued, the issuing forest officer shall deliver a copy of the order to the timber operator either in person or to the operator's address of record prior to the commencement of the next working day.

(g) As used in this section, ''forest officer'' means a registered professional forester employed by the Department of Forestry and Fire Protection in a civil service classification of forester II or higher grade.

(h) (1) Failure of the timber operator or an employee of the timber operator, after receiving notice pursuant to this section, to comply with a validly issued stop order is a violation of this section and is a misdemeanor punishable by a fine of not less than five hundred dollars ($500), or by imprisonment for not more than one year in the county jail, or both. The person shall also be subject to civil damages to the state not to exceed ten thousand dollars ($10,000) for each misdemeanor violation. However, in all cases, the timber operator, and not an

employee of the operator or any other person, shall be charged with that violation. Each day or portion thereof that the violation continues shall constitute a new and separate offense.

(2) In determining the penalty for a timber operator guilty of violating a validly issued stop order, the court shall take into consideration all relevant circumstances, including, but not limited to, the following:

(A) The extent of harm to soil, water, or timber resources or to fish and wildlife habitat.

(B) Corrective action, if any, taken by the defendant.

(i) Nothing in this section prevents a timber operator from seeking an alternative writ as prescribed in Chapter 2 (commencing with Section 1084) of Title 1 of Part 3 of the Code of Civil Procedure, or as provided by any other provision of law.

(j) (1) If a timber operator believes that a forest officer lacked reasonable cause to issue or extend a stop order pursuant to this section, the timber operator may present a claim to the Victim Compensation and Government Claims Board pursuant to Part 3 (commencing with Section 900) of Division 3.6 of Title 1 of the Government Code for compensation and damages resulting from the stopping of timber operations.

(2) If the Victim Compensation and Government Claims Board finds that the forest officer lacked reasonable cause to issue or extend the stop order, the board shall award a sum of not less than one hundred dollars ($100), nor more than one thousand dollars ($1,000), per day for each day the order was in effect.

SEC. 3. Section 2 of this bill incorporates amendments to Section 5093.68 of the Public Resources Code proposed by both this bill and Senate Bill 904. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 5093.68 of the Public Resources Code, and (3) this bill is enacted after Senate Bill 904, in which case Section 1 of this bill shall not become operative.

CHAPTER 723

An act to add Section 715 to the Public Resources Code, relating to forest resources.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) Active military personnel and equipment are located in areas that can provide immediate fire response to assist local efforts during equipment shortages or widespread disasters.

(b) The Department of Forestry and Fire Protection provides valuable assistance in coordinating emergency air response efforts.

(c) It is necessary to ensure that all available personnel and equipment in this state are immediately available to protect the life and property of the residents of this state.

(d) It is the intent of the Legislature that the Department of Forestry and Fire Protection, in cooperation with the Office of Emergency Services, work with the active military to certify pilots and equipment for firefighting efforts in this state.

SEC. 2. Section 715 is added to the Public Resources Code, to read:

715. The Department of Forestry and Fire Protection, in cooperation with the Office of Emergency Services, shall develop a program to certify active duty military pilots to engage in firefighting in the state.

CHAPTER 724

An act to amend Sections 65583, 65583.1, 65589.5, and 65915 of, and to add Section 65583.2 to, the Government Code, relating to housing.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. Section 65583 of the Government Code is amended to read:

65583. The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, and mobilehomes, and shall make adequate provision for the existing and projected needs of all economic segments of the community. The element shall contain all of the following:

(a) An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. The assessment and inventory shall include all of the following:

(1) An analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected housing needs for all income levels. These existing and projected needs shall include the locality's share of the regional housing need in accordance with Section 65584.

(2) An analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition.

(3) An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites.

(4) An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels and for persons with disabilities as identified in the analysis pursuant to paragraph (6), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 and from meeting the need for housing for persons with disabilities identified pursuant to paragraph (6).

(5) An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction.

(6) An analysis of any special housing needs, such as those of the elderly, persons with disabilities, large families, farmworkers, families with female heads of households, and families and persons in need of emergency shelter.

(7) An analysis of opportunities for energy conservation with respect to residential development.

(8) An analysis of existing assisted housing developments that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use. ''Assisted housing developments,'' for the purpose of this section, shall mean multifamily rental housing that receives governmental assistance under federal programs listed in subdivision (a) of Section 65863.10, state and local multifamily revenue bond programs, local redevelopment programs, the federal Community

Development Block Grant Program, or local in-lieu fees. ''Assisted housing developments'' shall also include multifamily rental units that were developed pursuant to a local inclusionary housing program or used to qualify for a density bonus pursuant to Section 65916.

(A) The analysis shall include a listing of each development by project name and address, the type of governmental assistance received, the earliest possible date of change from low-income use and the total number of elderly and nonelderly units that could be lost from the locality's low-income housing stock in each year during the 10-year period. For purposes of state and federally funded projects, the analysis required by this subparagraph need only contain information available on a statewide basis.

(B) The analysis shall estimate the total cost of producing new rental housing that is comparable in size and rent levels, to replace the units that could change from low-income use, and an estimated cost of preserving the assisted housing developments. This cost analysis for replacement housing may be done aggregately for each five-year period and does not have to contain a project-by-project cost estimate.

(C) The analysis shall identify public and private nonprofit corporations known to the local government which have legal and managerial capacity to acquire and manage these housing developments.

(D) The analysis shall identify and consider the use of all federal, state, and local financing and subsidy programs which can be used to preserve, for lower income households, the assisted housing developments, identified in this paragraph, including, but not limited to, federal Community Development Block Grant Program funds, tax increment funds received by a redevelopment agency of the community, and administrative fees received by a housing authority operating within the community. In considering the use of these financing and subsidy programs, the analysis shall identify the amounts of funds under each available program which have not been legally obligated for other purposes and which could be available for use in preserving assisted housing developments.

(b) (1) A statement of the community's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing.

(2) It is recognized that the total housing needs identified pursuant to subdivision (a) may exceed available resources and the community's ability to satisfy this need within the content of the general plan requirements outlined in Article 5 (commencing with Section 65300). Under these circumstances, the quantified objectives need not be identical to the total housing needs. The quantified objectives shall establish the maximum number of housing units by income category that

can be constructed, rehabilitated, and conserved over a five-year time period.

(c) A program which sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available and the utilization of moneys in a low- and moderate-income housing fund of an agency if the locality has established a redevelopment project area pursuant to the Community Redevelopment Law (Division 24 (commencing with Section 33000) of the Health and Safety Code). In order to make adequate provision for the housing needs of all economic segments of the community, the program shall do all of the following:

(1) Identify actions that will be taken to make sites available during the planning period of the general plan with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, emergency shelters, and transitional housing.

(A) Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall identify sites that can be developed for housing within the planning period pursuant to subdivision (h) of Section 65583.2.

(B) Where the inventory of sites pursuant to paragraph (3) of subdivision (a) does not identify adequate sites to accommodate the need for farmworker housing, the program shall provide for sufficient sites to meet the need with zoning that permits farmworker housing use by right, including density and development standards that could accommodate and facilitate the feasibility of the development of farmworker housing for low- and very low income households.

(2) Assist in the development of adequate housing to meet the needs of low- and moderate-income households.

(3) Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and

housing for persons with disabilities. The program shall remove constraints to, or provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities.

(4) Conserve and improve the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or private action.

(5) Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability.

(6) (A) Preserve for lower income households the assisted housing developments identified pursuant to paragraph (8) of subdivision (a). The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (8) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance.

(B) The program shall include an identification of the agencies and officials responsible for the implementation of the various actions and the means by which consistency will be achieved with other general plan elements and community goals. The local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort.

(d) The analysis and program for preserving assisted housing developments required by the amendments to this section enacted by the Statutes of 1989 shall be adopted as an amendment to the housing element by July 1, 1992.

(e) Failure of the department to review and report its findings pursuant to Section 65585 to the local government between July 1, 1992, and the next periodic review and revision required by Section 65588, concerning the housing element amendment required by the amendments to this section by the Statutes of 1989, shall not be used as a basis for allocation or denial of any housing assistance administered pursuant to Part 2 (commencing with Section 50400) of Division 31 of the Health and Safety Code.

SEC. 2. Section 65583.1 of the Government Code is amended to read:

65583.1. (a) The Department of Housing and Community Development, in evaluating a proposed or adopted housing element for substantial compliance with this article, may allow a city or county to identify adequate sites, as required pursuant to Section 65583, by a variety of methods, including, but not limited to, redesignation of

property to a more intense land use category and increasing the density allowed within one or more categories. The department may also allow a city or county to identify sites for second units based on the number of second units developed in the prior housing element planning period whether or not the units are permitted by right, the need for these units in the community, the resources or incentives available for their development, and any other relevant factors, as determined by the department. Nothing in this section reduces the responsibility of a city or county to identify, by income category, the total number of sites for residential development as required by this article.

(b) Sites that contain permanent housing units located on a military base undergoing closure or conversion as a result of action pursuant to the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526), the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510), or any subsequent act requiring the closure or conversion of a military base may be identified as an adequate site if the housing element demonstrates that the housing units will be available for occupancy by households within the planning period of the element. No sites containing housing units scheduled or planned for demolition or conversion to nonresidential uses shall qualify as an adequate site.

Any city, city and county, or county using this subdivision shall address the progress in meeting this section in the reports provided pursuant to paragraph (1) of subdivision (b) of Section 65400.

(c) (1) The Department of Housing and Community Development may allow a city or county to substitute the provision of units for up to 25 percent of the community's obligation to identify adequate sites for any income category in its housing element pursuant to paragraph (1) of subdivision (c) of Section 65583 where the community includes in its housing element a program committing the local government to provide units in that income category within the city or county that will be made available through the provision of committed assistance during the planning period covered by the element to low- and very low income households at affordable housing costs or affordable rents, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, and which meet the requirements of paragraph (2). Except as otherwise provided in this subdivision, the community may substitute one dwelling unit for one dwelling unit site in the applicable income category. The program shall do all of the following:

(A) Identify the specific, existing sources of committed assistance and dedicate a specific portion of the funds from those sources to the provision of housing pursuant to this subdivision.

(B) Indicate the number of units that will be provided to both low- and very low income households and demonstrate that the amount of

dedicated funds is sufficient to develop the units at affordable housing costs or affordable rents.

(C) Demonstrate that the units meet the requirements of paragraph (2).

(2) Only units that comply with subparagraph (A), (B), or (C) qualify for inclusion in the housing element program described in paragraph (1), as follows:

(A) Units that are to be substantially rehabilitated with committed assistance from the city or county and constitute a net increase in the community's stock of housing affordable to low- and very low income households. For purposes of this subparagraph, a unit is not eligible to be "substantially rehabilitated" unless all of the following requirements are met:

(i) At the time the unit is identified for substantial rehabilitation, (I) the local government has determined that the unit is at imminent risk of loss to the housing stock, (II) the local government has committed to provide relocation assistance pursuant to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 to any occupants temporarily or permanently displaced by the rehabilitation or code enforcement activity, or the relocation is otherwise provided prior to displacement either as a condition of receivership, or provided by the property owner or the local government pursuant to Article 2.5 (commencing with Section 17975) of Chapter 5 of Part 1.5 of Division 13 of the Health and Safety Code, or as otherwise provided by local ordinance; provided the assistance includes not less than the equivalent of four months' rent and moving expenses and comparable replacement housing consistent with the moving expenses and comparable replacement housing required pursuant to Section 7260, (III) the local government requires that any displaced occupants will have the right to reoccupy the rehabilitated units, and (IV) the unit has been found by the local government or a court to be unfit for human habitation due to the existence of at least four violations of the conditions listed in subdivisions (a) to (g), inclusive, of Section 17995.3 of the Health and Safety Code.

(ii) The rehabilitated unit will have long-term affordability covenants and restrictions that require the unit to be available to, and occupied by, persons or families of low- or very low income at affordable housing costs for at least 20 years or the time period required by any applicable federal or state law or regulation.

(iii) Prior to initial occupancy after rehabilitation, the local code enforcement agency shall issue a certificate of occupancy indicating compliance with all applicable state and local building code and health and safety code requirements.

(B) Units that are located in a multifamily rental housing complex of four or more units, are converted with committed assistance from the

city or county from nonaffordable to affordable by acquisition of the unit or the purchase of affordability covenants and restrictions for the unit, are not acquired by eminent domain, and constitute a net increase in the community's stock of housing affordable to low- and very low income households. For purposes of this subparagraph, a unit is not converted by acquisition or the purchase of affordability covenants unless all of the following occur:

(i) The unit is made available at a cost affordable to low- or very low income households.

(ii) At the time the unit is identified for acquisition, the unit is not available at an affordable housing cost to either of the following:

(I) Low-income households, if the unit will be made affordable to low-income households.

(II) Very low income households, if the unit will be made affordable to very low income households.

(iii) At the time the unit is identified for acquisition the unit is not occupied by low- or very low income households or if the acquired unit is occupied, the local government has committed to provide relocation assistance prior to displacement, if any, pursuant to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 to any occupants displaced by the conversion, or the relocation is otherwise provided prior to displacement; provided the assistance includes not less than the equivalent of four months rent and moving expenses and comparable replacement housing consistent with the moving expenses and comparable replacement housing required pursuant to Section 7260.

(iv) The unit is in decent, safe, and sanitary condition at the time of occupancy.

(v) The unit has long-term affordability covenants and restrictions that require the unit to be affordable to persons of low- or very low income for not less than 55 years.

(C) Units that will be preserved at affordable housing costs to persons or families of low- or very low incomes with committed assistance from the city or county by acquisition of the unit or the purchase of affordability covenants for the unit. For purposes of this subparagraph, a unit shall not be deemed preserved unless all of the following occur:

(i) The unit has long-term affordability covenants and restrictions that require the unit to be affordable to and reserved for occupancy by persons of the same or lower income group as the current occupants for a period of at least 40 years.

(ii) The unit is multifamily rental housing that receives governmental assistance under any of the following state and federal programs: Section 221(d)(3) of the National Housing Act (12 U.S.C. Sec. 1715*l*(d)(3) and (5)); Section 236 of the National Housing Act (12 U.S.C. Sec. 1715z-1); Section 202 of the Housing Act of 1959 (12 U.S.C. Sec. 1701q); for rent

supplement assistance under Section 101 of the Housing and Urban Development Act of 1965, as amended (12 U.S.C. Sec. 1701s); under Section 515 of the Housing Act of 1949, as amended (42 U.S.C. Sec. 1485); and any new construction, substantial rehabilitation, moderate rehabilitation, property disposition, and loan management set-aside programs, or any other program providing project-based assistance, under Section 8 of the United States Housing Act of 1937, as amended (42 U.S.C. Sec. 1437f); any state and local multifamily revenue bond programs; local redevelopment programs; the federal Community Development Block Grant Program; and other local housing assistance programs or units that were used to qualify for a density bonus pursuant to Section 65916.

(iii) The city or county finds, after a public hearing, that the unit is eligible, and is reasonably expected, to change from housing affordable to low- and very low income households to any other use during the next five years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use.

(iv) The unit is in decent, safe, and sanitary condition at the time of occupancy.

(v) At the time the unit is identified for preservation it is available at affordable cost to persons or families of low- or very low income.

(3) This subdivision does not apply to any city or county that, during the current or immediately prior planning period, as defined by Section 65588, has not met any of its share of the regional need for affordable housing, as defined in Section 65584, for low- and very low income households. A city or county shall document for any such housing unit that a building permit has been issued and all development and permit fees have been paid or the unit is eligible to be lawfully occupied.

(4) For purposes of this subdivision, ''committed assistance'' means that the city or county enters into a legally enforceable agreement during the first two years of the housing element planning period that obligates sufficient available funds to provide the assistance necessary to make the identified units affordable and that requires that the units be made available for occupancy within two years of the execution of the agreement. ''Committed assistance'' does not include tenant-based rental assistance.

(5) For purposes of this subdivision, ''net increase'' includes only housing units provided committed assistance pursuant to subparagraph (A) or (B) of paragraph (2) in the current planning period, as defined in Section 65588, that were not provided committed assistance in the immediately prior planning period.

(6) For purposes of this subdivision, ''the time the unit is identified'' means the earliest time when any city or county agent, acting on behalf of a public entity, has proposed in writing or has proposed orally or in

writing to the property owner, that the unit be considered for substantial rehabilitation, acquisition, or preservation.

(7) On July 1 of the third year of the planning period, as defined by Section 65588, in the report required pursuant to Section 65400, each city or county that has included in its housing element a program to provide units pursuant to subparagraph (A), (B), or (C) of paragraph (2) shall report in writing to the legislative body, and to the department within 30 days of making its report to the legislative body, on its progress in providing units pursuant to this subdivision. The report shall identify the specific units for which committed assistance has been provided or which have been made available to low- and very low income households, and it shall adequately document how each unit complies with this subdivision. If, by July 1 of the third year of the planning period, the city or county has not entered into an enforceable agreement of committed assistance for all units specified in the programs adopted pursuant to subparagraph (A), (B), or (C) of paragraph (2), the city or county shall, not later than July 1 of the fourth year of the planning period, adopt an amended housing element in accordance with Section 65585, identifying additional adequate sites pursuant to paragraph (1) of subdivision (c) of Section 65583 sufficient to accommodate the number of units for which committed assistance was not provided. If a city or county does not amend its housing element to identify adequate sites to address any shortfall, or fails to complete the rehabilitation, acquisition, purchase of affordability covenants, or the preservation of any housing unit within two years after committed assistance was provided to that unit, it shall be prohibited from identifying units pursuant to subparagraph (A), (B), or (C) of paragraph (2) in the housing element that it adopts for the next planning period, as defined in Section 65588, above the number of units actually provided or preserved due to committed assistance.

SEC. 3. Section 65583.2 is added to the Government Code, to read:

65583.2. (a) A city's or county's inventory of land suitable for residential development pursuant to paragraph (3) of subdivision (a) of Section 65583 shall be used to identify sites that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels pursuant to Section 65584. As used in this section, ''land suitable for residential development'' includes all of the following:

(1) Vacant sites zoned for residential use.

(2) Vacant sites zoned for nonresidential use that allows residential development.

(3) Residentially zoned sites that are capable of being developed at a higher density.

(4) Sites zoned for nonresidential use that can be redeveloped for, and as necessary, rezoned for, residential use.

(b) The inventory of land shall include all of the following:

(1) A listing of properties by parcel number or other unique reference.

(2) The size of each property listed pursuant to paragraph (1), and the general plan designation and zoning of each property.

(3) For nonvacant sites, a description of the existing use of each property.

(4) A general description of any environmental constraints to the development of housing within the jurisdiction, the documentation for which has been made available to the jurisdiction. This information need not be identified on a site-specific basis.

(5) A general description of existing or planned water, sewer, and other dry utilities supply, including the availability and access to distribution facilities. This information need not be identified on a site-specific basis.

(6) Sites identified as available for housing for above-moderate income households in areas not served by public sewer systems. This information need not be identified on a site-specific basis.

(7) A map that shows the location of the sites included in the inventory, such as the land use map from the jurisdiction's general plan for reference purposes only.

(c) Based on the information provided in subdivision (b), a city or county shall determine whether each site in the inventory can accommodate some portion of its share of the regional housing need by income level during the planning period, as determined pursuant to Section 65584. The analysis shall determine whether the inventory can provide for a variety of types of housing, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, emergency shelters, and transitional housing. The city or county shall determine the number of housing units that can be accommodated on each site as follows:

(1) If local law or regulations require the development of a site at a minimum density, the department shall accept the planning agency's calculation of the total housing unit capacity on that site based on the established minimum density. If the city or county does not adopt a law or regulations requiring the development of a site at a minimum density, then it shall demonstrate how the number of units determined for that site pursuant to this subdivision will be accommodated.

(2) The number of units calculated pursuant to paragraph (1) shall be adjusted as necessary, based on the land use controls and site improvements requirement identified in paragraph (4) of subdivision (a) of Section 65583.

(3) For the number of units calculated to accommodate its share of the regional housing need for lower income households pursuant to paragraph (2), a city or county shall do either of the following:

(A) Provide an analysis demonstrating how the adopted densities accommodate this need. The analysis shall include, but is not limited to, factors such as market demand, financial feasibility, or information based on development project experience within a zone or zones that provide housing for lower income households.

(B) The following densities shall be deemed appropriate to accommodate housing for lower income households:

(i) For incorporated cities within nonmetropolitan counties and for nonmetropolitan counties that have micropolitan areas: sites allowing at least 15 units per acre.

(ii) For unincorporated areas in all nonmetropolitan counties not included in clause (i): sites allowing at least 10 units per acre.

(iii) For suburban jurisdictions: sites allowing at least 20 units per acre.

(iv) For jurisdictions in metropolitan counties: sites allowing at least 30 units per acre.

(d) For purposes of this section, metropolitan counties, nonmetropolitan counties, and nonmetropolitan counties with micropolitan areas are as determined by the United States Census Bureau. Nonmetropolitan counties with micropolitan areas include the following counties: Del Norte, Humboldt, Lake Mendocino, Nevada, Tehama, and Tuolumne and such other counties as may be determined by the United States Census Bureau to be nonmetropolitan counties with micropolitan areas in the future.

(e) A jurisdiction is considered suburban if the jurisdiction does not meet the requirements of clauses (i) and (ii) of subparagraph (B) of paragraph (3) of subdivision (c) and is located in a Metropolitan Statistical Area (MSA) of less than 2,000,000 in population, unless that jurisdiction's population is greater than 100,000, in which case it is considered metropolitan. Counties, not including the City and County of San Francisco, will be considered suburban unless they are in a MSA of 2,000,000 or greater in population in which case they are considered metropolitan.

(f) A jurisdiction is considered metropolitan if the jurisdiction does not meet the requirements for ''suburban area'' above and is located in a MSA of 2,000,000 or greater in population, unless that jurisdiction's population is less than 25,000 in which case it is considered suburban.

(g) For sites described in paragraph (3) of subdivision (b) the city or county shall specify the additional development potential for each site within the planning period and shall provide an explanation of the methodology used to determine the development potential. The

methodology shall consider factors including the extent to which existing uses may constitute an impediment to additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites.

(h) The program required by subparagraph (A) of paragraph (1) of subdivision (c) of Section 65583 shall accommodate 100 percent of the need for housing for very low and low-income households allocated pursuant to Section 65584 for which site capacity has not been identified in the inventory of sites pursuant to paragraph (3) of subdivision (a) on sites that shall be zoned to permit owner-occupied and rental multifamily residential use by right during the planning period. These sites shall be zoned with minimum density and development standards that permit at least 16 units per site at a density of at least 16 units per acre in jurisdictions described in clause (i) of subparagraph (B) of paragraph (3) of subdivision (c) and at least 20 units per acre in jurisdictions described in clauses (iii) and (iv) of subparagraph (B) of paragraph (3) of subdivision (c). At least 50 percent of the very low and low-income housing need shall be accommodated on sites designated for residential use and for which nonresidential uses or mixed-uses are not permitted.

(i) For purposes of this section and Section 65583, the phrase ''use by right'' shall mean that the local government's review of the owner-occupied or multifamily residential use may not require a conditional use permit, planned unit development permit, or other discretionary local government review or approval that would constitute a ''project'' for purposes of Division 13 (commencing with Section 21100) of the Public Resources Code. Any subdivision of the sites shall be subject to all laws, including, but not limited to, the local government ordinance implementing the Subdivision Map Act. A local ordinance may provide that ''use by right'' does not exempt the use from design review. However, that design review shall not constitute a ''project'' for purposes of Division 13 (commencing with Section 21100) of the Public Resources Code. Use by right for all rental multifamily residential housing shall be provided in accordance with subdivision (f) of Section 65589.5.

SEC. 4. Section 65589.5 of the Government Code is amended to read:

65589.5. (a) The Legislature finds and declares all of the following:

(1) The lack of housing is a critical problem that threatens the economic, environmental, and social quality of life in California.

(2) California housing has become the most expensive in the nation. The excessive cost of the state's housing supply is partially caused by activities and policies of many local governments that limit the approval

of housing, increase the cost of land for housing, and require that high fees and exactions be paid by producers of housing.

(3) Among the consequences of those actions are discrimination against low-income and minority households, lack of housing to support employment growth, imbalance in jobs and housing, reduced mobility, urban sprawl, excessive commuting, and air quality deterioration.

(4) Many local governments do not give adequate attention to the economic, environmental, and social costs of decisions that result in disapproval of housing projects, reduction in density of housing projects, and excessive standards for housing projects.

(b) It is the policy of the state that a local government not reject or make infeasible housing developments that contribute to meeting the housing need determined pursuant to this article without a thorough analysis of the economic, social, and environmental effects of the action and without complying with subdivision (d).

(c) The Legislature also recognizes that premature and unnecessary development of agricultural lands for urban uses continues to have adverse effects on the availability of those lands for food and fiber production and on the economy of the state. Furthermore, it is the policy of the state that development should be guided away from prime agricultural lands; therefore, in implementing this section, local jurisdictions should encourage, to the maximum extent practicable, in filling existing urban areas.

(d) A local agency shall not disapprove a housing development project, including farmworker housing as defined in subdivision (d) of Section 50199.50 of the Health and Safety Code, for very low, low- or moderate-income households or condition approval, including through the use of design review standards, in a manner that renders the project infeasible for development for the use of very low, low- or moderate-income households unless it makes written findings, based upon substantial evidence in the record, as to one of the following:

(1) The jurisdiction has adopted a housing element pursuant to this article that has been revised in accordance with Section 65588 and that is in substantial compliance with this article, and the development project is not needed for the jurisdiction to meet its share of the regional housing need for very low, low-, or moderate-income housing.

(2) The development project as proposed would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households. As used in this paragraph, a ''specific, adverse impact'' means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health

or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

(3) The denial of the project or imposition of conditions is required in order to comply with specific state or federal law, and there is no feasible method to comply without rendering the development unaffordable to low- and moderate-income households.

(4) The development project is proposed on land zoned for agriculture or resource preservation that is surrounded on at least two sides by land being used for agricultural or resource preservation purposes, or which does not have adequate water or wastewater facilities to serve the project.

(5) The development project is inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation as specified in any element of the general plan as it existed on the date the application was deemed complete, and the jurisdiction has adopted a housing element in substantial compliance with this article. This subdivision cannot be utilized to disapprove a housing development project defined in subdivision (a) if the development project is proposed on a site that is identified for very low, low-, or moderate-income households in the jurisdiction's housing element, and consistent with the density specified in the housing element, even though it is inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation.

(e) Nothing in this section shall be construed to relieve the local agency from complying with the Congestion Management Program required by Chapter 2.6 (commencing with Section 65088) of Division 1 of Title 7 or the California Coastal Act (Division 20 (commencing with Section 30000) of the Public Resources Code). Neither shall anything in this section be construed to relieve the local agency from making one or more of the findings required pursuant to Section 21081 of the Public Resources Code or otherwise complying with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(f) Nothing in this section shall be construed to prohibit a local agency from requiring the development project to comply with objective, quantifiable, written development standards, conditions, and policies appropriate to, and consistent with, meeting the jurisdiction's share of the regional housing need pursuant to Section 65584. However, the development standards, conditions, and policies shall be applied to facilitate and accommodate development at the density permitted on the site and proposed by the development project. Nothing in this section shall be construed to prohibit a local agency from imposing fees and other exactions otherwise authorized by law that are essential to provide necessary public services and facilities to the development project.

(g) This section shall be applicable to charter cities because the Legislature finds that the lack of housing is a critical statewide problem.

(h) The following definitions apply for the purposes of this section:

(1) ''Feasible'' means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

(2) ''Housing development project'' means a use consisting of either of the following:

(A) Residential units only.

(B) Mixed-use developments consisting of residential and nonresidential uses in which nonresidential uses are limited to neighborhood commercial uses and to the first floor of buildings that are two or more stories. As used in this paragraph, ''neighborhood commercial'' means small-scale general or specialty stores that furnish goods and services primarily to residents of the neighborhood.

(3) ''Housing for very low, low-, or moderate-income households'' means that either (A) at least 20 percent of the total units shall be sold or rented to lower income households, as defined in Section 50079.5 of the Health and Safety Code, or (B) 100 percent of the units shall be sold or rented to moderate-income households as defined in Section 50093 of the Health and Safety Code, or middle-income households, as defined in Section 65008 of this code. Housing units targeted for lower income households shall be made available at a monthly housing cost that does not exceed 30 percent of 60 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the lower income eligibility limits are based. Housing units targeted for persons and families of moderate income shall be made available at a monthly housing cost that does not exceed 30 percent of 100 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the moderate income eligibility limits are based.

(4) ''Area median income'' means area median income as periodically established by the Department of Housing and Community Development pursuant to Section 50093 of the Health and Safety Code. The developer shall provide sufficient legal commitments to ensure continued availability of units for very low or low-income households in accordance with the provisions of this subdivision for 30 years.

(5) ''Neighborhood'' means a planning area commonly identified as such in a community's planning documents, and identified as a neighborhood by the individuals residing and working within the neighborhood. Documentation demonstrating that the area meets the definition of neighborhood may include a map prepared for planning purposes which lists the name and boundaries of the neighborhood.

(6) ''Disapprove the development project'' includes any instance in which a local agency does either of the following:

(A) Votes on a proposed housing development project application and the application is disapproved.

(B) Fails to comply with the time periods specified in subparagraph (B) of paragraph (1) of subdivision (a) of Section 65950. An extension of time pursuant to Article 5 (commencing with Section 65950) shall be deemed to be an extension of time pursuant to this paragraph.

(i) If any city, county, or city and county denies approval or imposes restrictions, including design changes, a reduction of allowable densities or the percentage of a lot that may be occupied by a building or structure under the applicable planning and zoning in force at the time the application is deemed complete pursuant to Section 65943, that have a substantial adverse effect on the viability or affordability of a housing development for very low, low-, or moderate-income households, and the denial of the development or the imposition of restrictions on the development is the subject of a court action which challenges the denial, then the burden of proof shall be on the local legislative body to show that its decision is consistent with the findings as described in subdivision (d) and that the findings are supported by substantial evidence in the record.

(j) When a proposed housing development project complies with applicable, objective general plan and zoning standards and criteria, including design review standards, in effect at the time that the housing development project's application is determined to be complete, but the local agency proposes to disapprove the project or to approve it upon the condition that the project be developed at a lower density, the local agency shall base its decision regarding the proposed housing development project upon written findings supported by substantial evidence on the record that both of the following conditions exist:

(1) The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density. As used in this paragraph, a ''specific, adverse impact'' means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

(2) There is no feasible method to satisfactorily mitigate or avoid the adverse impact identified pursuant to paragraph (1), other than the disapproval of the housing development project or the approval of the project upon the condition that it be developed at a lower density.

(k) If in any action brought to enforce the provisions of this section, a court finds that the local agency disapproved a project or conditioned

its approval in a manner rendering it infeasible for the development of housing for very low, low-, or moderate-income households, including farmworker housing, without making the findings required by this section or without making sufficient findings supported by substantial evidence, the court shall issue an order or judgment compelling compliance with this section within 60 days, including, but not limited to, an order that the local agency take action on the development project. The court shall retain jurisdiction to ensure that its order or judgment is carried out and shall award reasonable attorney's fees and costs of suit to the plaintiff or petitioner who proposed the housing development, except under extraordinary circumstances in which the court finds that awarding fees would not further the purposes of this section. If the court determines that its order or judgment has not been carried out within 60 days, the court may issue further orders as provided by law to ensure that the purposes and policies of this section are fulfilled.

(*l*) In any action, the record of the proceedings before the local agency shall be filed as expeditiously as possible and, notwithstanding Section 1094.6 of the Code of Civil Procedure, all or part of the record may be filed (1) by the petitioner with the petition or petitioner's points and authorities, (2) by the respondent with respondent's points and authorities, (3) after payment of costs by the petitioner, or (4) as otherwise directed by the court. If the expense of preparing the record has been borne by the petitioner and the petitioner is the prevailing party, the expense shall be taxable as costs.

SEC. 5. Section 65915 of the Government Code is amended to read:

65915. (a) When an applicant proposes a housing development within the jurisdiction of a city, county, or city and county, that local government shall provide the applicant incentives or concessions for the production of housing units and child care facilities as prescribed in this chapter. All cities, counties, or cities and counties shall adopt an ordinance that specifies how compliance with this section will be implemented.

(b) A city, county, or city and county shall either grant a density bonus and at least one of the concessions or incentives identified in subdivision (k), or provide other incentives or concessions of equivalent financial value based upon the land cost per dwelling unit, when the applicant for the housing development agrees or proposes to construct at least any one of the following:

(1) Twenty percent of the total units of a housing development for lower income households, as defined in Section 50079.5 of the Health and Safety Code.

(2) Ten percent of the total units of a housing development for very low income households, as defined in Section 50105 of the Health and Safety Code.

(3) Fifty percent of the total dwelling units of a housing development for qualifying residents, as defined in Section 51.3 of the Civil Code.

(4) Twenty percent of the total dwelling units in a condominium project as defined in subdivision (f) of Section 1351 of the Civil Code, for persons and families of moderate income, as defined in Section 50093 of the Health and Safety Code.

The city, county, or city and county shall grant the additional concession or incentive required by this subdivision unless the city, county, or city and county makes a written finding, based upon substantial evidence, that the additional concession or incentive is not required in order to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in subdivision (c).

(c) (1) An applicant shall agree to, and the city, county, or city and county shall ensure, continued affordability of all lower income density bonus units for 30 years or a longer period of time if required by the construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program. Those units targeted for lower income households, as defined in Section 50079.5 of the Health and Safety Code, shall be affordable at a rent that does not exceed 30 percent of 60 percent of area median income. Those units targeted for very low income households, as defined in Section 50105 of the Health and Safety Code, shall be affordable at a rent that does not exceed 30 percent of 50 percent of area median income.

(2) An applicant shall agree to, and the city, county, or city and county shall ensure, continued affordability of the moderate-income units that are directly related to the receipt of the density bonus for 10 years if the housing is in a condominium project as defined in subdivision (f) of Section 1351 of the Civil Code.

(d) An applicant may submit to a city, county, or city and county a proposal for the specific incentives or concessions that the applicant requests pursuant to this section, and may request a meeting with the city, county, or city and county. The city, county, or city and county shall grant the concession or incentive requested by the applicant unless the city, county, or city and county makes a written finding, based upon substantial evidence, of either of the following:

(1) The concession or incentive is not required in order to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in subdivision (c).

(2) The concession or incentive would have a specific adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon public health and safety or the physical environment or on any real property that is listed in the California Register of Historical

Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households.

The applicant may initiate judicial proceedings if the city, county, or city and county refuses to grant a requested density bonus, incentive, or concession. If a court finds that the refusal to grant a requested density bonus, incentive, or concession is in violation of this section, the court shall award the plaintiff reasonable attorney's fees and costs of suit. Nothing in this subdivision shall be interpreted to require a local government to grant an incentive or concession that has a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon health, safety, or the physical environment, and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact. Nothing in this subdivision shall be interpreted to require a local government to grant an incentive or concession that would have an adverse impact on any real property that is listed in the California Register of Historical Resources. The city, county, or city and county shall establish procedures for carrying out this section, that shall include legislative body approval of the means of compliance with this section. The city, county, or city and county shall also establish procedures for waiving or modifying development and zoning standards that would otherwise inhibit the utilization of the density bonus on specific sites. These procedures shall include, but not be limited to, such items as minimum lot size, side yard setbacks, and placement of public works improvements.

(e) In no case may a city, county, or city and county apply any development standard that will have the effect of precluding the construction of a development meeting the criteria of subdivision (b) at the densities or with the concessions or incentives permitted by this section. An applicant may submit to a city, county, or city and county a proposal for the waiver or reduction of development standards and may request a meeting with the city, county, or city and county. If a court finds that the refusal to grant a waiver or reduction of development standards is in violation of this section, the court shall award the plaintiff reasonable attorney's fees and costs of suit. Nothing in this subdivision shall be interpreted to require a local government to waive or reduce development standards if the waiver or reduction would have a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon health, safety, or the physical environment, and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact. Nothing in this subdivision shall be interpreted to require a local government to waive or reduce development standards that would have an adverse impact on any real property that is listed in the California Register of Historical Resources.

(f) The applicant shall show that the waiver or modification is necessary to make the housing units economically feasible.

(g) (1) For the purposes of this chapter, except as provided in paragraph (2), ''density bonus'' means a density increase of at least 25 percent, unless a lesser percentage is elected by the applicant, over the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan as of the date of application by the applicant to the city, county, or city and county. All density calculations resulting in fractional units shall be rounded up to the next whole number. The granting of a density bonus shall not be interpreted, in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, or other discretionary approval. The density bonus shall not be included when determining the number of housing units which is equal to 10, 20, or 50 percent of the total. The density bonus shall apply to housing developments consisting of five or more dwelling units.

(2) For the purposes of this chapter, if a development does not meet the requirements of paragraph (1), (2), or (3) of subdivision (b), but the applicant agrees or proposes to construct a condominium project as defined in subdivision (f) of Section 1351 of the Civil Code, in which at least 20 percent of the total dwelling units are reserved for persons and families of moderate income, as defined in Section 50093 of the Health and Safety Code, a ''density bonus'' of at least 10 percent shall be granted, unless a lesser percentage is elected by the applicant, over the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan as of the date of application by the applicant to the city, county, or city and county. All density calculations resulting in fractional units shall be rounded up to the next whole number. The granting of a density bonus shall not be interpreted, in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, or other discretionary approval. The density bonus shall not be included when determining the number of housing units which is equal to 20 percent of the total. The density bonus shall apply to housing developments consisting of five or more dwelling units.

(h) (1) When an applicant proposes to construct a housing development that conforms to the requirements of subdivision (b) and includes a child care facility that will be located on the premises of, as part of, or adjacent to, the project, the city, county, or city and county shall grant either of the following:

(A) An additional density bonus that is an amount of square feet of residential space that is equal to or greater than the amount of square feet in the child care facility.

(B) An additional concession or incentive that contributes significantly to the economic feasibility of the construction of the child care facility.

(2) The city, county, or city and county shall require, as a condition of approving the housing development, that the following occur:

(A) The child care facility shall remain in operation for a period of time that is as long as or longer than the period of time during which the density bonus units are required to remain affordable pursuant to subdivision (c).

(B) Of the children who attend the child care facility, the children of very low income households, lower income households, or families of moderate income shall equal a percentage that is equal to or greater than the percentage of dwelling units that are required for very low income households, lower income households, or families of moderate income pursuant to subdivision (b).

(3) Notwithstanding any requirement of this subdivision, a city, county, or a city and county shall not be required to provide a density bonus or concession for a child care facility if it finds, based upon substantial evidence, that the community has adequate child care facilities.

(4) ''Child care facility,'' as used in this section, means a child day care facility other than a family day care home, including, but not limited to, infant centers, preschools, extended day care facilities, and schoolage child care centers.

(i) ''Housing development,'' as used in this section, means one or more groups of projects for residential units constructed in the planned development of a city, county, or city and county. For the purposes of this section, ''housing development'' also includes either (1) a project to substantially rehabilitate and convert an existing commercial building to residential use, or (2) the substantial rehabilitation of an existing multifamily dwelling, as defined in subdivision (d) of Section 65863.4, where the result of the rehabilitation would be a net increase in available residential units. For the purpose of calculating a density bonus, the residential units do not have to be based upon individual subdivision maps or parcels. The density bonus shall be permitted in geographic areas of the housing development other than the areas where the units for the lower income households are located.

(j) The granting of a concession or incentive shall not be interpreted, in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, or other discretionary approval. This provision is declaratory of existing law.

(k) For the purposes of this chapter, concession or incentive means any of the following:

(1) A reduction in site development standards or a modification of zoning code requirements or architectural design requirements that exceed the minimum building standards approved by the California Building Standards Commission as provided in Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code, including, but not limited to, a reduction in setback and square footage requirements and in the ratio of vehicular parking spaces that would otherwise be required.

(2) Approval of mixed use zoning in conjunction with the housing project if commercial, office, industrial, or other land uses will reduce the cost of the housing development and if the commercial, office, industrial, or other land uses are compatible with the housing project and the existing or planned development in the area where the proposed housing project will be located.

(3) Other regulatory incentives or concessions proposed by the developer or the city, county, or city and county that result in identifiable and actual cost reductions.

This subdivision does not limit or require the provision of direct financial incentives for the housing development, including the provision of publicly owned land, by the city, county, or city and county, or the waiver of fees or dedication requirements.

(*l*) If an applicant agrees to construct both 20 percent of the total units for lower income households and 10 percent of the total units for very low income households, the developer is entitled to only one density bonus and at least one additional concession or incentive identified in Section 65913.4 under this section although the city, county, or city and county may, at its discretion, grant more than one density bonus.

(m) Nothing in this section shall be construed to supersede or in any way alter or lessen the effect or application of the California Coastal Act (Division 20 (commencing with Section 30000) of the Public Resources Code).

(n) A local agency may charge a fee to reimburse it for costs it incurs as a result of amendments to this section enacted during the 2001–02 Regular Session of the Legislature.

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

(1) ''Development standard'' means any ordinance, general plan element, specific plan, charter amendment, or other local condition, law, policy, resolution, or regulation.

(2) ''Maximum allowable residential density'' means the density allowed under the zoning ordinance, or if a range of density is permitted, means the maximum allowable density for the specific zoning range applicable to the project.

(p) (1) Upon the request of the developer, no city, county, or city and county shall require a vehicular parking ratio, inclusive of handicapped

and guest parking, of a development meeting the criteria of subdivision (b), that exceeds the following ratios:

(A) Zero to one bedrooms: one onsite parking space.

(B) Two to three bedrooms: two onsite parking spaces.

(C) Four and more bedrooms: two and one-half parking spaces.

(2) If the total number of parking spaces required for a development is other than a whole number, the number shall be rounded up to the next whole number. For purposes of this subdivision, a development may provide ''onsite parking'' through tandem parking or uncovered parking, but not through on-street parking.

(3) This subdivision shall apply to a development meeting the requirements of subdivision (b) and only at the request of the applicant. An applicant may request additional parking incentives or concessions beyond those provided in this section, subject to subdivision (d).

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.

SEC. 7. This act shall become operative only if Assembly Bill 2158 of the 2003–04 Regular Session is enacted and becomes operative.

CHAPTER 725

An act to amend Sections 5205.5 and 21655.9 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. Section 5205.5 of the Vehicle Code is amended to read:

5205.5. (a) For the purposes of implementing Section 21655.9, the department shall make available for issuance, for a fee determined by the department to be sufficient to reimburse the department for the actual costs incurred pursuant to this section, distinctive decals, labels, and other identifiers that clearly distinguish the following vehicles from other vehicles:

(1) A vehicle that meets California's super ultra-low emission vehicle (SULEV) standard for exhaust emissions and the federal inherently low-emission vehicle (ILEV) evaporative emission standard, as defined in Part 88 (commencing with Section 88.101-94) of Title 40 of the Code of Federal Regulations.

(2) A vehicle that was produced during the 2004 model year or earlier and meets California ultra-low emission vehicle (ULEV) standard for exhaust emissions and the federal ILEV standard.

(3) A hybrid vehicle or an alternative fuel vehicle that meets California's advanced technology partial zero-emission vehicle (AT PZEV) standard for criteria pollutant emissions and has a 45 miles per gallon or greater fuel economy highway rating.

(4) A hybrid vehicle that was produced during the 2004 model year or earlier and has a 45 miles per gallon or greater fuel economy highway rating, and meets California's ultra-low emission vehicle (ULEV), super ultra-low emission vehicle (SULEV), or partial zero-emission vehicle (PZEV) standards.

(b) Neither an owner of a hybrid vehicle that meets the AT PZEV standard, with the exception of a vehicle that meets the federal ILEV standard, nor an owner of a hybrid vehicle described in paragraph (4) of subdivision (a), is entitled to a decal, label, or other identifier pursuant to this section unless, and until, the federal government acts to approve the use of high-occupancy vehicle lanes by vehicles of the types identified in paragraph (3) or (4) of subdivision (a), regardless of the number of occupants.

(c) The department shall include a summary of the provisions of this section on each motor vehicle registration renewal notice, or on a separate insert, if space is available and the summary can be included without incurring additional printing or postage costs.

(d) The Department of Transportation shall remove individual high-occupancy vehicle (HOV) lanes, or portions of those lanes, during periods of peak congestion from the access provisions provided in subdivision (a), following a finding by the Department of Transportation as follows:

(1) The lane, or portion thereof, exceeds a level of service C, as discussed in subdivision (b) of Section 65089 of the Government Code.

(2) The operation or projected operation of the vehicles described in subdivision (a) in these lanes, or portions thereof, will significantly increase congestion.

The finding also shall demonstrate the infeasibility of alleviating the congestion by other means, including, but not limited to, reducing the use of the lane by noneligible vehicles, or further increasing vehicle occupancy.

(e) The State Air Resources Board shall publish and maintain a listing of all vehicles eligible for participation in the programs described in this section. The board shall provide that listing to the department.

(f) For purposes of subdivision (a), the Department of the California Highway Patrol and the department, in consultation with the Department of Transportation, shall design and specify the placement of the decal, label, or other identifier on the vehicle. Each decal, label, or other identifier issued for a vehicle shall display a unique number, which number shall be printed on, or affixed to, the vehicle registration.

(g) (1) For purposes of subdivision (a), the department shall issue no more than 75,000 distinctive decals, labels, or other identifiers that clearly distinguish the vehicles specified in paragraphs (3) and (4) of subdivision (a).

(2) The department shall notify the Department of Transportation immediately after the date on which the department has issued 50,000 decals, labels, and other identifiers under this section for the vehicles described in paragraphs (3) and (4) of subdivision (a).

(3) The Department of Transportation shall determine whether significant high-occupancy vehicle lane breakdown has occurred throughout the state, in accordance with the following timeline:

(A) For lanes that are nearing capacity, the Department of Transportation shall make the determination not later than 90 days after the date provided by the department under paragraph (2).

(B) For lanes that are not nearing capacity, the Department of Transportation shall make the determination not later than 180 days after the date provided by the department under paragraph (2).

(4) In making the determination that significant high-occupancy vehicle lane breakdown has occurred, the Department of Transportation shall consider the following factors in the HOV lane:

(A) Reduction in level of service.

(B) Sustained stop-and-go conditions.

(C) Slower than average speed than the adjacent mixed flow lanes.

(D) Consistent increase in travel time.

(5) After making the determinations pursuant to subparagraphs (A) and (B) of paragraph (3), if the Department of Transportation determines that significant high-occupancy vehicle lane breakdown has occurred throughout the state, the Department of Transportation shall immediately notify the department of that determination, and the department, on the date of receiving that notification, shall discontinue issuing the decals, labels, or other identifiers for the vehicles described in paragraphs (3) and (4) of subdivision (a).

(h) If the Metropolitan Transportation Commission, serving as the Bay Area Toll Authority, grants toll-free and reduced-rate passage on toll bridges under its jurisdiction to any vehicle pursuant to Section 30102.5

of the Streets and Highways Code, it shall also grant the same toll-free and reduced-rate passage to a vehicle displaying an identifier issued by the department pursuant to paragraph (1) or (2) of subdivision (a) and to a vehicle displaying a valid identifier issued by the department pursuant to paragraph (3) or (4) of subdivision (a) if either of the following apply:

(1) The vehicle is registered to an address outside of the region identified in Section 66502 of the Government Code.

(2) If the vehicle is registered to an address inside the region, the owner of the vehicle complies with subdivision (i) unless subdivision (j) is applicable..

(i) An owner of a vehicle specified in paragraph (3) or (4) of subdivision (a) whose vehicle is registered to an address in the region identified in Section 66502 of the Government Code and who seeks a vehicle identifier under subdivision (a) shall obtain an account to operate within the automatic vehicle identification system described in Section 27565 of the Streets and Highways Code and shall submit to the department a form, approved by the department and issued by the Bay Area Toll Authority, that contains the vehicle owner's name, the license plate number and vehicle identification number of the vehicle, the vehicle make and year model, and the automatic vehicle identification system account number, as a condition to obtaining a vehicle identifier pursuant to subdivision (a) that allows for the use of that vehicle in high-occupancy vehicle lanes regardless of the number of occupants.

(j) If the automatic vehicle identification system readers on all high-occupancy vehicle lanes on all of the toll bridges identified in subdivision (a) of Section 30910 of the Streets and Highways Code are not fully operational and fully funded with bridge tolls controlled by the Bay Area Toll Authority within 90 days of the federal government approval described in subdivision (b), then subdivision (i) shall not be applicable and both of the following shall apply:

(1) The Metropolitan Transportation Commission, acting as the Bay Area Toll Authority, shall grant toll-free and reduced-rate passage to all vehicles displaying an identifier issued by the department pursuant to subdivision (a).

(2) The department shall not require documentation that the owner of a vehicle registered to an address in the region identified in Section 66502 of the Government Code has obtained an automatic vehicle identification system account as a condition to the issuance of an identifier under subdivision (a).

(k) This section shall remain in effect only until January 1, 2008, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2008, deletes or extends that date.

SEC. 2. Section 21655.9 of the Vehicle Code is amended to read:

21655.9. (a) Whenever the Department of Transportation authorizes or permits exclusive or preferential use of highway lanes or highway access ramps for high-occupancy vehicles pursuant to Section 21655.5, the use of those lanes or ramps shall also be extended to vehicles that are issued distinctive decals, labels, or other identifiers pursuant to Section 5205.5 regardless of vehicle occupancy or ownership.

(b) No person shall drive a vehicle described in subdivision (a) of Section 5205.5 with a single occupant upon a high-occupancy vehicle lane pursuant to this section unless the decal, label, or other identifier issued pursuant to Section 5205.5 is properly displayed on the vehicle, and the vehicle registration described in Section 5205.5 is with the vehicle.

(c) No person shall operate or own a vehicle displaying a decal, label, or other identifier, as described in Section 5205.5, if that decal, label, or identifier was not issued for that vehicle pursuant to Section 5205.5. A violation of this subdivision is a misdemeanor.

(d) If the provisions in Section 5205.5 authorizing the department to issue decals, labels, or other identifiers to hybrid and alternative fuel vehicles are repealed, vehicles displaying those decals, labels, or other identifiers shall not access high-occupancy vehicle lanes without meeting the occupancy requirements otherwise applicable to those lanes.

(e) This section shall remain in effect only until January 1, 2008, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2008, deletes or extends that date.

SEC. 3. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

CHAPTER 726

An act to add Division 23.3 (commencing with Section 33300) to the Public Resources Code, relating to the Sierra Nevada Conservancy.

[Approved by Governor September 23, 2004. Filed with Secretary of State September 23, 2004.]

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

SECTION 1. Division 23.3 (commencing with Section 33300) is added to the Public Resources Code, to read:

DIVISION 23.3. SIERRA NEVADA CONSERVANCY

CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS

33300. This division shall be known, and may be cited, as the Laird-Leslie Sierra Nevada Conservancy Act.

33301. The Legislature finds and declares all of the following:

(a) The Sierra Nevada Region is a globally significant area, including many national and state parks, the highest peaks in the 48 contiguous states, and large, pristine areas that are open for public use.

(b) The Sierra Nevada Region is an important part of the state's economy, providing substantial agricultural products, timber resources, ranching, mining, tourism, and recreation.

(c) The Sierra Nevada Region provides 65 percent of California's developed water supply and nearly all of the water supply for western Nevada. As California's principal watershed, the region is the critical source of water for urban and rural parts of northern and southern California.

(d) In cooperation with local governments, private business, nonprofit organizations, and the public, a Sierra Nevada Conservancy can help do all of the following:

(1) Provide increased opportunities for tourism and recreation.

(2) Protect, conserve, and restore the region's physical, cultural, archaeological, historical, and living resources.

(3) Aid in the preservation of working landscapes.

(4) Reduce the risk of natural disasters, such as wildfires.

(5) Protect and improve water and air quality.

(6) Assist the regional economy through the operation of the conservancy's program.

(7) Identify the highest priority projects and initiatives for which funding is needed.

(8) Undertake efforts to enhance public use and enjoyment of lands owned by the public.

(9) Support efforts that advance both environmental preservation and the economic well-being of Sierra residents in a complementary manner.

33302. For the purposes of this division, the following terms have the following meanings:

(a) ''Board'' means the Governing Board of the Sierra Nevada Conservancy.

(b) ''Conservancy'' means the Sierra Nevada Conservancy.

(c) ''Fund'' means the Sierra Nevada Conservancy Fund created pursuant to Section 33355.

(d) ''Local public agency'' means a city, county, district, or joint powers authority.

(e) ''Nonprofit organization'' means a private, nonprofit organization that qualifies for exempt status under Section 501(c)(3) of Title 26 of the United States Code, and that has among its principal charitable purposes preservation of land for scientific, educational, recreational, scenic, or open-space opportunities; or, protection of the natural environment, preservation or enhancement of wildlife; or, preservation of cultural and historical resources; or, efforts to provide for the enjoyment of public lands.

(f) ''Region'' or ''Sierra Nevada Region'' means the area lying within the Counties of Alpine, Amador, Butte, Calaveras, El Dorado, Fresno, Inyo, Kern, Lassen, Madera, Mariposa, Modoc, Mono, Nevada, Placer, Plumas, Shasta, Sierra, Tehama, Tulare, Tuolumne, and Yuba, described as the area bounded as follows:

On the east by the eastern boundary of the State of California; the crest of the White/Inyo ranges; and State Routes 395 and 14 south of Olancha; on the south by State Route 58, Tehachapi Creek, and Caliente Creek; on the west by the line of 1,250 feet above sea level from Caliente Creek to the Kern/Tulare County line; the lower level of the western slope's blue oak woodland, from the Kern/Tulare County line to Big Bend above Red Bluff; the Sacramento River from Big Bend north to Cow Creek below Redding; Cow Creek, Little Cow Creek, Dry Creek, and Dry Creek Road, between the Sacramento River and Lake Shasta; the Pit River Arm of Lake Shasta; the northerly boundary of the Pit River watershed; the southerly and easterly boundaries of Siskiyou County; and within Modoc County, the easterly boundary of the Klamath River watershed; and on the north by the northern boundary of the State of California; excluding both of the following:

(1) The Lake Tahoe Region, as described in Section 66905.5 of the Government Code, where it is defined as ''region.''

(2) The San Joaquin River Parkway, as described in Section 32510.

(g) ''Subregions'' means the six subregions in which the Sierra Nevada Region is located, described as follows:

(1) The north Sierra subregion, comprising the Counties of Lassen, Modoc, and Shasta.

(2) The north central Sierra subregion, comprising the Counties of Butte, Plumas, Sierra, and Tehama.

(3) The central Sierra subregion, comprising the Counties of El Dorado, Nevada, Placer, and Yuba.

(4) The south central Sierra subregion, comprising the Counties of Amador, Calaveras, Mariposa, and Tuolumne.

(5) The east Sierra subregion, comprising the Counties of Alpine, Inyo, and Mono.

(6) The south Sierra subregion, comprising the Counties of Fresno, Kern, Madera, and Tulare.

(h) ''Tribal organization'' means an Indian tribe, band, nation, or other organized group or community, or a tribal agency authorized by a tribe, which is recognized as eligible for special programs and services provided by the United States to Indians because of their status as Indians and is identified on pages 52829 to 52835, inclusive, of Number 250 of Volume 53 (December 29, 1988) of the Federal Register, as that list may be updated or amended from time to time.

CHAPTER 2. SIERRA NEVADA CONSERVANCY

33320. There is in the Resources Agency the Sierra Nevada Conservancy, which is created as a state agency to do all of the following, working in collaboration and cooperation with local governments and interested parties:

(a) Provide increased opportunities for tourism and recreation.

(b) Protect, conserve, and restore the region's physical, cultural, archaeological, historical, and living resources.

(c) Aid in the preservation of working landscapes.

(d) Reduce the risk of natural disasters, such as wildfires.

(e) Protect and improve water and air quality.

(f) Assist the regional economy through the operation of the conservancy's program.

(g) Identify the highest priority projects and initiatives for which funding is needed.

(h) Undertake efforts to enhance public use and enjoyment of lands owned by the public.

(i) Support efforts that advance both environmental preservation and the economic well-being of Sierra residents in a complementary manner.

33321. (a) The board shall consist of 13 voting members and three nonvoting liaison advisers, appointed or designated as follows:

(1) The 13 voting members of the board shall consist of all of the following:

(A) The Secretary of the Resources Agency, or his or her designee.

(B) The Director of Finance, or his or her designee.

(C) Three public members appointed by the Governor, who are not elected officials, to represent statewide interests.

(D) One public member appointed by the Speaker of the Assembly, who is not an elected official, to represent statewide interests.

(E) One public member appointed by the Senate Committee on Rules, who is not an elected official, to represent statewide interests.

(F) One member for each of the six subregions who shall be a member of the board of supervisors of a county located within that subregion, and whose supervisorial district shall be at least partially contained within the Sierra Nevada Region. Each member shall be selected by the counties within that subregion, according to the following procedure:

(i) Each county board of supervisors within a subregion shall select a member of their board to determine, with the selected members of the other counties in the subregion, which member of a board of supervisors within the subregion shall be appointed as a member of the conservancy board. An alternate may be appointed. The appointed member and any alternate shall have at least part of his or her supervisorial district within the subregion.

(ii) The initial appointment of a member for each subregion shall be made no later than 60 days after the effective date of this division. A subsequent appointment to a regular term on the board shall be made before the date specified in Section 33322 for the commencement of that term. A vacancy occurring before the end of a term shall be filled for the remainder of the term within 60 days of the vacancy.

(iii) If the boards of supervisors of the subregion do not appoint a member to the board within the timeframe specified in clause (ii), the Governor shall appoint one of the supervisors selected in clause (i) to serve as the board member for the subregion.

(2) The three nonvoting liaison advisers who are serving in an advisory, nonvoting capacity shall consist of all of the following:

(A) One representative of the National Park Service, designated by the United States Secretary of the Interior.

(B) One representative of the United States Forest Service, designated by the United States Secretary of Agriculture.

(C) One representative of the United States Bureau of Land Management, designated by the United States Secretary of the Interior.

(b) Appointing powers shall seek to include individuals from a breadth of backgrounds.

33322. Members and alternates, if any, shall serve terms specified as follows:

(a) The members appointed pursuant to subparagraphs (C) to (E), inclusive, of subdivision (a) of Section 33321 shall serve at the pleasure of the appointing power.

(b) The members and alternates, if any, appointed under subparagraph (F) of paragraph (1) of subdivision (a) of Section 33321 shall serve, as follows:

(1) Members and alternates in the north Sierra subregion, the central Sierra subregion, and the east Sierra subregion shall have terms

beginning on January 1 in an odd-numbered year and ending on December 31 of the following even-numbered year. All terms shall be for two years.

(2) Members and alternates in the north central Sierra subregion, the south central Sierra subregion, and the south Sierra subregion shall have terms beginning on January 1 in an even-numbered year and ending on December 31 in the following odd-numbered year. Members and alternates who are initially appointed to the board shall serve for a one-year term for the first year. Subsequent terms shall be for two years.

(c) No member of the board, whose appointment to the board was contingent upon meeting a condition of eligibility under this division, shall serve beyond the time when the member ceases to meet that condition.

33323. (a) The voting members appointed or designated under paragraph (1) of subdivision (a) of Section 33321 who are not state employees shall be compensated for attending meetings of the conservancy at the rate of one hundred dollars ($100) per scheduled meeting day.

(b) All members of the board shall be reimbursed for their actual and necessary expenses, including travel expenses, incurred in attending meetings of the conservancy and carrying out the duties of their office.

33324. Annually, the voting members of the board shall elect from among the voting members a chairperson and vice-chairperson, and other officers as necessary. If the office of the chairperson or vice-chairperson becomes vacant, a new chairperson or vice-chairperson shall be elected by the voting members of the board to serve for the remainder of the term.

33325. (a) Seven members of the voting members shall constitute a quorum for the transaction of the business of the conservancy. The board shall not transact the business of the conservancy if a quorum is not present at the time a vote is taken. A decision of the board requires an affirmative vote of seven of the voting members, and the vote is binding with respect to all matters acted on by the conservancy.

(b) The board shall adopt rules, regulations, and procedures for the conduct of business by the conservancy.

(c) The voting members of the board appointed or designated pursuant to paragraph (1) of subdivision (a) of Section 33321 and the nonvoting advisers selected pursuant to paragraph (2) of subdivision (a) of Section 33321, shall have the right to attend all meetings of the board, including closed sessions.

33326. The board may establish advisory boards or committees, hold community meetings, and engage in public outreach using advanced forms of technology, in order to facilitate the decisionmaking process. Members of advisory boards or committees may be reimbursed

for the actual and necessary expenses, including travel expenses, that they incur in attending regular meetings of the advisory board or committee of which they are a member.

33327. The board shall establish and maintain a headquarters office within the region. The conservancy may rent or own real and personal property and equipment pursuant to applicable statutes and regulations.

33328. The board shall determine the qualifications of, and shall appoint, an executive officer of the conservancy, who shall be exempt from civil service. The board shall employ other staff as necessary to execute the powers and functions provided for under this division.

33329. The board may enter into contracts with private entities and public agencies to procure consulting and other services necessary to achieve the purposes of this division.

33330. The conservancy's expenses for support and administration may be paid from the conservancy's operating budget and any other funding sources available to the conservancy.

33331. The board shall conduct business in accordance with the requirements of the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code).

33332. The board shall hold its regular meetings within, or near, the region.

33333. On or after January 1, 2006, the board shall post agendas for each board meeting on the Internet.

CHAPTER 3. POWERS, DUTIES, AND LIMITATIONS

33340. The conservancy's jurisdiction is limited to the Sierra Nevada Region.

33341. The conservancy shall carry out projects and activities to further the purposes of this division throughout the region. The board shall make every effort to ensure that, over time, conservancy funding and other efforts are spread equitably across each of the various subregions and among the stated goal areas, with adequate allowance for the variability of costs associated with individual regions and types of projects.

33342. In carrying out this division, the conservancy shall cooperate with and consult with the city or county where a grant is proposed or an interest in real property is proposed to be acquired; and shall, as necessary or appropriate, coordinate its efforts with other state agencies, in cooperation with the Secretary of the Resources Agency. The conservancy shall, as necessary and appropriate, cooperate and consult with a public water system that owns or operates facilities, including

lands appurtenant thereto, where a grant is proposed or an interest in land is proposed to be acquired.

33343. (a) The conservancy may make grants or loans to public agencies, nonprofit organizations, and tribal organizations in order to carry out the purposes of this division, including grants or loans provided to acquire an interest in real property, including a fee interest in that property. Grant or loan funds shall be disbursed to a recipient entity only after the entity has entered into an agreement with the conservancy, on the terms and conditions specified by the conservancy. After approving a grant, the conservancy may assist the grantee in carrying out the purposes of the grant.

(b) When awarding grants or making loans pursuant to this division, the conservancy may require repayment of those funds on the terms and conditions it deems appropriate. Proceeds from the repayment or reimbursement of amounts granted or loaned by the conservancy shall be deposited in the fund.

(c) An entity applying for a grant from the conservancy to acquire an interest in real property shall specify all of the following in the grant application:

(1) The intended use of the property.

(2) The manner in which the land will be managed.

(3) How the cost of ongoing management will be funded.

33344. In the case of a grant of funds to a nonprofit organization or tribal organization to acquire an interest in real property, including, but not limited to, a fee interest, the agreement between the conservancy and the recipient nonprofit organization shall require all of the following:

(a) The purchase price of an interest in real property acquired by the nonprofit organization shall not exceed fair market value as established by an appraisal approved by the conservancy.

(b) The terms under which the interest in real property is acquired shall be subject to the conservancy's approval.

(c) An interest in real property to be acquired under the grant shall not be used as security for a debt unless the conservancy approves the transaction.

(d) The transfer of an interest in the real property shall be subject to approval of the conservancy, and a new agreement sufficient to protect the public interest shall be entered into between the conservancy and the transferee.

(e) A deed or instrument by which the nonprofit organization acquires an interest in real property under the grant shall include a power of termination on the part of the state, subject to the requirements of Chapter 5 (commencing with Section 885.010) of Title 5 of Part 2 of Division 2 of the Civil Code. The deed or instrument shall provide that the state may exercise the power of termination by notice in the event of

the nonprofit organization's violation of the purpose of the grant through breach of a material term or condition thereof, and that, upon recordation of the notice, full title to the interest in real property identified in the notice shall immediately vest in the state, or in another public agency or a nonprofit organization designated by the conservancy to which the state conveys or has conveyed its interest.

(f) A deed or instrument by which the nonprofit organization acquires an interest in real property under the grant shall provide that the conveyance is subject to a remainder interest vested in the state. If the existence of the nonprofit organization is terminated for any reason, the conservancy may require that the remainder shall become a present interest and that full title to the real property shall vest in the state, or in another public agency or a nonprofit organization designated by the conservancy to which the state conveys or has conveyed its interest.

33345. The conservancy shall adopt guidelines setting priorities and criteria for projects and programs, based upon its assessment of program requirements, institutional capabilities, and funding needs throughout the region, and federal, state, and local plans, including general plans, recreation plans, urban water management plans, and groundwater management plans. As part of the process of developing guidelines for projects and programs, the conservancy shall undertake and facilitate a strategic program planning process involving meetings and workshops within each of the subregions, with the purpose of formulating strategic program objectives and priorities within that subregion. The strategic program shall be updated regularly, at least once every five years.

33346. (a) The conservancy may expend funds and award grants and loans to facilitate collaborative planning efforts and to develop projects and programs that are designed to further the purposes of this division.

(b) The conservancy may provide and make available technical information, expertise, and other nonfinancial assistance to public agencies, nonprofit organizations, and tribal organizations, to support program and project development and implementation.

(c) The recipient of a grant or loan provided by the conservancy pursuant to this division for the acquisition of real property shall provide for the management of the real property to be acquired as specified in the grant agreement.

33346.5. The conservancy may apply for and receive grants to carry out the purposes of this division.

33347. (a) The conservancy may acquire from willing sellers or transferors, an interest in any real property, in order to carry out the purposes of this division. However, the conservancy shall not acquire any real property in fee simple.

(b) The acquisition of an interest in real property under this section is not subject to the Property Acquisition Law (Part 11 (commencing with Section 15850) of Division 3 of Title 2 of the Government Code), unless the value of the interest exceeds two hundred fifty thousand dollars ($250,000), as adjusted for annual changes to the Consumer Price Index for the State of California, as calculated by the Department of Finance, per lot or parcel. However, the conservancy may request the Public Works Board to review and approve specific acquisitions.

(c) The conservancy shall not exercise the power of eminent domain.

33348. Notwithstanding Section 11005.2 of the Government Code or any other provision of law, the conservancy may lease, rent, sell, exchange, or otherwise transfer, an interest, option, or contractual right in real property, as well as a vested right severable therefrom, that has been acquired under this division, to a person or entity, subject to terms and conditions in furtherance of the conservancy's purposes.

33349. (a) The conservancy shall take whatever actions are reasonably necessary and incidental to the management of lands or interests in lands under its ownership or control, and may initiate, negotiate, and participate in agreements for the management of those lands or interests with public agencies or private individuals or entities.

(b) The conservancy may improve, restore, or enhance lands for the purpose of protecting the natural environment, improving public enjoyment of or public access to public lands, or to otherwise meet the objectives of this division, and may carry out the planning and design of those improvements or other measures.

(c) The conservancy may enter into an agreement with a public agency, nonprofit organization, or private entity, for the construction, management, or maintenance of facilities authorized by the conservancy.

33350. The conservancy shall make an annual report to the Legislature and to the Secretary of the Resources Agency regarding expenditures, land management costs, and administrative costs.

33351. The conservancy may expend funds under this division to conduct research and monitoring in connection with development and implementation of the program administered under this division.

33352. The conservancy may receive gifts, donations, an interest in real property, including an in-fee interest, subventions, grants, rents, royalties, and other assistance and funds from public and private sources. All funds or income received by the conservancy shall be deposited in the fund for expenditure for the purposes of this division.

33353. The conservancy may fix and collect a fee for a direct service it renders, provided the service is rendered at the request of the individual or entity receiving the service. The amount of a fee shall not exceed the conservancy's reasonable costs and expenses of providing the service

rendered. All fees received by the conservancy shall be deposited in the fund for expenditure for the purposes of this division.

33354. Proceeds from a lease, rental, sale, exchange, or transfer of an interest or option in real property, and all other income, shall be deposited in the fund for expenditure for the purposes of this division.

33355. The Sierra Nevada Conservancy Fund is hereby created in the State Treasury. Moneys in the fund shall be available, upon appropriation by the Legislature, only for the purposes of this division.

33356. Nothing in this division grants to the conservancy:

(a) Any of the powers of a city or county to regulate land use.

(b) Any powers to regulate any activities on land, except as the owner of an interest in the land, or pursuant to an agreement with, or a license or grant of management authority from, the owner of an interest in the land.

(c) Any powers over water rights held by others.

CHAPTER 727

An act to amend Sections 116410 and 116415 of, to add Section 116409 to, and to add a heading as Article 3.5 (commencing with Section 116409) to Chapter 4 of Part 12 of Division 104 of, the Health and Safety Code, relating to drinking water.

[Approved by Governor September 24, 2004. Filed with Secretary of State September 24, 2004.]

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

SECTION 1. A heading is added as Article 3.5 (commencing with Section 116409) to Chapter 4 of Part 12 of Division 104 of the Health and Safety Code, to read:

Article 3.5. Fluoridation of Drinking Water

SEC. 2. Section 116409 is added to the Health and Safety Code, to read:

116409. The Legislature finds and declares all of the following:

(a) Promotion of the public health of Californians of all ages by protection and maintenance of dental health through the fluoridation of drinking water is a paramount issue of statewide concern.

(b) It is the intent of the Legislature in enacting this article to preempt local government regulations, ordinances, and initiatives that prohibit or restrict the fluoridation of drinking water by public water systems with

10,000 or more service connections, without regard to whether the public water system might otherwise be exempt from Section 116410 or the requirements of this section, pursuant to Section 116415.

(c) It is further the intent of the Legislature in establishing this article to decrease the burden the Medi-Cal and the Denti-Cal programs place upon the state's limited funds.

SEC. 3. Section 116410 of the Health and Safety Code is amended to read:

116410. (a) Each public water system with at least 10,000 service connections and with a natural level of fluorides that is less than the minimum established in the regulations adopted pursuant to this section shall be fluoridated in order to promote the public health of Californians of all ages through the protection and maintenance of dental health, a paramount issue of statewide concern. The department shall adopt regulations pursuant to Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code, requiring the fluoridation of public water systems. By July 1, 1996, and at 10-year intervals thereafter, each public water system with at least 10,000 service connections shall provide to the department an estimate of the total capital costs to install fluoridation treatment. The regulations adopted by the department shall take effect on January 1, 1997. Capital costs estimates are no longer required after installation of the fluoridation treatment equipment.

(b) The regulations shall include, but not be limited to, the following:

(1) Minimum and maximum permissible concentrations of fluoride to be maintained by fluoridation of public water systems.

(2) The requirements and procedures for maintaining proper concentrations of fluoride, including equipment, testing, recordkeeping, and reporting.

(3) Requirements for the addition of fluorides to public water systems in which the natural level of fluorides is less than the minimum level established in the regulations.

(4) A schedule for the fluoridation of public water systems with at least 10,000 service connections, based on the lowest capital cost per connection for each system.

(c) The purpose of the schedule established pursuant to paragraph (4) of subdivision (b) is not to mandate the order in which public water systems receiving funding from private sources must fluoridate their water. Available funds may be offered to any system on the schedule.

(d) The estimates provided to the department pursuant to subdivision (a) of this section and subdivision (g) of Section 116415 of the total capital and associated costs and noncapital operation and maintenance costs related to fluoridation treatments and the similar estimates provided to those sources offering to provide the funds set forth in

paragraph (1) of subdivision (a) of Section 116415 shall be reasonable, as determined by the department. A registered civil engineer recognized or employed by the department who is familiar with the design, construction, operation, and maintenance of fluoridations systems shall determine for the department whether the costs are reasonable.

(e) As used in this section and Section 116415, ''costs'' means only those costs that require an actual expenditure of funds or resources, and do not include costs that are intangible or speculative, including, but not limited to, opportunity or indemnification costs.

(f) Any public water system with multiple water sources, when funding is not received to fluoridate all sources, is exempt from maintaining otherwise required fluoridations levels in areas receiving any nonfluoridated water. The exemption shall be in effect only until the public water system receives funding to fluoridate the entire water system and the treatment facilities are installed and operational.

SEC. 4. Section 116415 of the Health and Safety Code is amended to read:

116415. (a) (1) A public water system is not required to fluoridate pursuant to Section 116410, or the regulations adopted thereunder by the department, in any of the following situations:

(A) If the public water system is listed on the schedule to implement a fluoridation program pursuant to paragraph (4) of subdivision (b) of Section 116410 and funds are not offered pursuant to a binding contractual offer to the public water system sufficient to pay the capital and associated costs from any outside source. As used in this section, ''outside source'' means a source other than the system's ratepayers, shareholders, local taxpayers, bondholders, or any fees or charges levied by the water system.

(B) If the public water system has been offered pursuant to a binding contractual offer the capital and associated funds necessary for fluoridation as set forth in subparagraph (A) and has completed the installation of a fluoridation system, however, in any given fiscal year (July 1-June 30, inclusive) funding is not available to the public water system sufficient to pay the noncapital operation and maintenance costs described in subdivision (g) from any outside source other than the system's ratepayers, shareholders, local taxpayers, bondholders, or any fees or charges levied by the water system. A binding contractual offer to provide funds for 12 months, without regard to fiscal year, of noncapital operation and maintenance costs shall render a water system unqualified for an exemption under this subparagraph for that year.

(C) If the funding provided by an outside source for capital and associated costs is depleted prior to completion of the installation of a fluoridation system and funds sufficient to complete the installation have not been offered pursuant to a binding contractual offer to the public

water system by an outside source. In the event of a disagreement between the public water system and an outside funding source about the reasonableness of additional capital and associated costs, in order to qualify for an exemption under this subparagraph the costs overruns must be found to be reasonable by a registered civil engineer recognized or employed by the department who is familiar with the design, construction, operation, and maintenance of fluoridation systems.

(2) Each year the department shall prepare and distribute a list of those water systems that do not qualify for exemption under this section from the fluoridation requirements of Section 116410. This list shall include water systems that have been offered, have received, or are expected to receive, sufficient funding for capital and associated costs so as to not qualify for exemption under subparagraph (A) of paragraph (1), and have either (A) been offered or have received, or anticipate receiving, sufficient noncapital maintenance and operation funding pursuant to subdivision (g), or (B) have not yet completed the installation of a fluoridation system, so that they do not qualify for exemption under subparagraph (B) of paragraph (1).

(3) Any water system that has been offered pursuant to a binding contractual offer the funds necessary for fluoridation as set forth in subparagraph (A) of paragraph (1), and is not included in the list pursuant to paragraph (2), may elect to exercise the option not to fluoridate during the following fiscal year pursuant to subparagraph (B) of paragraph (1) by so notifying the department by certified mail on or before June 1.

(4) The permit issued by the department for a public water system that is scheduled to implement fluoridation pursuant to paragraph (4) of subdivision (b) of Section 116410 shall specify whether it is required to fluoridate pursuant to Section 116410, or whether it has been granted an exemption pursuant to either subparagraph (A) or subparagraph (B) of paragraph (1).

(b) The department shall enforce Section 116410 and this section, and all regulations adopted pursuant to these sections, unless delegated pursuant to a local primary agreement.

(c) If the owner or operator of any public water system subject to Section 116410 fails, or refuses, to comply with any regulations adopted pursuant to Section 116410, or any order of the department implementing these regulations, the Attorney General shall, upon the request of the department, institute mandamus proceedings, or other appropriate proceedings, in order to compel compliance with the order, rule, or regulation. This remedy shall be in addition to all other authorized remedies or sanctions.

(d) Neither this section nor Section 116410 shall supersede subdivision (b) of Section 116410.

(e) The department shall seek all sources of funding for enforcement of the standards and capital cost requirements established pursuant to this section and Section 116410, including, but not limited to, all of the following:

(1) Federal block grants.

(2) Donations from private foundations.

Expenditures from governmental sources shall be subject to specific appropriation by the Legislature for these purposes.

(f) A public water system with less than 10,000 service connections may elect to comply with the standards, compliance requirements, and regulations for fluoridation established pursuant to this section and Section 116410.

(g) Costs, other than capital costs, incurred in complying with this section and Section 116410, including regulations adopted pursuant to those sections, may be paid from federal grants, or donations from private foundations, for these purposes. Each public water system that will incur costs, other than capitalization costs, as a result of compliance with this section and Section 116410, shall provide an estimate to the department of the anticipated total annual operations and maintenance costs related to fluoridation treatment by January 1 of each year.

(h) A public water system subject to the jurisdiction of the Public Utilities Commission shall be entitled to recover from its customers all of its capital and associated costs, and all of its operation and maintenance expenses associated with compliance with this section and Section 116410. The Public Utilities Commission shall approve rate increases for an owner or operator of a public water system that is subject to its jurisdiction within 45 days of the filing of an application or an advice letter, in accordance with the commission's requirements, showing in reasonable detail the amount of additional revenue required to recover the foregoing capital and associated costs, and operation and maintenance expenses.

CHAPTER 728

An act to amend Section 798.38 of the Civil Code and Section 739.5 of the Public Utilities Code, relating to utilities.

[Approved by Governor September 24, 2004. Filed with Secretary of State September 24, 2004.]

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

SECTION 1. Section 798.38 of the Civil Code is amended to read:

798.38. (a) Where the management provides both master-meter and submeter service of utilities to a homeowner, for each billing period the cost of the charges for the period shall be separately stated along with the opening and closing readings for his or her meter. The management shall post in a conspicuous place, the prevailing residential utilities rate schedule as published by the serving utility.

(b) If a third-party billing agent or company prepares utility billing for the park, the management shall disclose on each resident's billing, the name, address, and telephone number of the billing agent or company.

SEC. 2. Section 739.5 of the Public Utilities Code is amended to read:

739.5. (a) The commission shall require that, whenever gas or electric service, or both, is provided by a master-meter customer to users who are tenants of a mobilehome park, apartment building, or similar residential complex, the master-meter customer shall charge each user of the service at the same rate which would be applicable if the user were receiving gas or electricity, or both, directly from the gas or electrical corporation. The commission shall require the corporation furnishing service to the master-meter customer to establish uniform rates for master-meter service at a level which will provide a sufficient differential to cover the reasonable average costs to master-meter customers of providing submeter service, except that these costs shall not exceed the average cost that the corporation would have incurred in providing comparable services directly to the users of the service.

(b) Every master-meter customer of a gas or electrical corporation subject to subdivision (a) who, on or after January 1, 1978, receives any rebate from the corporation shall distribute to, or credit to the account of, each current user served by the master-meter customer that portion of the rebate which the amount of gas or electricity, or both, consumed by the user during the last billing period bears to the total amount furnished by the corporation to the master-meter customer during that period.

(c) An electrical or gas corporation furnishing service to a master-meter customer shall furnish to each user of the service within a submetered system every public safety customer service which it provides beyond the meter to its other residential customers. The corporation shall furnish a list of those services to the master-meter customer who shall post the list in a conspicuous place accessible to all users. Every corporation shall provide these public safety customer services to each user of electrical or gas service under a submetered system without additional charge unless the corporation has included the average cost of these services in the rate differential provided to the master-meter customer on January 1, 1984, in which case the

commission shall deduct the average cost of providing these public safety customer services when approving rate differentials for master-meter customers.

(d) Every master-meter customer is responsible for maintenance and repair of its submeter facilities beyond the master-meter, and nothing in this section requires an electrical or gas corporation to make repairs to or perform maintenance on the submeter system.

(e) Every master-meter customer shall provide an itemized billing of charges for electricity or gas, or both, to each individual user generally in accordance with the form and content of bills of the corporation to its residential customers, including, but not limited to, the opening and closing readings for the meter, and the identification of all rates and quantities attributable to each block in the applicable rate structure. The master-meter customer shall also post, in a conspicuous place, the applicable prevailing residential gas or electrical rate schedule, as published by the corporation.

(f) The commission shall require that every electrical and gas corporation shall notify each master-meter customer of its responsibilities to its users under this section.

(g) The commission shall accept and respond to complaints concerning the requirements of this section through the consumer affairs branch, in addition to any other staff that the commission deems necessary to assist the complainant. In responding to the complaint, the commission shall consider the role that the office of the county sealer in the complainant's county of residence may have in helping to resolve the complaint and, where appropriate, coordinate with that office.

CHAPTER 729

An act to amend Section 49557.2 of the Education Code, to amend Section 12693.75 of the Insurance Code, and to amend Section 14005.41 of the Welfare and Institutions Code, relating to health care coverage.

[Approved by Governor September 24, 2004. Filed with Secretary of State September 24, 2004.]

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

SECTION 1. Section 49557.2 of the Education Code is amended to read:

49557.2. (a) (1) At the option of the school district or county superintendent, and to the extent necessary to implement Section 14005.41 of the Welfare and Institutions Code, the following

information may be incorporated into the School Lunch Program application packet or notification of eligibility for the School Lunch Program using simple and culturally appropriate language:

(A) A notification that if a child qualifies for free school lunches, then the child may qualify for free or reduced-cost health coverage.

(B) A request for the applicant's consent for the child to participate in the Medi-Cal program, if eligible for free school lunches, and to have the information on the school lunch application shared with the entity designated by the State Department of Health Services to make an accelerated determination and the local agency that determines eligibility under the Medi-Cal program.

(C) A notification that the school district will not forward the school lunch application to the entity designated by the State Department of Health Services to make an accelerated determination and the local agency that determines eligibility under the Medi-Cal program, without the consent of the child's parent or guardian.

(D) A notification that the school lunch application is confidential and, with the exception of forwarding the information for use in health program enrollment upon the consent of the child's parent or guardian, the school district will not share the information with any other governmental agency, including the federal Department of Homeland Security and the Social Security Administration.

(E) A notification that the school lunch application information will only be used by the entity designated by the State Department of Health Services to make an accelerated determination and the state and local agencies that administer the Medi-Cal program for purposes directly related to the administration of the program and will not be shared with other government agencies, including the Department of Homeland Security and the Social Security Administration for any purpose other than the administration of the Medi-Cal program.

(F) Information regarding the Medi-Cal program, including available services, program requirements, rights and responsibilities, and privacy and confidentiality requirements.

(2) The State Department of Education, in consultation with school districts, county superintendents of schools, consumer advocates, counties, the State Department of Health Services, and other stakeholders, shall make recommendations regarding the School Lunch Program application, on or before February 1, 2003. The recommendations shall include specific changes to the School Lunch Program application materials as necessary to implement Section 14005.41 of the Welfare and Institutions Code, information for staff as to how to implement the changes, and a description of the process by which information on the School Lunch Program application will be

shared with the county, as the local agency that determines eligibility under the Medi-Cal program.

(3) At the option of the school, the request for consent in subparagraph (B) of paragraph (1) may be modified so that the parent or guardian can also consent to allowing Medi-Cal to inform the school as provided in subdivision (n) of Section 14005.41 of the Welfare and Institutions Code when followup is needed in order to complete the Medi-Cal application process.

(b) (1) School districts and county superintendents of schools may implement a process to share information provided on the School Lunch Program application with the entity designated by the State Department of Health Services to make an accelerated determination and with the local agency that determines eligibility under the Medi-Cal program, and shall share this information with those entities, if the applicant consents to that sharing of information. Schools may designate, only as necessary to implement this section, non-food service staff to assist in the administration of free, reduced price, or paid school lunch applications that have applicant consent, but only if that designation does not displace or have an adverse effect on food service staff. This information may be shared electronically, physically, or through whatever method is determined appropriate.

(2) If a school is aware that a child, who has been found eligible for free school lunches under the National School Lunch Program, and for whom the parent or guardian has consented to share the information provided on the application, already has an active Medi-Cal or Healthy Families case, the application shall not be processed for an accelerated determination but shall be forwarded to the local agency that determines eligibility under the Medi-Cal program pursuant to Section 14005.41 of the Welfare and Institutions Code. The school shall notify the parent or guardian of the child's ineligibility for accelerated Medi-Cal due to the current eligibility status and that the child's application will be forwarded to the county pursuant to this section. The notice shall include a statement, with contact information, advising the parent or guardian to contact the Medi-Cal or Healthy Families programs regarding the child's eligibility status.

(3) Each school district or county superintendent that chooses to share information pursuant to this subdivision shall enter into a memorandum of understanding with the local agency that determines eligibility under the Medi-Cal program, that sets forth the roles and responsibilities of each agency and the process to be used in sharing the information.

(4) The local agency that determines eligibility under the Medi-Cal program shall only use information provided by applicants on the school

lunch application for purposes directly related to the administration of the Medi-Cal program.

(5) After school districts share information regarding the school lunch application with the entity designated by the State Department of Health Services to make an accelerated determination and the local agency that determines eligibility under the Medi-Cal program, for the purpose of determining Medi-Cal program eligibility, the local agency and the school district shall not share information about school lunch participation or the Medi-Cal program eligibility information with each other except as specifically authorized under subdivision (n) of Section 14005.41 of the Welfare and Institutions Code and other provisions of law.

(c) Effective July 1, 2005, the notifications and consent referenced in subdivision (a) and the procedures set out in subdivision (b) shall include the Healthy Families Program and any relevant county- and local-sponsored health insurance programs as necessary to implement Section 14005.41 of the Welfare and Institutions Code.

(d) If a school district finds that the child is eligible for reduced price or paid meals under the National School Lunch Program and consent was provided as described in subdivision (b), the entity designated by the State Department of Health Services to make an accelerated determination shall notify the parent or guardian of the child's ineligibility for an accelerated Medi-Cal determination pursuant to Section 14005.41 of the Welfare and Institutions Code. The notification shall include information on other available health programs for which the child may be eligible.

SEC. 2. Section 12693.75 of the Insurance Code is amended to read:

12693.75. (a) The program shall make use of a simple and easy to understand mail-in application process.

(b) For children referred pursuant to Section 14005.41 of the Welfare and Institutions Code, the program shall utilize the school lunch application and any supplemental forms received pursuant to Section 14005.41 of the Welfare and Institutions Code to make an eligibility determination and shall request additional information only as needed to complete the eligibility process.

(c) The Managed Risk Medical Insurance Board may adopt emergency regulations to implement subdivision (b) and coordinate with all other state and local government entities in the implementation of Section 49557.2 of the Education Code and Section 14005.41 of the Welfare and Institutions Code. Any rules and regulations issued by the board pertaining to the implementation of this section 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). The adoption and

one readoption of these regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, and safety, or general welfare, and shall be exempt from review by the Office of Administrative Law. Any emergency regulations authorized by this section 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 not more than 180 days unless the department readopts those regulations. The regulations shall become effective immediately upon filing with the Secretary of State.

SEC. 3. Section 14005.41 of the Welfare and Institutions Code is amended to read:

14005.41. (a) Notwithstanding any other provision of law, the department shall deem to have met the income documentation requirements for participation in the Medi-Cal program, without a share of cost, any child who is less than six years of age and who has been determined to be eligible for free meals through a federally funded program using the National School Lunch Program application provided for pursuant to Chapter 13 (commencing with Section 1751) of Title 42 of the United States Code.

(b) Notwithstanding any other provision of law, with regard to any child who is enrolled in and attending public school in the State of California, the department shall accept documentation of enrollment for free meals under the National School Lunch Program as sufficient documentation of California residency for that child for the purposes of the Medi-Cal program.

(c) (1) (A) Notwithstanding any other provision of law, each county shall participate in a statewide pilot project to determine Medi-Cal program eligibility for any child under six years of age and currently enrolled in school in the State of California who is eligible for free meals under the National School Lunch Program upon receipt of proof of participation in the National School Lunch Program and a signed Medi-Cal application, which may be the supplemented application, described in subdivision (i). Counties shall notify the parent or guardian of the results of the eligibility determination.

(B) Notwithstanding any other provision of law, each county shall participate in a statewide pilot project to use the procedure described in this subdivision to determine Medi-Cal eligibility without a share of cost, and, if eligible, shall enroll in the Medi-Cal program, any child six years of age or older currently enrolled in school in the State of California who is eligible for free meals under the National School Lunch Program, upon receipt of proof of participation in the National School Lunch Program and a signed Medi-Cal application, which may be the supplemented application, described in subdivision (i). If the county determines from the supplemented application described in

subdivision (i) that the child meets the eligibility requirements for participation in the Medi-Cal program, the county shall notify the parent or guardian that the child has been found eligible for the Medi-Cal program. If the county is unable to determine from the information on the application as described in subdivision (i) whether the child is eligible, the county shall contact the family to seek any additional information regarding income, household composition, or deductions that the department, in consultation with the county welfare departments, may determine to be necessary to complete the Medi-Cal application. If the county determines that the child does not meet the income eligibility requirements for participation in the full-scope no-cost Medi-Cal program, the county shall notify the parent or guardian of the determination and shall forward the school lunch application and any supplemental forms as described in subdivision (i) to the Healthy Families Program. If an applicant is determined to be ineligible for the full-scope no-cost Medi-Cal program and for the Healthy Families Program, the school lunch application and any supplemental forms as described in subdivision (i) shall be forwarded to a county- or local-sponsored health insurance program, as applicable, if the parent or guardian has provided consent. For purposes of this section, a county- or local-sponsored health insurance program includes a county agency, a local initiative, a county-organized health system, or other local entity that provides health care coverage to children who do not qualify for the full-scope no-cost Medi-Cal program or for the Healthy Families Program.

(2) Each county shall ask the parent or guardian of each child identified in subparagraph (A) of paragraph (1) and the parent or guardian of each child whom the county determines to meet the income eligibility requirements for participation in the Medi-Cal program under subparagraph (B) of paragraph (1) to provide additional documentation as required by current law necessary for retention of eligibility in the Medi-Cal program. If a parent or guardian does not provide the documentation required for retention of full-scope Medi-Cal program eligibility, the county shall continue the child's enrollment in the Medi-Cal program, but only for the limited scope of Medi-Cal program benefits as described in Section 14007.5. If applicable, the county shall also forward the school lunch application and any supplemental forms as described in subdivision (i), for applicants who are determined to be ineligible for the full-scope no-cost Medi-Cal program and for the Healthy Families Program, to a county- or local-sponsored health insurance program if the parent or guardian has provided consent.

(d) Nothing in this section shall be construed as preventing the department from verifying eligibility through the Income Eligibility Verification System match mandated by Section 1137 of the federal

Social Security Act (42 U.S.C. Sec. 1320b-7) or from requesting additional information or documentation required by federal law.

(e) Each county shall include its cost of implementing this section in its annual Medi-Cal administrative budget requests submitted to the department.

(f) For purposes of this section, the Medi-Cal program application date shall be the date on which the school lunch application information is received by the local agency determining eligibility under the Medi-Cal program.

(g) (1) This section shall be implemented only if, and to the extent that, federal financial participation is available for the services provided and only for the period of time the free National School Lunch Program utilizes a gross income standard at or below 133 percent of the federal poverty level. This section shall be implemented in a manner consistent with any federal approval.

(2) Notwithstanding paragraph (1), if the department determines that one or more state plan amendments are necessary to ensure full federal financial participation in the provisions of this section, the department shall prepare and submit requests for the state plan amendments to the federal government, after which this section shall not be implemented until the department receives approval of all necessary state plan amendments.

(h) (1) Notwithstanding subdivision (g), not later than March 1, 2003, the department, in consultation with the State Department of Education and representatives of the school districts, county superintendents of schools, local agencies that administer the Medi-Cal program, consumer advocates, and other stakeholders, shall develop and distribute the policies and procedures, including any all-county letters, necessary to implement Section 49557.2 of the Education Code and this section.

(2) The policies and procedures required to be developed and distributed pursuant to subdivision (a) shall include, at a minimum, both of the following:

(A) Processes for the school districts, county superintendents of schools, and local agencies that administer the Medi-Cal program to use in forwarding and processing free school lunch application information pursuant to Section 49557.2 of the Education Code, and in following up with the applicants to obtain any necessary documentation required by federal law.

(B) Instructions for implementing the eligibility provisions of this chapter.

(3) The policies and procedures required to be developed pursuant to subdivision (a) shall specify all of the following:

(A) The information on the school lunch application may be used to initiate a Medi-Cal program application only when the applicant has provided his or her consent pursuant to Section 49557.2 of the Education Code.

(B) The date of the Medi-Cal program application shall be the date on which the school lunch application was received by the local agency that determines eligibility under the Medi-Cal program.

(C) The county, in determining eligibility for the Medi-Cal program, shall request additional documentation only as required by federal law, and shall enroll any child whose parent or guardian does not provide the necessary documentation for full-scope benefits under the Medi-Cal program in the Medi-Cal program with limited scope benefits, as described in Section 14007.5.

(i) To the extent federal financial participation is available, and to the extent administratively feasible, the department shall utilize the free National School Lunch Program application developed under Section 49557.2 of the Education Code, if supplemented as needed by simplified forms and disclosures, including Medi-Cal rights and responsibility notices and privacy notices, as a Medi-Cal application for children described in this section.

(j) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department shall implement this section by means of all-county letters or similar instructions without taking regulatory action. Thereafter, the department shall adopt regulations in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(k) The department shall review the effectiveness of the statewide pilot project and make recommendations regarding appropriate ways to expand the use of the approaches contained in this section.

(*l*) In order to expedite health coverage for children who have been determined eligible for free meals under the National School Lunch Program, the department, at its discretion, may choose to implement this section in whole or in part by exercising the option described in Section 1396r-1a of Title 42 of the United States Code to allow information provided on the National School Lunch Program application referred to, and supplemented as described, in paragraph (1) of subdivision (a) of Section 49557.2 of the Education Code to serve as a basis for a preliminary eligibility determination by a qualified entity designated by the department.

(m) County- and local-sponsored health program agencies are authorized to use the supplemental application described in subdivision (i) and received pursuant to subdivision (c) to make an eligibility determination for those respective programs, and shall request

additional information only as needed to complete the eligibility process.

(n) A county may, at its option, and with the consent of the parent or guardian as provided in paragraph (3) of subdivision (a) of Section 49557.2 of the Education Code, notify the school of the names and contact information of children who are in jeopardy of losing accelerated Medi-Cal coverage because a child's parent or guardian has not provided required followup information to the county. This notice shall be limited to the names and contact information, and shall not specify what information is missing. This shall be done for the sole purpose of enabling the school, at its option, to conduct outreach activities to encourage or assist those parents or guardians to complete and submit the required followup information.

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.

CHAPTER 730

An act to amend Sections 780, 781, and 782 of the Insurance Code, relating to insurance.

[Approved by Governor September 24, 2004. Filed with Secretary of State September 24, 2004.]

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

SECTION 1. Section 780 of the Insurance Code is amended to read:

780. An insurer or officer or agent thereof, or an insurance broker or solicitor shall not cause or permit to be issued, circulated or used, any statement that is known, or should have been known, to be a misrepresentation of the following:

(a) The terms of a policy issued by the insurer or sought to be negotiated by the person making or permitting the misrepresentation.

(b) The benefits or privileges promised thereunder.

(c) The future dividends payable thereunder.

SEC. 2. Section 781 of the Insurance Code is amended to read:

781. (a) A person shall not make any statement that is known, or should have been known, to be a misrepresentation (1) to any other person for the purpose of inducing, or tending to induce, such other person either to take out a policy of insurance, or to refuse to accept a policy issued upon an application therefor and instead take out any policy in another insurer, or (2) to a policyholder in any insurer for the purpose of inducing or tending to induce him or her to lapse, forfeit or surrender his or her insurance therein.

(b) A person shall not make any representation or comparison of insurers or policies to an insured which is misleading, for the purpose of inducing or tending to induce him or her to lapse, forfeit, change or surrender his or her insurance, whether on a temporary or permanent plan.

SEC. 3. Section 782 of the Insurance Code is amended to read:

782. Any person who violates the provisions of Section 780 or 781 is punishable by a fine not exceeding twenty-five thousand dollars ($25,000), or in a case in which the loss of the victim exceeds ten thousand dollars ($10,000), by a fine not exceeding three times the amount of the loss suffered by the victim, by imprisonment in a county jail for a period not to exceed one year, or by both a fine and imprisonment. Restitution to the victim ordered pursuant to Section 1202.4 of the Penal Code shall be satisfied before any fine imposed by this section is collected.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 731

An act to amend Sections 290 and 290.4 of the Penal Code, relating to sex offenders.

[Approved by Governor September 24, 2004. Filed with Secretary of State September 24, 2004.]

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

SECTION 1. Section 290 of the Penal Code is amended to read:

290. (a) (1) (A) Every person described in paragraph (2), for the rest of his or her life while residing in, or, if he or she has no residence, while located within California, or while attending school or working in California, as described in subparagraph (G), shall be required to register with the chief of police of the city in which he or she is residing, or if he or she has no residence, is located, or the sheriff of the county if he or she is residing, or if he or she has no residence, is located, in an unincorporated area or city that has no police department, and, additionally, with the chief of police of a campus of the University of California, the California State University, or community college if he or she is residing, or if he or she has no residence, is located upon the campus or in any of its facilities, within five working days of coming into, or changing his or her residence or location within, any city, county, or city and county, or campus in which he or she temporarily resides, or, if he or she has no residence, is located.

(B) If the person who is registering has more than one residence address or location at which he or she regularly resides or is located, he or she shall register in accordance with subparagraph (A) in each of the jurisdictions in which he or she regularly resides or is located, regardless of the number of days or nights spent there. If all of the addresses or locations are within the same jurisdiction, the person shall provide the registering authority with all of the addresses or locations where he or she regularly resides or is located.

(C) If the person who is registering has no residence address, he or she shall update his or her registration no less than once every 60 days in addition to the requirement in subparagraph (A), on a form as may be required by the Department of Justice, with the entity or entities described in subparagraph (A) in whose jurisdiction he or she is located at the time he or she is updating the registration.

(D) Beginning on his or her first birthday following registration or change of address, the person shall be required to register annually, within five working days of his or her birthday, to update his or her registration with the entities described in subparagraph (A). At the annual update, the person shall provide current information as required on the Department of Justice annual update form, including the information described in subparagraphs (A) to (C), inclusive, of paragraph (2) of subdivision (e).

(E) In addition, every person who has ever been adjudicated a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, shall, after his or her release from custody, verify his or her address no less than once every 90 days and place of employment, including the name and address of the employer, in a manner established by the Department of Justice.

(F) No entity shall require a person to pay a fee to register or update his or her registration pursuant to this section. The registering agency shall submit registrations, including annual updates or changes of address, directly into the Department of Justice Violent Crime Information Network (VCIN).

(G) Persons required to register in their state of residence who are out-of-state residents employed, or carrying on a vocation in California on a full-time or part-time basis, with or without compensation, for more than 14 days, or for an aggregate period exceeding 30 days in a calendar year, shall register in accordance with subparagraph (A). Persons described in paragraph (2) who are out-of-state residents enrolled in any educational institution in California, as defined in Section 22129 of the Education Code, on a full-time or part-time basis, shall register in accordance with subparagraph (A). The place where the out-of-state resident is located, for purposes of registration, shall be the place where the person is employed, carrying on a vocation, or attending school. The out-of-state resident subject to this subparagraph shall, in addition to the information required pursuant to subdivision (e), provide the registering authority with the name of his or her place of employment or the name of the school attended in California, and his or her address or location in his or her state of residence. The registration requirement for persons subject to this subparagraph shall become operative on November 25, 2000. The terms ''employed or carries on a vocation'' include employment whether or not financially compensated, volunteered, or performed for government or educational benefit.

(2) The following persons shall be required to register pursuant to paragraph (1):

(A) Any person who, since July 1, 1944, has been or is hereafter convicted in any court in this state or in any federal or military court of a violation of Section 207 or 209 committed with intent to violate Section 261, 286, 288, 288a, or 289, Section 220, except assault to commit mayhem, Section 243.4, paragraph (1), (2), (3), (4), or (6) of subdivision (a) of Section 261, or paragraph (1) of subdivision (a) of Section 262 involving the use of force or violence for which the person is sentenced to the state prison, Section 264.1, 266, 266c, subdivision (b) of Section 266h, subdivision (b) of Section 266i, 266j, 267, 269, 285, 286, 288, 288a, 288.5, or 289, Section 311.1, subdivision (b), (c), or (d) of Section 311.2, Section 311.3, 311.4, 311.10, 311.11, or 647.6, former Section 647a, subdivision (c) of Section 653f, subdivision 1 or 2 of Section 314, any offense involving lewd or lascivious conduct under Section 272, or any felony violation of Section 288.2; or any statutory predecessor that includes all elements of one of the above-mentioned offenses; or any person who since that date has been or is hereafter

convicted of the attempt to commit any of the above-mentioned offenses.

(B) Any person who, since July 1, 1944, has been or hereafter is released, discharged, or paroled from a penal institution where he or she was confined because of the commission or attempted commission of one of the offenses described in subparagraph (A).

(C) Any person who, since July 1, 1944, has been or hereafter is determined to be a mentally disordered sex offender under Article 1 (commencing with Section 6300) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code or any person who has been found guilty in the guilt phase of a trial for an offense for which registration is required by this section but who has been found not guilty by reason of insanity in the sanity phase of the trial.

(D) Any person who, since July 1, 1944, has been, or is hereafter convicted in any other court, including any state, federal, or military court, of any offense that, if committed or attempted in this state, would have been punishable as one or more of the offenses described in subparagraph (A) or any person ordered by any other court, including any state, federal, or military court, to register as a sex offender for any offense, if the court found at the time of conviction or sentencing that the person committed the offense as a result of sexual compulsion or for purposes of sexual gratification.

(E) Any person ordered by any court to register pursuant to this section for any offense not included specifically in this section if the court finds at the time of conviction or sentencing that the person committed the offense as a result of sexual compulsion or for purposes of sexual gratification. The court shall state on the record the reasons for its findings and the reasons for requiring registration.

(F) (i) Notwithstanding any other subdivision, a person who was convicted before January 1, 1976, under subdivision (a) of Section 286, or Section 288a, shall not be required to register pursuant to this section for that conviction if the conviction was for conduct between consenting adults that was decriminalized by Chapter 71 of the Statutes of 1975 or Chapter 1139 of the Statutes of 1976. The Department of Justice shall remove that person from the Sex Offender Registry, and the person is discharged from his or her duty to register pursuant to the following procedure:

(I) The person submits to the Department of Justice official documentary evidence, including court records or police reports, that demonstrate that the person's conviction pursuant to either of those sections was for conduct between consenting adults that was decriminalized; or

(II) The person submits to the department a declaration stating that the person's conviction pursuant to either of those sections was for

consensual conduct between adults that has been decriminalized. The declaration shall be confidential and not a public record, and shall include the person's name, address, telephone number, date of birth, and a summary of the circumstances leading to the conviction, including the date of the conviction and county of the occurrence.

(III) The department shall determine whether the person's conviction was for conduct between consensual adults that has been decriminalized. If the conviction was for consensual conduct between adults that has been decriminalized, and the person has no other offenses for which he or she is required to register pursuant to this section, the department shall, within 60 days of receipt of those documents, notify the person that he or she is relieved of the duty to register, and shall notify the local law enforcement agency with which the person is registered that he or she has been relieved of the duty to register. The local law enforcement agency shall remove the person's registration from its files within 30 days of receipt of notification. If the documentary or other evidence submitted is insufficient to establish the person's claim, the department shall, within 60 days of receipt of those documents, notify the person that his or her claim cannot be established, and that the person shall continue to register pursuant to this section. The department shall provide, upon the person's request, any information relied upon by the department in making its determination that the person shall continue to register pursuant to this section. Any person whose claim has been denied by the department pursuant to this clause may petition the court to appeal the department's denial of the person's claim.

(ii) On or before July 1, 1998, the department shall make a report to the Legislature concerning the status of persons who may come under the provisions of this subparagraph, including the number of persons who were convicted before January 1, 1976, under subdivision (a) of Section 286 or Section 288a and are required to register under this section, the average age of these persons, the number of these persons who have any subsequent convictions for a registerable sex offense, and the number of these persons who have sought successfully or unsuccessfully to be relieved of their duty to register under this section.

(b) (1) Any person who is released, discharged, or paroled from a jail, state or federal prison, school, road camp, or other institution where he or she was confined because of the commission or attempted commission of one of the offenses specified in subdivision (a) or is released from a state hospital to which he or she was committed as a mentally disordered sex offender under Article 1 (commencing with Section 6300) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code, shall, prior to discharge, parole, or release, be informed of his or her duty to register under this section by the official in charge of the place of confinement or hospital, and the official shall

require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to the person. The official in charge of the place of confinement or hospital shall obtain the address where the person expects to reside upon his or her discharge, parole, or release and shall report the address to the Department of Justice. The official shall at the same time forward a current photograph of the person to the Department of Justice.

(2) The official in charge of the place of confinement or hospital shall give one copy of the form to the person and shall send one copy to the Department of Justice and one copy to the appropriate law enforcement agency or agencies having jurisdiction over the place the person expects to reside upon discharge, parole, or release. If the conviction that makes the person subject to this section is a felony conviction, the official in charge shall, not later than 45 days prior to the scheduled release of the person, send one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon discharge, parole, or release; one copy to the prosecuting agency that prosecuted the person; and one copy to the Department of Justice. The official in charge of the place of confinement or hospital shall retain one copy.

(c) (1) Any person who is convicted in this state of the commission or attempted commission of any of the offenses specified in subdivision (a) and who is released on probation, shall, prior to release or discharge, be informed of the duty to register under this section by the probation department, and a probation officer shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to him or her. The probation officer shall obtain the address where the person expects to reside upon release or discharge and shall report within three days the address to the Department of Justice. The probation officer shall give one copy of the form to the person, send one copy to the Department of Justice, and forward one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon his or her discharge, parole, or release.

(2) Any person who is convicted in this state of the commission or attempted commission of any of the offenses specified in subdivision (a) and who is granted conditional release without supervised probation, or discharged upon payment of a fine, shall, prior to release or discharge, be informed of the duty to register under this section in open court by the court in which the person has been convicted, and the court shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under

this section has been explained to him or her. If the court finds that it is in the interest of the efficiency of the court, the court may assign the bailiff to require the person to read and sign forms under this section. The court shall obtain the address where the person expects to reside upon release or discharge and shall report within three days the address to the Department of Justice. The court shall give one copy of the form to the person, send one copy to the Department of Justice, and forward one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon his or her discharge, parole, or release.

(d) (1) Any person who, on or after January 1, 1986, is discharged or paroled from the Department of the Youth Authority to the custody of which he or she was committed after having been adjudicated a ward of the juvenile court pursuant to Section 602 of the Welfare and Institutions Code because of the commission or attempted commission of any offense described in paragraph (3) shall be subject to registration under the procedures of this section.

(2) Any person who is discharged or paroled from a facility in another state that is equivalent to the Department of the Youth Authority, to the custody of which he or she was committed because of an offense which, if committed or attempted in this state, would have been punishable as one or more of the offenses described in paragraph (3), shall be subject to registration under the procedures of this section.

(3) Any person described in this subdivision who committed an offense in violation of any of the following provisions shall be required to register pursuant to this section:

(A) Assault with intent to commit rape, sodomy, oral copulation, or any violation of Section 264.1, 288, or 289 under Section 220.

(B) Any offense defined in paragraph (1), (2), (3), (4), or (6) of subdivision (a) of Section 261, Section 264.1, 266c, or 267, paragraph (1) of subdivision (b) of, or subdivision (c) or (d) of, Section 286, Section 288 or 288.5, paragraph (1) of subdivision (b) of, or subdivision (c) or (d) of, Section 288a, subdivision (a) of Section 289, or Section 647.6.

(C) A violation of Section 207 or 209 committed with the intent to violate Section 261, 286, 288, 288a, or 289.

(4) Prior to discharge or parole from the Department of the Youth Authority, any person who is subject to registration under this subdivision shall be informed of the duty to register under the procedures set forth in this section. Department of the Youth Authority officials shall transmit the required forms and information to the Department of Justice.

(5) All records specifically relating to the registration in the custody of the Department of Justice, law enforcement agencies, and other agencies or public officials shall be destroyed when the person who is

required to register has his or her records sealed under the procedures set forth in Section 781 of the Welfare and Institutions Code. This subdivision shall not be construed as requiring the destruction of other criminal offender or juvenile records relating to the case that are maintained by the Department of Justice, law enforcement agencies, the juvenile court, or other agencies and public officials unless ordered by a court under Section 781 of the Welfare and Institutions Code.

(e) (1) On or after January 1, 1998, upon incarceration, placement, or commitment, or prior to release on probation, any person who is required to register under this section shall preregister. The preregistering official shall be the admitting officer at the place of incarceration, placement, or commitment, or the probation officer if the person is to be released on probation. The preregistration shall consist of all of the following:

(A) A preregistration statement in writing, signed by the person, giving information that shall be required by the Department of Justice.

(B) The fingerprints and a current photograph of the person.

(C) Any person who is preregistered pursuant to this subdivision is required to be preregistered only once.

(2) A person described in paragraph (2) of subdivision (a) shall register, or reregister if the person has previously registered, upon release from incarceration, placement, commitment, or release on probation pursuant to paragraph (1) of subdivision (a). The registration shall consist of all of the following:

(A) A statement in writing signed by the person, giving information as shall be required by the Department of Justice and giving the name and address of the person's employer, and the address of the person's place of employment if that is different from the employer's main address.

(B) The fingerprints and a current photograph of the person taken by the registering official.

(C) The license plate number of any vehicle owned by, regularly driven by, or registered in the name of the person.

(D) Notice to the person that, in addition to the requirements of paragraph (4), he or she may have a duty to register in any other state where he or she may relocate.

(E) Copies of adequate proof of residence, which shall be limited to a California driver's license, California identification card, recent rent or utility receipt, printed personalized checks or other recent banking documents showing that person's name and address, or any other information that the registering official believes is reliable. If the person has no residence and no reasonable expectation of obtaining a residence in the foreseeable future, the person shall so advise the registering official and shall sign a statement provided by the registering official

stating that fact. Upon presentation of proof of residence to the registering official or a signed statement that the person has no residence, the person shall be allowed to register. If the person claims that he or she has a residence but does not have any proof of residence, he or she shall be allowed to register but shall furnish proof of residence within 30 days of the day he or she is allowed to register.

(3) Within three days thereafter, the preregistering official or the registering law enforcement agency or agencies shall forward the statement, fingerprints, photograph, and vehicle license plate number, if any, to the Department of Justice.

(f) (1) If any person who is required to register pursuant to this section changes his or her residence address or location, whether within the jurisdiction in which he or she is currently registered or to a new jurisdiction inside or outside the state, the person shall inform, in writing within five working days, the law enforcement agency or agencies with which he or she last registered of the new address or location. If the person does not know the new residence address or location, the registrant shall inform the last registering agency or agencies that he or she is moving within five working days of the move, and shall later notify the agency or agencies of the new address or location within five working days of moving into the new residence address or location, whether temporary or permanent. The law enforcement agency or agencies shall, within three working days after receipt of this information, forward a copy of the change of address or location information to the Department of Justice. The Department of Justice shall forward appropriate registration data to the law enforcement agency or agencies having local jurisdiction of the new place of residence or location.

(2) If the person's new address is in a Department of the Youth Authority facility or a state prison or state mental institution, an official of the place of incarceration, placement, or commitment shall, within 90 days of receipt of the person, forward the registrant's change of address information to the Department of Justice. The agency need not provide a physical address for the registrant but shall indicate that he or she is serving a period of incarceration or commitment in a facility under the agency's jurisdiction. This paragraph shall apply to persons received in a Department of the Youth Authority facility or a state prison or state mental institution on or after January 1, 1999. The Department of Justice shall forward the change of address information to the agency with which the person last registered.

(3) If any person who is required to register pursuant to this section changes his or her name, the person shall inform, in person, the law enforcement agency or agencies with which he or she is currently registered within five working days. The law enforcement agency or

agencies shall forward a copy of this information to the Department of Justice within three working days of its receipt.

(g) (1) Any person who is required to register under this section based on a misdemeanor conviction or juvenile adjudication who willfully violates any requirement of this section is guilty of a misdemeanor punishable by imprisonment in a county jail not exceeding one year.

(2) Except as provided in paragraphs (5) and (7), any person who is required to register under this section based on a felony conviction or juvenile adjudication who willfully violates any requirement of this section or who has a prior conviction or juvenile adjudication for the offense of failing to register under this section and who subsequently and willfully violates any requirement of this section is guilty of a felony and shall be punished by imprisonment in the state prison for 16 months, or two or three years.

If probation is granted or if the imposition or execution of sentence is suspended, it shall be a condition of the probation or suspension that the person serve at least 90 days in a county jail. The penalty described in this paragraph shall apply whether or not the person has been released on parole or has been discharged from parole.

(3) Any person determined to be a mentally disordered sex offender or who has been found guilty in the guilt phase of trial for an offense for which registration is required under this section, but who has been found not guilty by reason of insanity in the sanity phase of the trial, or who has had a petition sustained in a juvenile adjudication for an offense for which registration is required under this section pursuant to subdivision (d), but who has been found not guilty by reason of insanity, who willfully violates any requirement of this section is guilty of a misdemeanor and shall be punished by imprisonment in a county jail not exceeding one year. For any second or subsequent willful violation of any requirement of this section, the person is guilty of a felony and shall be punished by imprisonment in the state prison for 16 months, or two or three years.

(4) If, after discharge from parole, the person is convicted of a felony or suffers a juvenile adjudication as specified in this subdivision, he or she shall be required to complete parole of at least one year, in addition to any other punishment imposed under this subdivision. A person convicted of a felony as specified in this subdivision may be granted probation only in the unusual case where the interests of justice would best be served. When probation is granted under this paragraph, the court shall specify on the record and shall enter into the minutes the circumstances indicating that the interests of justice would best be served by the disposition.

(5) Any person who has ever been adjudicated a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, and who fails to verify his or her registration every 90 days as required pursuant to subparagraph (E) of paragraph (1) of subdivision (a), shall be punished by imprisonment in the state prison, or in a county jail not exceeding one year.

(6) Except as otherwise provided in paragraph (5), and in addition to any other penalty imposed under this subdivision, any person who is required pursuant to subparagraph (C) of paragraph (1) of subdivision (a) to update his or her registration every 60 days and willfully fails to update his or her registration is guilty of a misdemeanor and shall be punished by imprisonment in a county jail not exceeding six months. Any subsequent violation of this requirement that persons described in subparagraph (C) of paragraph (1) of subdivision (a) shall update their registration every 60 days is also a misdemeanor and shall be punished by imprisonment in a county jail not exceeding six months.

(7) Any person who fails to provide proof of residence as required by subparagraph (E) of paragraph (2) of subdivision (e), regardless of the offense upon which the duty to register is based, is guilty of a misdemeanor punishable by imprisonment in a county jail not exceeding six months.

(8) Any person who is required to register under this section who willfully violates any requirement of this section is guilty of a continuing offense as to each requirement he or she violated.

(h) Whenever any person is released on parole or probation and is required to register under this section but fails to do so within the time prescribed, the parole authority, the Youthful Offender Parole Board, or the court, as the case may be, shall order the parole or probation of the person revoked. For purposes of this subdivision, ''parole authority'' has the same meaning as described in Section 3000.

(i) Except as provided in Sections 290.01, 290.4, and 290.45, the statements, photographs, and fingerprints required by this section shall not be open to inspection by the public or by any person other than a regularly employed peace officer or other law enforcement officer.

(j) In any case in which a person who would be required to register pursuant to this section for a felony conviction is to be temporarily sent outside the institution where he or she is confined on any assignment within a city or county including firefighting, disaster control, or of whatever nature the assignment may be, the local law enforcement agency having jurisdiction over the place or places where the assignment shall occur shall be notified within a reasonable time prior to removal from the institution. This subdivision shall not apply to any person who is temporarily released under guard from the institution where he or she is confined.

(k) As used in this section, ''mentally disordered sex offender'' includes any person who has been determined to be a sexual psychopath or a mentally disordered sex offender under any provision which, on or before January 1, 1976, was contained in Division 6 (commencing with Section 6000) of the Welfare and Institutions Code.

(*l*) (1) Every person who, prior to January 1, 1997, is required to register under this section, shall be notified whenever he or she next reregisters of the reduction of the registration period from 14 to five working days. This notice shall be provided in writing by the registering agency or agencies. Failure to receive this notification shall be a defense against the penalties prescribed by subdivision (g) if the person did register within 14 days.

(2) Every person who, as a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, is required to verify his or her registration every 90 days, shall be notified wherever he or she next registers of his or her increased registration obligations. This notice shall be provided in writing by the registering agency or agencies. Failure to receive this notice shall be a defense against the penalties prescribed by paragraph (5) of subdivision (g).

(m) The registration provisions of this section are applicable to every person described in this section, without regard to when his or her crimes were committed or his or her duty to register pursuant to this section arose, and to every offense described in this section, regardless of when it was committed.

SEC. 1.1. Section 290 of the Penal Code is amended to read:

290. (a) (1) (A) Every person described in paragraph (2), for the rest of his or her life while residing in, or, if he or she has no residence, while located within California, or while attending school or working in California, as described in subparagraph (G), shall be required to register with the chief of police of the city in which he or she is residing, or if he or she has no residence, is located, or the sheriff of the county if he or she is residing, or if he or she has no residence, is located, in an unincorporated area or city that has no police department, and, additionally, with the chief of police of a campus of the University of California, the California State University, or community college if he or she is residing, or if he or she has no residence, is located upon the campus or in any of its facilities, within five working days of coming into, or changing his or her residence or location within, any city, county, or city and county, or campus in which he or she temporarily resides, or, if he or she has no residence, is located.

(B) If the person who is registering has more than one residence address or location at which he or she regularly resides or is located, he or she shall register in accordance with subparagraph (A) in each of the jurisdictions in which he or she regularly resides or is located. If all of

the addresses or locations are within the same jurisdiction, the person shall provide the registering authority with all of the addresses or locations where he or she regularly resides or is located, regardless of the number of days or nights spent there.

(C) If the person who is registering has no residence address, he or she shall update his or her registration no less than once every 60 days in addition to the requirement in subparagraph (A), on a form as may be required by the Department of Justice, with the entity or entities described in subparagraph (A) in whose jurisdiction he or she is located at the time he or she is updating the registration.

(D) Beginning on his or her first birthday following registration or change of address, the person shall be required to register annually, within five working days of his or her birthday, to update his or her registration with the entities described in subparagraph (A). At the annual update, the person shall provide current information as required on the Department of Justice annual update form, including the information described in subparagraphs (A) to (C), inclusive, of paragraph (2) of subdivision (e).

(E) In addition, every person who has ever been adjudicated a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, shall, after his or her release from custody, verify his or her address no less than once every 90 days and place of employment, including the name and address of the employer, in a manner established by the Department of Justice.

(F) No entity shall require a person to pay a fee to register or update his or her registration pursuant to this section. The registering agency shall submit registrations, including annual updates or changes of address, directly into the Department of Justice Violent Crime Information Network (VCIN).

(G) Persons required to register in their state of residence who are out-of-state residents employed, or carrying on a vocation in California on a full-time or part-time basis, with or without compensation, for more than 14 days, or for an aggregate period exceeding 30 days in a calendar year, shall register in accordance with subparagraph (A). Persons described in paragraph (2) who are out-of-state residents enrolled in any educational institution in California, as defined in Section 22129 of the Education Code, on a full-time or part-time basis, shall register in accordance with subparagraph (A). The place where the out-of-state resident is located, for purposes of registration, shall be the place where the person is employed, carrying on a vocation, or attending school. The out-of-state resident subject to this subparagraph shall, in addition to the information required pursuant to subdivision (e), provide the registering authority with the name of his or her place of employment or the name of the school attended in California, and his or her address or location

in his or her state of residence. The registration requirement for persons subject to this subparagraph shall become operative on November 25, 2000. The terms ''employed or carries on a vocation'' include employment whether or not financially compensated, volunteered, or performed for government or educational benefit.

(2) The following persons shall be required to register pursuant to paragraph (1):

(A) Any person who, since July 1, 1944, has been or is hereafter convicted in any court in this state or in any federal or military court of a violation of Section 207 or 209 committed with intent to violate Section 261, 286, 288, 288a, or 289, Section 220, except assault to commit mayhem, Section 243.4, paragraph (1), (2), (3), (4), or (6) of subdivision (a) of Section 261, or paragraph (1) of subdivision (a) of Section 262 involving the use of force or violence for which the person is sentenced to the state prison, Section 264.1, 266, 266c, subdivision (b) of Section 266h, subdivision (b) of Section 266i, 266j, 267, 269, 285, 286, 288, 288a, 288.5, or 289, Section 311.1, subdivision (b), (c), or (d) of Section 311.2, Section 311.3, 311.4, 311.10, 311.11, or 647.6, former Section 647a, subdivision (c) of Section 653f, subdivision 1 or 2 of Section 314, any offense involving lewd or lascivious conduct under Section 272, or any felony violation of Section 288.2; or any statutory predecessor that includes all elements of one of the above-mentioned offenses; or any person who since that date has been or is hereafter convicted of the attempt to commit any of the above-mentioned offenses.

(B) Any person who, since July 1, 1944, has been or hereafter is released, discharged, or paroled from a penal institution where he or she was confined because of the commission or attempted commission of one of the offenses described in subparagraph (A).

(C) Any person who, since July 1, 1944, has been or hereafter is determined to be a mentally disordered sex offender under Article 1 (commencing with Section 6300) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code or any person who has been found guilty in the guilt phase of a trial for an offense for which registration is required by this section but who has been found not guilty by reason of insanity in the sanity phase of the trial.

(D) Any person who, since July 1, 1944, has been, or is hereafter convicted in any other court, including any state, federal, or military court, of any offense that, if committed or attempted in this state, would have been punishable as one or more of the offenses described in subparagraph (A) or any person ordered by any other court, including any state, federal, or military court, to register as a sex offender for any offense, if the court found at the time of conviction or sentencing that the

person committed the offense as a result of sexual compulsion or for purposes of sexual gratification.

(E) Any person ordered by any court to register pursuant to this section for any offense not included specifically in this section if the court finds at the time of conviction or sentencing that the person committed the offense as a result of sexual compulsion or for purposes of sexual gratification. The court shall state on the record the reasons for its findings and the reasons for requiring registration.

(F) (i) Notwithstanding any other subdivision, a person who was convicted before January 1, 1976, under subdivision (a) of Section 286, or Section 288a, shall not be required to register pursuant to this section for that conviction if the conviction was for conduct between consenting adults that was decriminalized by Chapter 71 of the Statutes of 1975 or Chapter 1139 of the Statutes of 1976. The Department of Justice shall remove that person from the Sex Offender Registry, and the person is discharged from his or her duty to register pursuant to the following procedure:

(I) The person submits to the Department of Justice official documentary evidence, including court records or police reports, that demonstrate that the person's conviction pursuant to either of those sections was for conduct between consenting adults that was decriminalized; or

(II) The person submits to the department a declaration stating that the person's conviction pursuant to either of those sections was for consensual conduct between adults that has been decriminalized. The declaration shall be confidential and not a public record, and shall include the person's name, address, telephone number, date of birth, and a summary of the circumstances leading to the conviction, including the date of the conviction and county of the occurrence.

(III) The department shall determine whether the person's conviction was for conduct between consensual adults that has been decriminalized. If the conviction was for consensual conduct between adults that has been decriminalized, and the person has no other offenses for which he or she is required to register pursuant to this section, the department shall, within 60 days of receipt of those documents, notify the person that he or she is relieved of the duty to register, and shall notify the local law enforcement agency with which the person is registered that he or she has been relieved of the duty to register. The local law enforcement agency shall remove the person's registration from its files within 30 days of receipt of notification. If the documentary or other evidence submitted is insufficient to establish the person's claim, the department shall, within 60 days of receipt of those documents, notify the person that his or her claim cannot be established, and that the person shall continue to register pursuant to this section. The department shall provide, upon the

person's request, any information relied upon by the department in making its determination that the person shall continue to register pursuant to this section. Any person whose claim has been denied by the department pursuant to this clause may petition the court to appeal the department's denial of the person's claim.

(ii) On or before July 1, 1998, the department shall make a report to the Legislature concerning the status of persons who may come under the provisions of this subparagraph, including the number of persons who were convicted before January 1, 1976, under subdivision (a) of Section 286 or Section 288a and are required to register under this section, the average age of these persons, the number of these persons who have any subsequent convictions for a registerable sex offense, and the number of these persons who have sought successfully or unsuccessfully to be relieved of their duty to register under this section.

(b) (1) Any person who is released, discharged, or paroled from a jail, state or federal prison, school, road camp, or other institution where he or she was confined because of the commission or attempted commission of one of the offenses specified in subdivision (a) or is released from a state hospital to which he or she was committed as a mentally disordered sex offender under Article 1 (commencing with Section 6300) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code, shall, prior to discharge, parole, or release, be informed of his or her duty to register under this section by the official in charge of the place of confinement or hospital, and the official shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to the person. The official in charge of the place of confinement or hospital shall obtain the address where the person expects to reside upon his or her discharge, parole, or release and shall report the address to the Department of Justice. The official shall at the same time forward a current photograph of the person to the Department of Justice.

(2) The official in charge of the place of confinement or hospital shall give one copy of the form to the person and shall send one copy to the Department of Justice and one copy to the appropriate law enforcement agency or agencies having jurisdiction over the place the person expects to reside upon discharge, parole, or release. If the conviction that makes the person subject to this section is a felony conviction, the official in charge shall, not later than 45 days prior to the scheduled release of the person, send one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon discharge, parole, or release; one copy to the prosecuting agency that prosecuted the person; and one copy to the Department of Justice.

The official in charge of the place of confinement or hospital shall retain one copy.

(c) (1) Any person who is convicted in this state of the commission or attempted commission of any of the offenses specified in subdivision (a) and who is released on probation, shall, prior to release or discharge, be informed of the duty to register under this section by the probation department, and a probation officer shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to him or her. The probation officer shall obtain the address where the person expects to reside upon release or discharge and shall report within three days the address to the Department of Justice. The probation officer shall give one copy of the form to the person, send one copy to the Department of Justice, and forward one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon his or her discharge, parole, or release.

(2) Any person who is convicted in this state of the commission or attempted commission of any of the offenses specified in subdivision (a) and who is granted conditional release without supervised probation, or discharged upon payment of a fine, shall, prior to release or discharge, be informed of the duty to register under this section in open court by the court in which the person has been convicted, and the court shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to him or her. If the court finds that it is in the interest of the efficiency of the court, the court may assign the bailiff to require the person to read and sign forms under this section. The court shall obtain the address where the person expects to reside upon release or discharge and shall report within three days the address to the Department of Justice. The court shall give one copy of the form to the person, send one copy to the Department of Justice, and forward one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon his or her discharge, parole, or release.

(d) (1) Any person who, on or after January 1, 1986, is discharged or paroled from the Department of the Youth Authority to the custody of which he or she was committed after having been adjudicated a ward of the juvenile court pursuant to Section 602 of the Welfare and Institutions Code because of the commission or attempted commission of any offense described in paragraph (3) shall be subject to registration under the procedures of this section.

(2) Any person who is discharged or paroled from a facility in another state that is equivalent to the Department of the Youth Authority, to the

custody of which he or she was committed because of an offense which, if committed or attempted in this state, would have been punishable as one or more of the offenses described in paragraph (3), shall be subject to registration under the procedures of this section.

(3) Any person described in this subdivision who committed an offense in violation of any of the following provisions shall be required to register pursuant to this section:

(A) Assault with intent to commit rape, sodomy, oral copulation, or any violation of Section 264.1, 288, or 289 under Section 220.

(B) Any offense defined in paragraph (1), (2), (3), (4), or (6) of subdivision (a) of Section 261, Section 264.1, 266c, or 267, paragraph (1) of subdivision (b) of, or subdivision (c) or (d) of, Section 286, Section 288 or 288.5, paragraph (1) of subdivision (b) of, or subdivision (c) or (d) of, Section 288a, subdivision (a) of Section 289, or Section 647.6.

(C) A violation of Section 207 or 209 committed with the intent to violate Section 261, 286, 288, 288a, or 289.

(4) Prior to discharge or parole from the Department of the Youth Authority, any person who is subject to registration under this subdivision shall be informed of the duty to register under the procedures set forth in this section. Department of the Youth Authority officials shall transmit the required forms and information to the Department of Justice.

(5) All records specifically relating to the registration in the custody of the Department of Justice, law enforcement agencies, and other agencies or public officials shall be destroyed when the person who is required to register has his or her records sealed under the procedures set forth in Section 781 of the Welfare and Institutions Code. This subdivision shall not be construed as requiring the destruction of other criminal offender or juvenile records relating to the case that are maintained by the Department of Justice, law enforcement agencies, the juvenile court, or other agencies and public officials unless ordered by a court under Section 781 of the Welfare and Institutions Code.

(e) (1) On or after January 1, 1998, upon incarceration, placement, or commitment, or prior to release on probation, any person who is required to register under this section shall preregister. The preregistering official shall be the admitting officer at the place of incarceration, placement, or commitment, or the probation officer if the person is to be released on probation. The preregistration shall consist of all of the following:

(A) A preregistration statement in writing, signed by the person, giving information that shall be required by the Department of Justice.

(B) The fingerprints and a current photograph of the person.

(C) Any person who is preregistered pursuant to this subdivision is required to be preregistered only once.

(2) A person described in paragraph (2) of subdivision (a) shall register, or reregister if the person has previously registered, upon release from incarceration, placement, commitment, or release on probation pursuant to paragraph (1) of subdivision (a). The registration shall consist of all of the following:

(A) A statement in writing signed by the person, giving information as shall be required by the Department of Justice and giving the name and address of the person's employer, and the address of the person's place of employment if that is different from the employer's main address.

(B) The fingerprints and a current photograph of the person taken by the registering official.

(C) The license plate number of any vehicle owned by, regularly driven by, or registered in the name of the person.

(D) Notice to the person that, in addition to the requirements of paragraph (4), he or she may have a duty to register in any other state where he or she may relocate.

(E) Copies of adequate proof of residence, which shall be limited to a California driver's license, California identification card, recent rent or utility receipt, printed personalized checks or other recent banking documents showing that person's name and address, or any other information that the registering official believes is reliable. If the person has no residence and no reasonable expectation of obtaining a residence in the foreseeable future, the person shall so advise the registering official and shall sign a statement provided by the registering official stating that fact. Upon presentation of proof of residence to the registering official or a signed statement that the person has no residence, the person shall be allowed to register. If the person claims that he or she has a residence but does not have any proof of residence, he or she shall be allowed to register but shall furnish proof of residence within 30 days of the day he or she is allowed to register.

(3) Within three days thereafter, the preregistering official or the registering law enforcement agency or agencies shall forward the statement, fingerprints, photograph, and vehicle license plate number, if any, to the Department of Justice.

(f) (1) If any person who is required to register pursuant to this section changes his or her residence address or location, whether within the jurisdiction in which he or she is currently registered or to a new jurisdiction inside or outside the state, the person shall inform, in writing within five working days, the law enforcement agency or agencies with which he or she last registered of the new address or location. If the person does not know the new residence address or location, the registrant shall inform the last registering agency or agencies that he or she is moving within five working days of the move, and shall later

notify the agency or agencies of the new address or location within five working days of moving into the new residence address or location, whether temporary or permanent. The law enforcement agency or agencies shall, within three working days after receipt of this information, forward a copy of the change of address or location information to the Department of Justice. The Department of Justice shall forward appropriate registration data to the law enforcement agency or agencies having local jurisdiction of the new place of residence or location.

(2) If the person's new address is in a Department of the Youth Authority facility or a state prison or state mental institution, an official of the place of incarceration, placement, or commitment shall, within 90 days of receipt of the person, forward the registrant's change of address information to the Department of Justice. The agency need not provide a physical address for the registrant but shall indicate that he or she is serving a period of incarceration or commitment in a facility under the agency's jurisdiction. This paragraph shall apply to persons received in a Department of the Youth Authority facility or a state prison or state mental institution on or after January 1, 1999. The Department of Justice shall forward the change of address information to the agency with which the person last registered.

(3) If any person who is required to register pursuant to this section changes his or her name, the person shall inform, in person, the law enforcement agency or agencies with which he or she is currently registered within five working days. The law enforcement agency or agencies shall forward a copy of this information to the Department of Justice within three working days of its receipt.

(g) (1) Any person who is required to register under this section based on a misdemeanor conviction or juvenile adjudication who willfully violates any requirement of this section is guilty of a misdemeanor punishable by imprisonment in a county jail not exceeding one year.

(2) Except as provided in paragraphs (5) and (7), any person who is required to register under this section based on a felony conviction or juvenile adjudication who willfully violates any requirement of this section or who has a prior conviction or juvenile adjudication for the offense of failing to register under this section and who subsequently and willfully violates any requirement of this section is guilty of a felony and shall be punished by imprisonment in the state prison for 16 months, or two or three years.

If probation is granted or if the imposition or execution of sentence is suspended, it shall be a condition of the probation or suspension that the person serve at least 90 days in a county jail. The penalty described in

this paragraph shall apply whether or not the person has been released on parole or has been discharged from parole.

(3) Any person determined to be a mentally disordered sex offender or who has been found guilty in the guilt phase of trial for an offense for which registration is required under this section, but who has been found not guilty by reason of insanity in the sanity phase of the trial, or who has had a petition sustained in a juvenile adjudication for an offense for which registration is required under this section pursuant to subdivision (d), but who has been found not guilty by reason of insanity, who willfully violates any requirement of this section is guilty of a misdemeanor and shall be punished by imprisonment in a county jail not exceeding one year. For any second or subsequent willful violation of any requirement of this section, the person is guilty of a felony and shall be punished by imprisonment in the state prison for 16 months, or two or three years.

(4) If, after discharge from parole, the person is convicted of a felony or suffers a juvenile adjudication as specified in this subdivision, he or she shall be required to complete parole of at least one year, in addition to any other punishment imposed under this subdivision. A person convicted of a felony as specified in this subdivision may be granted probation only in the unusual case where the interests of justice would best be served. When probation is granted under this paragraph, the court shall specify on the record and shall enter into the minutes the circumstances indicating that the interests of justice would best be served by the disposition.

(5) Any person who has ever been adjudicated a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, and who fails to verify his or her registration every 90 days as required pursuant to subparagraph (E) of paragraph (1) of subdivision (a), shall be punished by imprisonment in the state prison, or in a county jail not exceeding one year.

(6) Except as otherwise provided in paragraph (5), and in addition to any other penalty imposed under this subdivision, any person who is required pursuant to subparagraph (C) of paragraph (1) of subdivision (a) to update his or her registration every 60 days and willfully fails to update his or her registration is guilty of a misdemeanor and shall be punished by imprisonment in a county jail not exceeding six months. Any subsequent violation of this requirement that persons described in subparagraph (C) of paragraph (1) of subdivision (a) shall update their registration every 60 days is also a misdemeanor and shall be punished by imprisonment in a county jail not exceeding six months.

(7) Any person who fails to provide proof of residence as required by subparagraph (E) of paragraph (2) of subdivision (e), regardless of the offense upon which the duty to register is based, is guilty of a

misdemeanor punishable by imprisonment in a county jail not exceeding six months.

(8) Any person who is required to register under this section who willfully violates any requirement of this section is guilty of a continuing offense as to each requirement he or she violated.

(h) Whenever any person is released on parole or probation and is required to register under this section but fails to do so within the time prescribed, the parole authority, the Youthful Offender Parole Board, or the court, as the case may be, shall order the parole or probation of the person revoked. For purposes of this subdivision, ''parole authority'' has the same meaning as described in Section 3000.

(i) Except as provided in Sections 290.01, 290.4, 290.45, and 290.46, the statements, photographs, and fingerprints required by this section shall not be open to inspection by the public or by any person other than a regularly employed peace officer or other law enforcement officer.

(j) In any case in which a person who would be required to register pursuant to this section for a felony conviction is to be temporarily sent outside the institution where he or she is confined on any assignment within a city or county including firefighting, disaster control, or of whatever nature the assignment may be, the local law enforcement agency having jurisdiction over the place or places where the assignment shall occur shall be notified within a reasonable time prior to removal from the institution. This subdivision shall not apply to any person who is temporarily released under guard from the institution where he or she is confined.

(k) As used in this section, ''mentally disordered sex offender'' includes any person who has been determined to be a sexual psychopath or a mentally disordered sex offender under any provision which, on or before January 1, 1976, was contained in Division 6 (commencing with Section 6000) of the Welfare and Institutions Code.

(*l*) (1) Every person who, prior to January 1, 1997, is required to register under this section, shall be notified whenever he or she next reregisters of the reduction of the registration period from 14 to five working days. This notice shall be provided in writing by the registering agency or agencies. Failure to receive this notification shall be a defense against the penalties prescribed by subdivision (g) if the person did register within 14 days.

(2) Every person who, as a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, is required to verify his or her registration every 90 days, shall be notified wherever he or she next registers of his or her increased registration obligations. This notice shall be provided in writing by the registering agency or agencies. Failure to receive this notice shall be a defense against the penalties prescribed by paragraph (5) of subdivision (g).

(m) The registration provisions of this section are applicable to every person described in this section, without regard to when his or her crimes were committed or his or her duty to register pursuant to this section arose, and to every offense described in this section, regardless of when it was committed.

SEC. 1.2. Section 290 of the Penal Code is amended to read:

290. (a) (1) (A) Every person described in paragraph (2), for the rest of his or her life while residing in, or, if he or she has no residence, while located within California, or while attending school or working in California, as described in subparagraph (G), shall be required to register with the chief of police of the city in which he or she is residing, or if he or she has no residence, is located, or the sheriff of the county if he or she is residing, or if he or she has no residence, is located, in an unincorporated area or city that has no police department, and, additionally, with the chief of police of a campus of the University of California, the California State University, or community college if he or she is residing, or if he or she has no residence, is located upon the campus or in any of its facilities, within five working days of coming into, or changing his or her residence or location within, any city, county, or city and county, or campus in which he or she temporarily resides, or, if he or she has no residence, is located.

(B) If the person who is registering has more than one residence address or location at which he or she regularly resides or is located, he or she shall register in accordance with subparagraph (A) in each of the jurisdictions in which he or she regularly resides or is located, regardless of the number of days or nights spent there. If all of the addresses or locations are within the same jurisdiction, the person shall provide the registering authority with all of the addresses or locations where he or she regularly resides or is located.

(C) If the person who is registering has no residence address, he or she shall update his or her registration no less than once every 60 days in addition to the requirement in subparagraph (A), on a form as may be required by the Department of Justice, with the entity or entities described in subparagraph (A) in whose jurisdiction he or she is located at the time he or she is updating the registration.

(D) Beginning on his or her first birthday following registration or change of address, the person shall be required to register annually, within five working days of his or her birthday, to update his or her registration with the entities described in subparagraph (A). At the annual update, the person shall provide current information as required on the Department of Justice annual update form, including the information described in subparagraphs (A) to (C), inclusive, of paragraph (2) of subdivision (e).

(E) In addition, every person who has ever been adjudicated a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, shall, after his or her release from custody, verify his or her address no less than once every 90 days and place of employment, including the name and address of the employer, in a manner established by the Department of Justice.

(F) No entity shall require a person to pay a fee to register or update his or her registration pursuant to this section. The registering agency shall submit registrations, including annual updates or changes of address, directly into the Department of Justice Violent Crime Information Network (VCIN).

(G) Persons required to register in their state of residence who are out-of-state residents employed, or carrying on a vocation in California on a full-time or part-time basis, with or without compensation, for more than 14 days, or for an aggregate period exceeding 30 days in a calendar year, shall register in accordance with subparagraph (A). Persons described in paragraph (2) who are out-of-state residents enrolled in any educational institution in California, as defined in Section 22129 of the Education Code, on a full-time or part-time basis, shall register in accordance with subparagraph (A). The place where the out-of-state resident is located, for purposes of registration, shall be the place where the person is employed, carrying on a vocation, or attending school. The out-of-state resident subject to this subparagraph shall, in addition to the information required pursuant to subdivision (e), provide the registering authority with the name of his or her place of employment or the name of the school attended in California, and his or her address or location in his or her state of residence. The registration requirement for persons subject to this subparagraph shall become operative on November 25, 2000. The terms ''employed or carries on a vocation'' include employment whether or not financially compensated, volunteered, or performed for government or educational benefit.

(2) The following persons shall be required to register pursuant to paragraph (1):

(A) Any person who, since July 1, 1944, has been or is hereafter convicted in any court in this state or in any federal or military court of a violation of Section 207 or 209 committed with intent to violate Section 261, 286, 288, 288a, or 289, Section 220, except assault to commit mayhem, Section 243.4, paragraph (1), (2), (3), (4), or (6) of subdivision (a) of Section 261, or paragraph (1) of subdivision (a) of Section 262 involving the use of force or violence for which the person is sentenced to the state prison, Section 264.1, 266, 266c, subdivision (b) of Section 266h, subdivision (b) of Section 266i, 266j, 267, 269, 285, 286, 288, 288a, 288.5, or 289, Section 311.1, subdivision (b), (c), or (d) of Section 311.2, Section 311.3, 311.4, 311.10, 311.11, or 647.6, former

Section 647a, subdivision (c) of Section 653f, subdivision 1 or 2 of Section 314, any offense involving lewd or lascivious conduct under Section 272, or any felony violation of Section 288.2; or any statutory predecessor that includes all elements of one of the above-mentioned offenses; or any person who since that date has been or is hereafter convicted of the attempt to commit any of the above-mentioned offenses.

(B) Any person who, since July 1, 1944, has been or hereafter is released, discharged, or paroled from a penal institution where he or she was confined because of the commission or attempted commission of one of the offenses described in subparagraph (A).

(C) Any person who, since July 1, 1944, has been or hereafter is determined to be a mentally disordered sex offender under Article 1 (commencing with Section 6300) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code or any person who has been found guilty in the guilt phase of a trial for an offense for which registration is required by this section but who has been found not guilty by reason of insanity in the sanity phase of the trial.

(D) (i) Any person who, since July 1, 1944, has been, or is hereafter convicted in any other court, including any state, federal, or military court, of any offense that, if committed or attempted in this state, would have been punishable as one or more of the offenses described in subparagraph (A).

(ii) Any person ordered by any other court, including any state, federal, or military court, to register as a sex offender for any offense, if the court found at the time of conviction or sentencing that the person committed the offense as a result of sexual compulsion or for purposes of sexual gratification.

(iii) Except as provided in clause (iv), any person who would be required to register while residing in the state of conviction for a sex offense committed in that state.

(iv) Clause (iii) shall not apply to a person required to register in the state of conviction if the conviction was for the equivalent of one of the following offenses, and the person is not subject to clause (i):

(I) Indecent exposure, pursuant to Section 314.

(II) Unlawful sexual intercourse, pursuant to Section 261.5.

(III) Incest, pursuant to Section 285.

(IV) Sodomy, pursuant to Section 286, or oral copulation, pursuant to Section 288a, provided that the offender notifies the Department of Justice that the sodomy or oral copulation conviction was for conduct between consenting adults, as described in subparagraph (F) of paragraph (2) of subdivision (a), and the department is able, upon the exercise of reasonable diligence, to verify that fact.

(E) Any person ordered by any court to register pursuant to this section for any offense not included specifically in this section if the court finds at the time of conviction or sentencing that the person committed the offense as a result of sexual compulsion or for purposes of sexual gratification. The court shall state on the record the reasons for its findings and the reasons for requiring registration.

(F) (i) Notwithstanding any other subdivision, a person who was convicted before January 1, 1976, under subdivision (a) of Section 286, or Section 288a, shall not be required to register pursuant to this section for that conviction if the conviction was for conduct between consenting adults that was decriminalized by Chapter 71 of the Statutes of 1975 or Chapter 1139 of the Statutes of 1976. The Department of Justice shall remove that person from the Sex Offender Registry, and the person is discharged from his or her duty to register pursuant to the following procedure:

(I) The person submits to the Department of Justice official documentary evidence, including court records or police reports, that demonstrate that the person's conviction pursuant to either of those sections was for conduct between consenting adults that was decriminalized; or

(II) The person submits to the department a declaration stating that the person's conviction pursuant to either of those sections was for consensual conduct between adults that has been decriminalized. The declaration shall be confidential and not a public record, and shall include the person's name, address, telephone number, date of birth, and a summary of the circumstances leading to the conviction, including the date of the conviction and county of the occurrence.

(III) The department shall determine whether the person's conviction was for conduct between consensual adults that has been decriminalized. If the conviction was for consensual conduct between adults that has been decriminalized, and the person has no other offenses for which he or she is required to register pursuant to this section, the department shall, within 60 days of receipt of those documents, notify the person that he or she is relieved of the duty to register, and shall notify the local law enforcement agency with which the person is registered that he or she has been relieved of the duty to register. The local law enforcement agency shall remove the person's registration from its files within 30 days of receipt of notification. If the documentary or other evidence submitted is insufficient to establish the person's claim, the department shall, within 60 days of receipt of those documents, notify the person that his or her claim cannot be established, and that the person shall continue to register pursuant to this section. The department shall provide, upon the person's request, any information relied upon by the department in making its determination that the person shall continue to register

pursuant to this section. Any person whose claim has been denied by the department pursuant to this clause may petition the court to appeal the department's denial of the person's claim.

(ii) On or before July 1, 1998, the department shall make a report to the Legislature concerning the status of persons who may come under the provisions of this subparagraph, including the number of persons who were convicted before January 1, 1976, under subdivision (a) of Section 286 or Section 288a and are required to register under this section, the average age of these persons, the number of these persons who have any subsequent convictions for a registerable sex offense, and the number of these persons who have sought successfully or unsuccessfully to be relieved of their duty to register under this section.

(b) (1) Any person who is released, discharged, or paroled from a jail, state or federal prison, school, road camp, or other institution where he or she was confined because of the commission or attempted commission of one of the offenses specified in subdivision (a) or is released from a state hospital to which he or she was committed as a mentally disordered sex offender under Article 1 (commencing with Section 6300) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code, shall, prior to discharge, parole, or release, be informed of his or her duty to register under this section by the official in charge of the place of confinement or hospital, and the official shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to the person. The official in charge of the place of confinement or hospital shall obtain the address where the person expects to reside upon his or her discharge, parole, or release and shall report the address to the Department of Justice. The official shall at the same time forward a current photograph of the person to the Department of Justice.

(2) The official in charge of the place of confinement or hospital shall give one copy of the form to the person and shall send one copy to the Department of Justice and one copy to the appropriate law enforcement agency or agencies having jurisdiction over the place the person expects to reside upon discharge, parole, or release. If the conviction that makes the person subject to this section is a felony conviction, the official in charge shall, not later than 45 days prior to the scheduled release of the person, send one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon discharge, parole, or release; one copy to the prosecuting agency that prosecuted the person; and one copy to the Department of Justice. The official in charge of the place of confinement or hospital shall retain one copy.

(c) (1) Any person who is convicted in this state of the commission or attempted commission of any of the offenses specified in subdivision (a) and who is released on probation, shall, prior to release or discharge, be informed of the duty to register under this section by the probation department, and a probation officer shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to him or her. The probation officer shall obtain the address where the person expects to reside upon release or discharge and shall report within three days the address to the Department of Justice. The probation officer shall give one copy of the form to the person, send one copy to the Department of Justice, and forward one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon his or her discharge, parole, or release.

(2) Any person who is convicted in this state of the commission or attempted commission of any of the offenses specified in subdivision (a) and who is granted conditional release without supervised probation, or discharged upon payment of a fine, shall, prior to release or discharge, be informed of the duty to register under this section in open court by the court in which the person has been convicted, and the court shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to him or her. If the court finds that it is in the interest of the efficiency of the court, the court may assign the bailiff to require the person to read and sign forms under this section. The court shall obtain the address where the person expects to reside upon release or discharge and shall report within three days the address to the Department of Justice. The court shall give one copy of the form to the person, send one copy to the Department of Justice, and forward one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon his or her discharge, parole, or release.

(d) (1) Any person who, on or after January 1, 1986, is discharged or paroled from the Department of the Youth Authority to the custody of which he or she was committed after having been adjudicated a ward of the juvenile court pursuant to Section 602 of the Welfare and Institutions Code because of the commission or attempted commission of any offense described in paragraph (3) shall be subject to registration under the procedures of this section.

(2) Any person who is discharged or paroled from a facility in another state that is equivalent to the Department of the Youth Authority, to the custody of which he or she was committed because of an offense which, if committed or attempted in this state, would have been punishable as

one or more of the offenses described in paragraph (3), shall be subject to registration under the procedures of this section.

(3) Any person described in this subdivision who committed an offense in violation of any of the following provisions shall be required to register pursuant to this section:

(A) Assault with intent to commit rape, sodomy, oral copulation, or any violation of Section 264.1, 288, or 289 under Section 220.

(B) Any offense defined in paragraph (1), (2), (3), (4), or (6) of subdivision (a) of Section 261, Section 264.1, 266c, or 267, paragraph (1) of subdivision (b) of, or subdivision (c) or (d) of, Section 286, Section 288 or 288.5, paragraph (1) of subdivision (b) of, or subdivision (c) or (d) of, Section 288a, subdivision (a) of Section 289, or Section 647.6.

(C) A violation of Section 207 or 209 committed with the intent to violate Section 261, 286, 288, 288a, or 289.

(4) Prior to discharge or parole from the Department of the Youth Authority, any person who is subject to registration under this subdivision shall be informed of the duty to register under the procedures set forth in this section. Department of the Youth Authority officials shall transmit the required forms and information to the Department of Justice.

(5) All records specifically relating to the registration in the custody of the Department of Justice, law enforcement agencies, and other agencies or public officials shall be destroyed when the person who is required to register has his or her records sealed under the procedures set forth in Section 781 of the Welfare and Institutions Code. This subdivision shall not be construed as requiring the destruction of other criminal offender or juvenile records relating to the case that are maintained by the Department of Justice, law enforcement agencies, the juvenile court, or other agencies and public officials unless ordered by a court under Section 781 of the Welfare and Institutions Code.

(e) (1) On or after January 1, 1998, upon incarceration, placement, or commitment, or prior to release on probation, any person who is required to register under this section shall preregister. The preregistering official shall be the admitting officer at the place of incarceration, placement, or commitment, or the probation officer if the person is to be released on probation. The preregistration shall consist of all of the following:

(A) A preregistration statement in writing, signed by the person, giving information that shall be required by the Department of Justice.

(B) The fingerprints and a current photograph of the person.

(C) Any person who is preregistered pursuant to this subdivision is required to be preregistered only once.

(2) A person described in paragraph (2) of subdivision (a) shall register, or reregister if the person has previously registered, upon

release from incarceration, placement, commitment, or release on probation pursuant to paragraph (1) of subdivision (a). The registration shall consist of all of the following:

(A) A statement in writing signed by the person, giving information as shall be required by the Department of Justice and giving the name and address of the person's employer, and the address of the person's place of employment if that is different from the employer's main address.

(B) The fingerprints and a current photograph of the person taken by the registering official.

(C) The license plate number of any vehicle owned by, regularly driven by, or registered in the name of the person.

(D) Notice to the person that, in addition to the requirements of paragraph (4), he or she may have a duty to register in any other state where he or she may relocate.

(E) Copies of adequate proof of residence, which shall be limited to a California driver's license, California identification card, recent rent or utility receipt, printed personalized checks or other recent banking documents showing that person's name and address, or any other information that the registering official believes is reliable. If the person has no residence and no reasonable expectation of obtaining a residence in the foreseeable future, the person shall so advise the registering official and shall sign a statement provided by the registering official stating that fact. Upon presentation of proof of residence to the registering official or a signed statement that the person has no residence, the person shall be allowed to register. If the person claims that he or she has a residence but does not have any proof of residence, he or she shall be allowed to register but shall furnish proof of residence within 30 days of the day he or she is allowed to register.

(3) Within three days thereafter, the preregistering official or the registering law enforcement agency or agencies shall forward the statement, fingerprints, photograph, and vehicle license plate number, if any, to the Department of Justice.

(f) (1) If any person who is required to register pursuant to this section changes his or her residence address or location, whether within the jurisdiction in which he or she is currently registered or to a new jurisdiction inside or outside the state, the person shall inform, in writing within five working days, the law enforcement agency or agencies with which he or she last registered of the new address or location. If the person does not know the new residence address or location, the registrant shall inform the last registering agency or agencies that he or she is moving within five working days of the move, and shall later notify the agency or agencies of the new address or location within five working days of moving into the new residence address or location,

whether temporary or permanent. The law enforcement agency or agencies shall, within three working days after receipt of this information, forward a copy of the change of address or location information to the Department of Justice. The Department of Justice shall forward appropriate registration data to the law enforcement agency or agencies having local jurisdiction of the new place of residence or location.

(2) If the person's new address is in a Department of the Youth Authority facility or a state prison or state mental institution, an official of the place of incarceration, placement, or commitment shall, within 90 days of receipt of the person, forward the registrant's change of address information to the Department of Justice. The agency need not provide a physical address for the registrant but shall indicate that he or she is serving a period of incarceration or commitment in a facility under the agency's jurisdiction. This paragraph shall apply to persons received in a Department of the Youth Authority facility or a state prison or state mental institution on or after January 1, 1999. The Department of Justice shall forward the change of address information to the agency with which the person last registered.

(3) If any person who is required to register pursuant to this section changes his or her name, the person shall inform, in person, the law enforcement agency or agencies with which he or she is currently registered within five working days. The law enforcement agency or agencies shall forward a copy of this information to the Department of Justice within three working days of its receipt.

(g) (1) Any person who is required to register under this section based on a misdemeanor conviction or juvenile adjudication who willfully violates any requirement of this section is guilty of a misdemeanor punishable by imprisonment in a county jail not exceeding one year.

(2) Except as provided in paragraphs (5) and (7), any person who is required to register under this section based on a felony conviction or juvenile adjudication who willfully violates any requirement of this section or who has a prior conviction or juvenile adjudication for the offense of failing to register under this section and who subsequently and willfully violates any requirement of this section is guilty of a felony and shall be punished by imprisonment in the state prison for 16 months, or two or three years.

If probation is granted or if the imposition or execution of sentence is suspended, it shall be a condition of the probation or suspension that the person serve at least 90 days in a county jail. The penalty described in this paragraph shall apply whether or not the person has been released on parole or has been discharged from parole.

(3) Any person determined to be a mentally disordered sex offender or who has been found guilty in the guilt phase of trial for an offense for which registration is required under this section, but who has been found not guilty by reason of insanity in the sanity phase of the trial, or who has had a petition sustained in a juvenile adjudication for an offense for which registration is required under this section pursuant to subdivision (d), but who has been found not guilty by reason of insanity, who willfully violates any requirement of this section is guilty of a misdemeanor and shall be punished by imprisonment in a county jail not exceeding one year. For any second or subsequent willful violation of any requirement of this section, the person is guilty of a felony and shall be punished by imprisonment in the state prison for 16 months, or two or three years.

(4) If, after discharge from parole, the person is convicted of a felony or suffers a juvenile adjudication as specified in this subdivision, he or she shall be required to complete parole of at least one year, in addition to any other punishment imposed under this subdivision. A person convicted of a felony as specified in this subdivision may be granted probation only in the unusual case where the interests of justice would best be served. When probation is granted under this paragraph, the court shall specify on the record and shall enter into the minutes the circumstances indicating that the interests of justice would best be served by the disposition.

(5) Any person who has ever been adjudicated a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, and who fails to verify his or her registration every 90 days as required pursuant to subparagraph (E) of paragraph (1) of subdivision (a), shall be punished by imprisonment in the state prison, or in a county jail not exceeding one year.

(6) Except as otherwise provided in paragraph (5), and in addition to any other penalty imposed under this subdivision, any person who is required pursuant to subparagraph (C) of paragraph (1) of subdivision (a) to update his or her registration every 60 days and willfully fails to update his or her registration is guilty of a misdemeanor and shall be punished by imprisonment in a county jail not exceeding six months. Any subsequent violation of this requirement that persons described in subparagraph (C) of paragraph (1) of subdivision (a) shall update their registration every 60 days is also a misdemeanor and shall be punished by imprisonment in a county jail not exceeding six months.

(7) Any person who fails to provide proof of residence as required by subparagraph (E) of paragraph (2) of subdivision (e), regardless of the offense upon which the duty to register is based, is guilty of a misdemeanor punishable by imprisonment in a county jail not exceeding six months.

(8) Any person who is required to register under this section who willfully violates any requirement of this section is guilty of a continuing offense as to each requirement he or she violated.

(h) Whenever any person is released on parole or probation and is required to register under this section but fails to do so within the time prescribed, the parole authority, the Youthful Offender Parole Board, or the court, as the case may be, shall order the parole or probation of the person revoked. For purposes of this subdivision, ''parole authority'' has the same meaning as described in Section 3000.

(i) Except as provided in Sections 290.01, 290.4, and 290.45, the statements, photographs, and fingerprints required by this section shall not be open to inspection by the public or by any person other than a regularly employed peace officer or other law enforcement officer.

(j) In any case in which a person who would be required to register pursuant to this section for a felony conviction is to be temporarily sent outside the institution where he or she is confined on any assignment within a city or county including firefighting, disaster control, or of whatever nature the assignment may be, the local law enforcement agency having jurisdiction over the place or places where the assignment shall occur shall be notified within a reasonable time prior to removal from the institution. This subdivision shall not apply to any person who is temporarily released under guard from the institution where he or she is confined.

(k) As used in this section, ''mentally disordered sex offender'' includes any person who has been determined to be a sexual psychopath or a mentally disordered sex offender under any provision which, on or before January 1, 1976, was contained in Division 6 (commencing with Section 6000) of the Welfare and Institutions Code.

(*l*) (1) Every person who, prior to January 1, 1997, is required to register under this section, shall be notified whenever he or she next reregisters of the reduction of the registration period from 14 to 5 working days. This notice shall be provided in writing by the registering agency or agencies. Failure to receive this notification shall be a defense against the penalties prescribed by subdivision (g) if the person did register within 14 days.

(2) Every person who, as a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, is required to verify his or her registration every 90 days, shall be notified wherever he or she next registers of his or her increased registration obligations. This notice shall be provided in writing by the registering agency or agencies. Failure to receive this notice shall be a defense against the penalties prescribed by paragraph (5) of subdivision (g).

(m) The registration provisions of this section are applicable to every person described in this section, without regard to when his or her crimes

were committed or his or her duty to register pursuant to this section arose, and to every offense described in this section, regardless of when it was committed.

SEC. 1.3. Section 290 of the Penal Code is amended to read:

290. (a) (1) (A) Every person described in paragraph (2), for the rest of his or her life while residing in California, or while attending school or working in California, as described in subparagraph (G), shall be required to register with the chief of police of the city in which he or she is residing, or the sheriff of the county if he or she is residing in an unincorporated area or city that has no police department, and, additionally, with the chief of police of a campus of the University of California, the California State University, or community college if he or she is residing upon the campus or in any of its facilities, within five working days of coming into, or changing his or her residence within, any city, county, or city and county, or campus in which he or she temporarily resides.

(B) If the person who is registering has more than one residence address at which he or she regularly resides, he or she shall register in accordance with subparagraph (A) in each of the jurisdictions in which he or she regularly resides, regardless of the number of days or nights spent there. If all of the addresses are within the same jurisdiction, the person shall provide the registering authority with all of the addresses where he or she regularly resides.

(C) Every person described in paragraph (2), for the rest of his or her life while living as a transient in California shall be required to register, as follows:

(i) A transient must register, or reregister if the person has previously registered, within five working days from release from incarceration, placement or commitment, or release on probation, pursuant to paragraph (1) of subdivision (a), except that if the person previously registered as a transient less than 30 days from the date of his or her release from incarceration, he or she does not need to reregister as a transient until his or her next required 30-day update of registration. If a transient is not physically present in any one jurisdiction for five consecutive working days, he or she must register in the jurisdiction in which he or she is physically present on the fifth working day following release, pursuant to paragraph (1) of subdivision (a). Beginning on or before the 30th day following initial registration upon release, a transient must reregister no less than once every 30 days thereafter. A transient shall register with the chief of police of the city in which he or she is physically present within that 30-day period, or the sheriff of the county if he or she is physically present in an unincorporated area or city that has no police department, and additionally, with the chief of police of a campus of the University of California, the California State University,

or community college if he or she is physically present upon the campus or in any of its facilities. A transient must reregister no less than once every 30 days regardless of the length of time he or she has been physically present in the particular jurisdiction in which he or she reregisters. If a transient fails to reregister within any 30-day period, he or she may be prosecuted in any jurisdiction in which he or she is physically present.

(ii) A transient who moves to a residence shall have five working days within which to register at that address, in accordance with subparagraph (A) of paragraph (1) of subdivision (a). A person registered at a residence address in accordance with subparagraph (A) of paragraph (1) of subdivision (a), who becomes transient shall have five working days within which to reregister as a transient in accordance with clause (i).

(iii) Beginning on his or her first birthday following registration, a transient shall register annually, within five working days of his or her birthday, to update his or her registration with the entities described in clause (i). A transient shall register in whichever jurisdiction he or she is physically present on that date. At the 30-day updates and the annual update, a transient shall provide current information as required on the Department of Justice annual update form, including the information described in subparagraphs (A) to (C), inclusive, of paragraph (2) of subdivision (e), and the information specified in clause (iv).

(iv) A transient shall, upon registration and reregistration, provide current information as required on the Department of Justice registration forms, and shall also list the places where he or she sleeps, eats, works, frequents, and engages in leisure activities. If a transient changes or adds to the places listed on the form during the 30-day period, he or she does not need to report the new place or places until the next required reregistration.

(v) Failure to comply with the requirement of reregistering every 30 days following initial registration pursuant to clause (i) of this subparagraph shall be punished in accordance with paragraph (6) of subdivision (g). Failure to comply with any other requirement of this section, shall be punished in accordance with either paragraph (1) or (2) of subdivision (g).

(vi) A transient who moves out of state shall inform, in person or in writing, the chief of police in the city in which he or she is physically present, or the sheriff of the county, if he or she is physically present in an unincorporated area or city that has no police department, within five working days of his or her move out of state. The transient shall inform that registering agency of his or her planned destination, residence, or transient location out of state, and any plans he or she has to return to California, if known. The law enforcement agency shall, within three days after receipt of this information, forward a copy of the change of

location information to the Department of Justice. The department shall forward appropriate registration data to the law enforcement agency having local jurisdiction of the new place of residence or location.

(vii) For purposes of this section, ''transient'' means a person who has no residence. ''Residence'' means a place where a person is living or temporarily staying for more than five days, such as a shelter or structure that can be located by a street address, including, but not limited to, houses, apartment buildings, motels, hotels, homeless shelters, and recreational and other vehicles.

(viii) The transient registrant's duty to update his or her registration no less than every 30 days shall begin with his or her second transient update following the date this subdivision became effective.

(D) Beginning on his or her first birthday following registration or change of address, the person shall be required to register annually, within five working days of his or her birthday, to update his or her registration with the entities described in subparagraph (A). At the annual update, the person shall provide current information as required on the Department of Justice annual update form, including the information described in subparagraphs (A) to (C), inclusive, of paragraph (2) of subdivision (e).

(E) In addition, every person who has ever been adjudicated a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, shall, after his or her release from custody, verify his or her address no less than once every 90 days and place of employment, including the name and address of the employer, in a manner established by the Department of Justice.

(F) No entity shall require a person to pay a fee to register or update his or her registration pursuant to this section. The registering agency shall submit registrations, including annual updates or changes of address, directly into the Department of Justice Violent Crime Information Network (VCIN).

(G) Persons required to register in their state of residence who are out-of-state residents employed, or carrying on a vocation in California on a full-time or part-time basis, with or without compensation, for more than 14 days, or for an aggregate period exceeding 30 days in a calendar year, shall register in accordance with subparagraph (A). Persons described in paragraph (2) who are out-of-state residents enrolled in any educational institution in California, as defined in Section 22129 of the Education Code, on a full-time or part-time basis, shall register in accordance with subparagraph (A). The place where the out-of-state resident is located, for purposes of registration, shall be the place where the person is employed, carrying on a vocation, or attending school. The out-of-state resident subject to this subparagraph shall, in addition to the information required pursuant to subdivision (e), provide the registering

authority with the name of his or her place of employment or the name of the school attended in California, and his or her address or location in his or her state of residence. The registration requirement for persons subject to this subparagraph shall become operative on November 25, 2000. The terms ''employed or carries on a vocation'' include employment whether or not financially compensated, volunteered, or performed for government or educational benefit.

(2) The following persons shall be required to register pursuant to paragraph (1):

(A) Any person who, since July 1, 1944, has been or is hereafter convicted in any court in this state or in any federal or military court of a violation of Section 207 or 209 committed with intent to violate Section 261, 286, 288, 288a, or 289, Section 220, except assault to commit mayhem, Section 243.4, paragraph (1), (2), (3), (4), or (6) of subdivision (a) of Section 261, or paragraph (1) of subdivision (a) of Section 262 involving the use of force or violence for which the person is sentenced to the state prison, Section 264.1, 266, or 266c, subdivision (b) of Section 266h, subdivision (b) of Section 266i, Section 266j, 267, 269, 285, 286, 288, 288a, 288.5, or 289, Section 311.1, subdivision (b), (c), or (d) of Section 311.2, Section 311.3, 311.4, 311.10, 311.11, or 647.6, former Section 647a, subdivision (c) of Section 653f, subdivision 1 or 2 of Section 314, any offense involving lewd or lascivious conduct under Section 272, or any felony violation of Section 288.2; or any statutory predecessor that includes all elements of one of the above-mentioned offenses; or any person who since that date has been or is hereafter convicted of the attempt to commit any of the above-mentioned offenses.

(B) Any person who, since July 1, 1944, has been or hereafter is released, discharged, or paroled from a penal institution where he or she was confined because of the commission or attempted commission of one of the offenses described in subparagraph (A).

(C) Any person who, since July 1, 1944, has been or hereafter is determined to be a mentally disordered sex offender under Article 1 (commencing with Section 6300) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code or any person who has been found guilty in the guilt phase of a trial for an offense for which registration is required by this section but who has been found not guilty by reason of insanity in the sanity phase of the trial.

(D) Any person who, since July 1, 1944, has been, or is hereafter convicted in any other court, including any state, federal, or military court, of any offense that, if committed or attempted in this state, would have been punishable as one or more of the offenses described in subparagraph (A) or any person ordered by any other court, including any state, federal, or military court, to register as a sex offender for any

offense, if the court found at the time of conviction or sentencing that the person committed the offense as a result of sexual compulsion or for purposes of sexual gratification.

(E) Any person ordered by any court to register pursuant to this section for any offense not included specifically in this section if the court finds at the time of conviction or sentencing that the person committed the offense as a result of sexual compulsion or for purposes of sexual gratification. The court shall state on the record the reasons for its findings and the reasons for requiring registration.

(F) (i) Notwithstanding any other subdivision, a person who was convicted before January 1, 1976, under subdivision (a) of Section 286, or Section 288a, shall not be required to register pursuant to this section for that conviction if the conviction was for conduct between consenting adults that was decriminalized by Chapter 71 of the Statutes of 1975 or Chapter 1139 of the Statutes of 1976. The Department of Justice shall remove that person from the Sex Offender Registry, and the person is discharged from his or her duty to register pursuant to the following procedure:

(I) The person submits to the Department of Justice official documentary evidence, including court records or police reports, that demonstrate that the person's conviction pursuant to either of those sections was for conduct between consenting adults that was decriminalized; or

(II) The person submits to the department a declaration stating that the person's conviction pursuant to either of those sections was for consensual conduct between adults that has been decriminalized. The declaration shall be confidential and not a public record, and shall include the person's name, address, telephone number, date of birth, and a summary of the circumstances leading to the conviction, including the date of the conviction and county of the occurrence.

(III) The department shall determine whether the person's conviction was for conduct between consensual adults that has been decriminalized. If the conviction was for consensual conduct between adults that has been decriminalized, and the person has no other offenses for which he or she is required to register pursuant to this section, the department shall, within 60 days of receipt of those documents, notify the person that he or she is relieved of the duty to register, and shall notify the local law enforcement agency with which the person is registered that he or she has been relieved of the duty to register. The local law enforcement agency shall remove the person's registration from its files within 30 days of receipt of notification. If the documentary or other evidence submitted is insufficient to establish the person's claim, the department shall, within 60 days of receipt of those documents, notify the person that his or her claim cannot be established, and that the person shall continue to

register pursuant to this section. The department shall provide, upon the person's request, any information relied upon by the department in making its determination that the person shall continue to register pursuant to this section. Any person whose claim has been denied by the department pursuant to this clause may petition the court to appeal the department's denial of the person's claim.

(ii) On or before July 1, 1998, the department shall make a report to the Legislature concerning the status of persons who may come under the provisions of this subparagraph, including the number of persons who were convicted before January 1, 1976, under subdivision (a) of Section 286 or Section 288a and are required to register under this section, the average age of these persons, the number of these persons who have any subsequent convictions for a registerable sex offense, and the number of these persons who have sought successfully or unsuccessfully to be relieved of their duty to register under this section.

(b) (1) Any person who is released, discharged, or paroled from a jail, state or federal prison, school, road camp, or other institution where he or she was confined because of the commission or attempted commission of one of the offenses specified in subdivision (a) or is released from a state hospital to which he or she was committed as a mentally disordered sex offender under Article 1 (commencing with Section 6300) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code, shall, prior to discharge, parole, or release, be informed of his or her duty to register under this section by the official in charge of the place of confinement or hospital, and the official shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to the person. The official in charge of the place of confinement or hospital shall obtain the address where the person expects to reside upon his or her discharge, parole, or release and shall report the address to the Department of Justice. The official shall at the same time forward a current photograph of the person to the Department of Justice.

(2) The official in charge of the place of confinement or hospital shall give one copy of the form to the person and shall send one copy to the Department of Justice and one copy to the appropriate law enforcement agency or agencies having jurisdiction over the place the person expects to reside upon discharge, parole, or release. If the conviction that makes the person subject to this section is a felony conviction, the official in charge shall, not later than 45 days prior to the scheduled release of the person, send one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon discharge, parole, or release; one copy to the prosecuting agency that prosecuted the person; and one copy to the Department of Justice.

The official in charge of the place of confinement or hospital shall retain one copy.

(c) (1) Any person who is convicted in this state of the commission or attempted commission of any of the offenses specified in subdivision (a) and who is released on probation, shall, prior to release or discharge, be informed of the duty to register under this section by the probation department, and a probation officer shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to him or her. The probation officer shall obtain the address where the person expects to reside upon release or discharge and shall report within three days the address to the Department of Justice. The probation officer shall give one copy of the form to the person, send one copy to the Department of Justice, and forward one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon his or her discharge, parole, or release.

(2) Any person who is convicted in this state of the commission or attempted commission of any of the offenses specified in subdivision (a) and who is granted conditional release without supervised probation, or discharged upon payment of a fine, shall, prior to release or discharge, be informed of the duty to register under this section in open court by the court in which the person has been convicted, and the court shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to him or her. If the court finds that it is in the interest of the efficiency of the court, the court may assign the bailiff to require the person to read and sign forms under this section. The court shall obtain the address where the person expects to reside upon release or discharge and shall report within three days the address to the Department of Justice. The court shall give one copy of the form to the person, send one copy to the Department of Justice, and forward one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon his or her discharge, parole, or release.

(d) (1) Any person who, on or after January 1, 1986, is discharged or paroled from the Department of the Youth Authority to the custody of which he or she was committed after having been adjudicated a ward of the juvenile court pursuant to Section 602 of the Welfare and Institutions Code because of the commission or attempted commission of any offense described in paragraph (3) shall be subject to registration under the procedures of this section.

(2) Any person who is discharged or paroled from a facility in another state that is equivalent to the Department of the Youth Authority, to the

custody of which he or she was committed because of an offense which, if committed or attempted in this state, would have been punishable as one or more of the offenses described in paragraph (3), shall be subject to registration under the procedures of this section.

(3) Any person described in this subdivision who committed an offense in violation of any of the following provisions shall be required to register pursuant to this section:

(A) Assault with intent to commit rape, sodomy, oral copulation, or any violation of Section 264.1, 288, or 289 under Section 220.

(B) Any offense defined in paragraph (1), (2), (3), (4), or (6) of subdivision (a) of Section 261, Section 264.1, 266c, or 267, paragraph (1) of subdivision (b) of, or subdivision (c) or (d) of, Section 286, Section 288 or 288.5, paragraph (1) of subdivision (b) of, or subdivision (c) or (d) of, Section 288a, subdivision (a) of Section 289, or Section 647.6.

(C) A violation of Section 207 or 209 committed with the intent to violate Section 261, 286, 288, 288a, or 289.

(4) Prior to discharge or parole from the Department of the Youth Authority, any person who is subject to registration under this subdivision shall be informed of the duty to register under the procedures set forth in this section. Department of the Youth Authority officials shall transmit the required forms and information to the Department of Justice.

(5) All records specifically relating to the registration in the custody of the Department of Justice, law enforcement agencies, and other agencies or public officials shall be destroyed when the person who is required to register has his or her records sealed under the procedures set forth in Section 781 of the Welfare and Institutions Code. This subdivision shall not be construed as requiring the destruction of other criminal offender or juvenile records relating to the case that are maintained by the Department of Justice, law enforcement agencies, the juvenile court, or other agencies and public officials unless ordered by a court under Section 781 of the Welfare and Institutions Code.

(e) (1) On or after January 1, 1998, upon incarceration, placement, or commitment, or prior to release on probation, any person who is required to register under this section shall preregister. The preregistering official shall be the admitting officer at the place of incarceration, placement, or commitment, or the probation officer if the person is to be released on probation. The preregistration shall consist of all of the following:

(A) A preregistration statement in writing, signed by the person, giving information that shall be required by the Department of Justice.

(B) The fingerprints and a current photograph of the person.

(C) Any person who is preregistered pursuant to this subdivision is required to be preregistered only once.

(2) A person described in paragraph (2) of subdivision (a) shall register, or reregister if the person has previously registered, upon release from incarceration, placement, commitment, or release on probation pursuant to paragraph (1) of subdivision (a). The registration shall consist of all of the following:

(A) A statement in writing signed by the person, giving information as shall be required by the Department of Justice and giving the name and address of the person's employer, and the address of the person's place of employment if that is different from the employer's main address.

(B) The fingerprints and a current photograph of the person taken by the registering official.

(C) The license plate number of any vehicle owned by, regularly driven by, or registered in the name of the person.

(D) Notice to the person that, in addition to the requirements of paragraph (4), he or she may have a duty to register in any other state where he or she may relocate.

(E) Copies of adequate proof of residence, which shall be limited to a California driver's license, California identification card, recent rent or utility receipt, printed personalized checks or other recent banking documents showing that person's name and address, or any other information that the registering official believes is reliable. If the person has no residence and no reasonable expectation of obtaining a residence in the foreseeable future, the person shall so advise the registering official and shall sign a statement provided by the registering official stating that fact. Upon presentation of proof of residence to the registering official or a signed statement that the person has no residence, the person shall be allowed to register. If the person claims that he or she has a residence but does not have any proof of residence, he or she shall be allowed to register but shall furnish proof of residence within 30 days of the date he or she is allowed to register.

(3) Within three days thereafter, the preregistering official or the registering law enforcement agency or agencies shall forward the statement, fingerprints, photograph, and vehicle license plate number, if any, to the Department of Justice.

(f) (1) If any person who is required to register pursuant to this section and who has a residence address changes his or her residence address, whether within the jurisdiction in which he or she is currently registered or to a new jurisdiction inside or outside the state, the person shall inform, in writing within five working days, the law enforcement agency or agencies with which he or she last registered of the new address or transient location and any plans he or she has to return to California, if known. If the person does not know the new residence address or location, the registrant shall inform the last registering agency

or agencies that he or she is moving within five working days of the move, and shall later notify the agency or agencies of the new address or location within five working days of moving into the new residence address or location, whether temporary or permanent. The law enforcement agency or agencies shall, within three working days after receipt of this information, forward a copy of the change of address information to the Department of Justice. The Department of Justice shall forward appropriate registration data to the law enforcement agency or agencies having local jurisdiction of the new place of residence.

(2) If the person's new address is in a Department of the Youth Authority facility or a state prison or state mental institution, an official of the place of incarceration, placement, or commitment shall, within 90 days of receipt of the person, forward the registrant's change of address information to the Department of Justice. The agency need not provide a physical address for the registrant but shall indicate that he or she is serving a period of incarceration or commitment in a facility under the agency's jurisdiction. This paragraph shall apply to persons received in a Department of the Youth Authority facility or a state prison or state mental institution on or after January 1, 1999. The Department of Justice shall forward the change of address information to the agency with which the person last registered.

(3) If any person who is required to register pursuant to this section changes his or her name, the person shall inform, in person, the law enforcement agency or agencies with which he or she is currently registered within five working days. The law enforcement agency or agencies shall forward a copy of this information to the Department of Justice within three working days of its receipt.

(g) (1) Any person who is required to register under this section based on a misdemeanor conviction or juvenile adjudication who willfully violates any requirement of this section is guilty of a misdemeanor punishable by imprisonment in a county jail not exceeding one year.

(2) Except as provided in paragraphs (5), (7), and (9), any person who is required to register under this section based on a felony conviction or juvenile adjudication who willfully violates any requirement of this section or who has a prior conviction or juvenile adjudication for the offense of failing to register under this section and who subsequently and willfully violates any requirement of this section is guilty of a felony and shall be punished by imprisonment in the state prison for 16 months, or two or three years.

If probation is granted or if the imposition or execution of sentence is suspended, it shall be a condition of the probation or suspension that the person serve at least 90 days in a county jail. The penalty described in

this paragraph shall apply whether or not the person has been released on parole or has been discharged from parole.

(3) Any person determined to be a mentally disordered sex offender or who has been found guilty in the guilt phase of trial for an offense for which registration is required under this section, but who has been found not guilty by reason of insanity in the sanity phase of the trial, or who has had a petition sustained in a juvenile adjudication for an offense for which registration is required under this section pursuant to subdivision (d), but who has been found not guilty by reason of insanity, who willfully violates any requirement of this section is guilty of a misdemeanor and shall be punished by imprisonment in a county jail not exceeding one year. For any second or subsequent willful violation of any requirement of this section, the person is guilty of a felony and shall be punished by imprisonment in the state prison for 16 months, or two or three years.

(4) If, after discharge from parole, the person is convicted of a felony or suffers a juvenile adjudication as specified in this subdivision, he or she shall be required to complete parole of at least one year, in addition to any other punishment imposed under this subdivision. A person convicted of a felony as specified in this subdivision may be granted probation only in the unusual case where the interests of justice would best be served. When probation is granted under this paragraph, the court shall specify on the record and shall enter into the minutes the circumstances indicating that the interests of justice would best be served by the disposition.

(5) Any person who has ever been adjudicated a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, and who fails to verify his or her registration every 90 days as required pursuant to subparagraph (E) of paragraph (1) of subdivision (a), shall be punished by imprisonment in the state prison, or in a county jail not exceeding one year.

(6) Except as otherwise provided in paragraph (5), any person who is required to register or reregister pursuant to clause (i) of subparagraph (C) of paragraph (1) of subdivision (a) and willfully fails to comply with the requirement that he or she reregister no less than every 30 days is guilty of a misdemeanor and shall be punished by imprisonment in a county jail at least 30 days, but not exceeding six months. A person who willfully fails to comply with the requirement that he or she reregister no less than every 30 days shall not be charged with this violation more often than once for a failure to register in any period of 90 days. Any person who willfully commits a third or subsequent violation of the requirements of subparagraph (C) of paragraph (1) of subdivision (a) that he or she reregister no less than every 30 days shall be punished in accordance with either paragraph (1) or (2) of this subdivision.

(7) Any person who fails to provide proof of residence as required by subparagraph (E) of paragraph (2) of subdivision (e), regardless of the offense upon which the duty to register is based, is guilty of a misdemeanor punishable by imprisonment in a county jail not exceeding six months.

(8) Any person who is required to register under this section who willfully violates any requirement of this section is guilty of a continuing offense as to each requirement he or she violated.

(9) In addition to any other penalty imposed under this subdivision, the failure to provide information required on registration and reregistration forms of the Department of Justice, or the provision of false information, is a crime punishable by imprisonment in a county jail for a period not exceeding one year.

(h) Whenever any person is released on parole or probation and is required to register under this section but fails to do so within the time prescribed, the parole authority, the Youthful Offender Parole Board, or the court, as the case may be, shall order the parole or probation of the person revoked. For purposes of this subdivision, ''parole authority'' has the same meaning as described in Section 3000.

(i) Except as provided in Sections 290.01, 290.4, and 290.45, the statements, photographs, and fingerprints required by this section shall not be open to inspection by the public or by any person other than a regularly employed peace officer or other law enforcement officer.

(j) In any case in which a person who would be required to register pursuant to this section for a felony conviction is to be temporarily sent outside the institution where he or she is confined on any assignment within a city or county including firefighting, disaster control, or of whatever nature the assignment may be, the local law enforcement agency having jurisdiction over the place or places where the assignment shall occur shall be notified within a reasonable time prior to removal from the institution. This subdivision shall not apply to any person who is temporarily released under guard from the institution where he or she is confined.

(k) As used in this section, ''mentally disordered sex offender'' includes any person who has been determined to be a sexual psychopath or a mentally disordered sex offender under any provision which, on or before January 1, 1976, was contained in Division 6 (commencing with Section 6000) of the Welfare and Institutions Code.

(*l*) (1) Every person who, prior to January 1, 1997, is required to register under this section, shall be notified whenever he or she next reregisters of the reduction of the registration period from 14 to 5 working days. This notice shall be provided in writing by the registering agency or agencies. Failure to receive this notification shall be a defense

against the penalties prescribed by subdivision (g) if the person did register within 14 days.

(2) Every person who, as a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, is required to verify his or her registration every 90 days, shall be notified wherever he or she next registers of his or her increased registration obligations. This notice shall be provided in writing by the registering agency or agencies. Failure to receive this notice shall be a defense against the penalties prescribed by paragraph (5) of subdivision (g).

(m) The registration provisions of this section are applicable to every person described in this section, without regard to when his or her crime or crimes were committed or his or her duty to register pursuant to this section arose, and to every offense described in this section, regardless of when it was committed.

SEC. 1.4. Section 290 of the Penal Code is amended to read:

290. (a) (1) (A) Every person described in paragraph (2), for the rest of his or her life while residing in, or, if he or she has no residence, while located within California, or while attending school or working in California, as described in subparagraph (G), shall be required to register with the chief of police of the city in which he or she is residing, or if he or she has no residence, is located, or the sheriff of the county if he or she is residing, or if he or she has no residence, is located, in an unincorporated area or city that has no police department, and, additionally, with the chief of police of a campus of the University of California, the California State University, or community college if he or she is residing, or if he or she has no residence, is located upon the campus or in any of its facilities, within five working days of coming into, or changing his or her residence or location within, any city, county, or city and county, or campus in which he or she temporarily resides, or, if he or she has no residence, is located.

(B) If the person who is registering has more than one residence address or location at which he or she regularly resides or is located, he or she shall register in accordance with subparagraph (A) in each of the jurisdictions in which he or she regularly resides or is located, regardless of the number of days or nights spent there. If all of the addresses or locations are within the same jurisdiction, the person shall provide the registering authority with all of the addresses or locations where he or she regularly resides or is located.

(C) If the person who is registering has no residence address, he or she shall update his or her registration no less than once every 60 days in addition to the requirement in subparagraph (A), on a form as may be required by the Department of Justice, with the entity or entities described in subparagraph (A) in whose jurisdiction he or she is located at the time he or she is updating the registration.

(D) Beginning on his or her first birthday following registration or change of address, the person shall be required to register annually, within five working days of his or her birthday, to update his or her registration with the entities described in subparagraph (A). At the annual update, the person shall provide current information as required on the Department of Justice annual update form, including the information described in subparagraphs (A) to (C), inclusive, of paragraph (2) of subdivision (e).

(E) In addition, every person who has ever been adjudicated a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, shall, after his or her release from custody, verify his or her address no less than once every 90 days and place of employment, including the name and address of the employer, in a manner established by the Department of Justice.

(F) No entity shall require a person to pay a fee to register or update his or her registration pursuant to this section. The registering agency shall submit registrations, including annual updates or changes of address, directly into the Department of Justice Violent Crime Information Network (VCIN).

(G) Persons required to register in their state of residence who are out-of-state residents employed, or carrying on a vocation in California on a full-time or part-time basis, with or without compensation, for more than 14 days, or for an aggregate period exceeding 30 days in a calendar year, shall register in accordance with subparagraph (A). Persons described in paragraph (2) who are out-of-state residents enrolled in any educational institution in California, as defined in Section 22129 of the Education Code, on a full-time or part-time basis, shall register in accordance with subparagraph (A). The place where the out-of-state resident is located, for purposes of registration, shall be the place where the person is employed, carrying on a vocation, or attending school. The out-of-state resident subject to this subparagraph shall, in addition to the information required pursuant to subdivision (e), provide the registering authority with the name of his or her place of employment or the name of the school attended in California, and his or her address or location in his or her state of residence. The registration requirement for persons subject to this subparagraph shall become operative on November 25, 2000. The terms ''employed or carries on a vocation'' include employment whether or not financially compensated, volunteered, or performed for government or educational benefit.

(2) The following persons shall be required to register pursuant to paragraph (1):

(A) Any person who, since July 1, 1944, has been or is hereafter convicted in any court in this state or in any federal or military court of a violation of Section 207 or 209 committed with intent to violate

Section 261, 286, 288, 288a, or 289, Section 220, except assault to commit mayhem, Section 243.4, paragraph (1), (2), (3), (4), or (6) of subdivision (a) of Section 261, or paragraph (1) of subdivision (a) of Section 262 involving the use of force or violence for which the person is sentenced to the state prison, Section 264.1, 266, 266c, subdivision (b) of Section 266h, subdivision (b) of Section 266i, 266j, 267, 269, 285, 286, 288, 288a, 288.5, or 289, Section 311.1, subdivision (b), (c), or (d) of Section 311.2, Section 311.3, 311.4, 311.10, 311.11, or 647.6, former Section 647a, subdivision (c) of Section 653f, subdivision 1 or 2 of Section 314, any offense involving lewd or lascivious conduct under Section 272, or any felony violation of Section 288.2; or any statutory predecessor that includes all elements of one of the above-mentioned offenses; or any person who since that date has been or is hereafter convicted of the attempt to commit any of the above-mentioned offenses.

(B) Any person who, since July 1, 1944, has been or hereafter is released, discharged, or paroled from a penal institution where he or she was confined because of the commission or attempted commission of one of the offenses described in subparagraph (A).

(C) Any person who, since July 1, 1944, has been or hereafter is determined to be a mentally disordered sex offender under Article 1 (commencing with Section 6300) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code or any person who has been found guilty in the guilt phase of a trial for an offense for which registration is required by this section but who has been found not guilty by reason of insanity in the sanity phase of the trial.

(D) (i) Any person who, since July 1, 1944, has been, or is hereafter convicted in any other court, including any state, federal, or military court, of any offense that, if committed or attempted in this state, would have been punishable as one or more of the offenses described in subparagraph (A).

(ii) Any person ordered by any other court, including any state, federal, or military court, to register as a sex offender for any offense, if the court found at the time of conviction or sentencing that the person committed the offense as a result of sexual compulsion or for purposes of sexual gratification.

(iii) Except as provided in clause (iv), any person who would be required to register while residing in the state of conviction for a sex offense committed in that state.

(iv) Clause (iii) shall not apply to a person required to register in the state of conviction if the conviction was for the equivalent of one of the following offenses, and the person is not subject to clause (i):

(I) Indecent exposure, pursuant to Section 314.

(II) Unlawful sexual intercourse, pursuant to Section 261.5.

(III) Incest, pursuant to Section 285.

(IV) Sodomy, pursuant to Section 286, or oral copulation, pursuant to Section 288a, provided that the offender notifies the Department of Justice that the sodomy or oral copulation conviction was for conduct between consenting adults, as described in subparagraph (F) of paragraph (2) of subdivision (a), and the department is able, upon the exercise of reasonable diligence, to verify that fact.

(E) Any person ordered by any court to register pursuant to this section for any offense not included specifically in this section if the court finds at the time of conviction or sentencing that the person committed the offense as a result of sexual compulsion or for purposes of sexual gratification. The court shall state on the record the reasons for its findings and the reasons for requiring registration.

(F) (i) Notwithstanding any other subdivision, a person who was convicted before January 1, 1976, under subdivision (a) of Section 286, or Section 288a, shall not be required to register pursuant to this section for that conviction if the conviction was for conduct between consenting adults that was decriminalized by Chapter 71 of the Statutes of 1975 or Chapter 1139 of the Statutes of 1976. The Department of Justice shall remove that person from the Sex Offender Registry, and the person is discharged from his or her duty to register pursuant to the following procedure:

(I) The person submits to the Department of Justice official documentary evidence, including court records or police reports, that demonstrate that the person's conviction pursuant to either of those sections was for conduct between consenting adults that was decriminalized; or

(II) The person submits to the department a declaration stating that the person's conviction pursuant to either of those sections was for consensual conduct between adults that has been decriminalized. The declaration shall be confidential and not a public record, and shall include the person's name, address, telephone number, date of birth, and a summary of the circumstances leading to the conviction, including the date of the conviction and county of the occurrence.

(III) The department shall determine whether the person's conviction was for conduct between consensual adults that has been decriminalized. If the conviction was for consensual conduct between adults that has been decriminalized, and the person has no other offenses for which he or she is required to register pursuant to this section, the department shall, within 60 days of receipt of those documents, notify the person that he or she is relieved of the duty to register, and shall notify the local law enforcement agency with which the person is registered that he or she has been relieved of the duty to register. The local law enforcement agency shall remove the person's registration from its files within 30 days of

receipt of notification. If the documentary or other evidence submitted is insufficient to establish the person's claim, the department shall, within 60 days of receipt of those documents, notify the person that his or her claim cannot be established, and that the person shall continue to register pursuant to this section. The department shall provide, upon the person's request, any information relied upon by the department in making its determination that the person shall continue to register pursuant to this section. Any person whose claim has been denied by the department pursuant to this clause may petition the court to appeal the department's denial of the person's claim.

(ii) On or before July 1, 1998, the department shall make a report to the Legislature concerning the status of persons who may come under the provisions of this subparagraph, including the number of persons who were convicted before January 1, 1976, under subdivision (a) of Section 286 or Section 288a and are required to register under this section, the average age of these persons, the number of these persons who have any subsequent convictions for a registerable sex offense, and the number of these persons who have sought successfully or unsuccessfully to be relieved of their duty to register under this section.

(b) (1) Any person who is released, discharged, or paroled from a jail, state or federal prison, school, road camp, or other institution where he or she was confined because of the commission or attempted commission of one of the offenses specified in subdivision (a) or is released from a state hospital to which he or she was committed as a mentally disordered sex offender under Article 1 (commencing with Section 6300) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code, shall, prior to discharge, parole, or release, be informed of his or her duty to register under this section by the official in charge of the place of confinement or hospital, and the official shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to the person. The official in charge of the place of confinement or hospital shall obtain the address where the person expects to reside upon his or her discharge, parole, or release and shall report the address to the Department of Justice. The official shall at the same time forward a current photograph of the person to the Department of Justice.

(2) The official in charge of the place of confinement or hospital shall give one copy of the form to the person and shall send one copy to the Department of Justice and one copy to the appropriate law enforcement agency or agencies having jurisdiction over the place the person expects to reside upon discharge, parole, or release. If the conviction that makes the person subject to this section is a felony conviction, the official in charge shall, not later than 45 days prior to the scheduled release of the

person, send one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon discharge, parole, or release; one copy to the prosecuting agency that prosecuted the person; and one copy to the Department of Justice. The official in charge of the place of confinement or hospital shall retain one copy.

(c) (1) Any person who is convicted in this state of the commission or attempted commission of any of the offenses specified in subdivision (a) and who is released on probation, shall, prior to release or discharge, be informed of the duty to register under this section by the probation department, and a probation officer shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to him or her. The probation officer shall obtain the address where the person expects to reside upon release or discharge and shall report within three days the address to the Department of Justice. The probation officer shall give one copy of the form to the person, send one copy to the Department of Justice, and forward one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon his or her discharge, parole, or release.

(2) Any person who is convicted in this state of the commission or attempted commission of any of the offenses specified in subdivision (a) and who is granted conditional release without supervised probation, or discharged upon payment of a fine, shall, prior to release or discharge, be informed of the duty to register under this section in open court by the court in which the person has been convicted, and the court shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to him or her. If the court finds that it is in the interest of the efficiency of the court, the court may assign the bailiff to require the person to read and sign forms under this section. The court shall obtain the address where the person expects to reside upon release or discharge and shall report within three days the address to the Department of Justice. The court shall give one copy of the form to the person, send one copy to the Department of Justice, and forward one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon his or her discharge, parole, or release.

(d) (1) Any person who, on or after January 1, 1986, is discharged or paroled from the Department of the Youth Authority to the custody of which he or she was committed after having been adjudicated a ward of the juvenile court pursuant to Section 602 of the Welfare and Institutions Code because of the commission or attempted commission of any

offense described in paragraph (3) shall be subject to registration under the procedures of this section.

(2) Any person who is discharged or paroled from a facility in another state that is equivalent to the Department of the Youth Authority, to the custody of which he or she was committed because of an offense which, if committed or attempted in this state, would have been punishable as one or more of the offenses described in paragraph (3), shall be subject to registration under the procedures of this section.

(3) Any person described in this subdivision who committed an offense in violation of any of the following provisions shall be required to register pursuant to this section:

(A) Assault with intent to commit rape, sodomy, oral copulation, or any violation of Section 264.1, 288, or 289 under Section 220.

(B) Any offense defined in paragraph (1), (2), (3), (4), or (6) of subdivision (a) of Section 261, Section 264.1, 266c, or 267, paragraph (1) of subdivision (b) of, or subdivision (c) or (d) of, Section 286, Section 288 or 288.5, paragraph (1) of subdivision (b) of, or subdivision (c) or (d) of, Section 288a, subdivision (a) of Section 289, or Section 647.6.

(C) A violation of Section 207 or 209 committed with the intent to violate Section 261, 286, 288, 288a, or 289.

(4) Prior to discharge or parole from the Department of the Youth Authority, any person who is subject to registration under this subdivision shall be informed of the duty to register under the procedures set forth in this section. Department of the Youth Authority officials shall transmit the required forms and information to the Department of Justice.

(5) All records specifically relating to the registration in the custody of the Department of Justice, law enforcement agencies, and other agencies or public officials shall be destroyed when the person who is required to register has his or her records sealed under the procedures set forth in Section 781 of the Welfare and Institutions Code. This subdivision shall not be construed as requiring the destruction of other criminal offender or juvenile records relating to the case that are maintained by the Department of Justice, law enforcement agencies, the juvenile court, or other agencies and public officials unless ordered by a court under Section 781 of the Welfare and Institutions Code.

(e) (1) On or after January 1, 1998, upon incarceration, placement, or commitment, or prior to release on probation, any person who is required to register under this section shall preregister. The preregistering official shall be the admitting officer at the place of incarceration, placement, or commitment, or the probation officer if the person is to be released on probation. The preregistration shall consist of all of the following:

(A) A preregistration statement in writing, signed by the person, giving information that shall be required by the Department of Justice.

(B) The fingerprints and a current photograph of the person.

(C) Any person who is preregistered pursuant to this subdivision is required to be preregistered only once.

(2) A person described in paragraph (2) of subdivision (a) shall register, or reregister if the person has previously registered, upon release from incarceration, placement, commitment, or release on probation pursuant to paragraph (1) of subdivision (a). The registration shall consist of all of the following:

(A) A statement in writing signed by the person, giving information as shall be required by the Department of Justice and giving the name and address of the person's employer, and the address of the person's place of employment if that is different from the employer's main address.

(B) The fingerprints and a current photograph of the person taken by the registering official.

(C) The license plate number of any vehicle owned by, regularly driven by, or registered in the name of the person.

(D) Notice to the person that, in addition to the requirements of paragraph (4), he or she may have a duty to register in any other state where he or she may relocate.

(E) Copies of adequate proof of residence, which shall be limited to a California driver's license, California identification card, recent rent or utility receipt, printed personalized checks or other recent banking documents showing that person's name and address, or any other information that the registering official believes is reliable. If the person has no residence and no reasonable expectation of obtaining a residence in the foreseeable future, the person shall so advise the registering official and shall sign a statement provided by the registering official stating that fact. Upon presentation of proof of residence to the registering official or a signed statement that the person has no residence, the person shall be allowed to register. If the person claims that he or she has a residence but does not have any proof of residence, he or she shall be allowed to register but shall furnish proof of residence within 30 days of the day he or she is allowed to register.

(3) Within three days thereafter, the preregistering official or the registering law enforcement agency or agencies shall forward the statement, fingerprints, photograph, and vehicle license plate number, if any, to the Department of Justice.

(f) (1) If any person who is required to register pursuant to this section changes his or her residence address or location, whether within the jurisdiction in which he or she is currently registered or to a new jurisdiction inside or outside the state, the person shall inform, in writing

within five working days, the law enforcement agency or agencies with which he or she last registered of the new address or location. If the person does not know the new residence address or location, the registrant shall inform the last registering agency or agencies that he or she is moving within five working days of the move, and shall later notify the agency or agencies of the new address or location within five working days of moving into the new residence address or location, whether temporary or permanent. The law enforcement agency or agencies shall, within three working days after receipt of this information, forward a copy of the change of address or location information to the Department of Justice. The Department of Justice shall forward appropriate registration data to the law enforcement agency or agencies having local jurisdiction of the new place of residence or location.

(2) If the person's new address is in a Department of the Youth Authority facility or a state prison or state mental institution, an official of the place of incarceration, placement, or commitment shall, within 90 days of receipt of the person, forward the registrant's change of address information to the Department of Justice. The agency need not provide a physical address for the registrant but shall indicate that he or she is serving a period of incarceration or commitment in a facility under the agency's jurisdiction. This paragraph shall apply to persons received in a Department of the Youth Authority facility or a state prison or state mental institution on or after January 1, 1999. The Department of Justice shall forward the change of address information to the agency with which the person last registered.

(3) If any person who is required to register pursuant to this section changes his or her name, the person shall inform, in person, the law enforcement agency or agencies with which he or she is currently registered within five working days. The law enforcement agency or agencies shall forward a copy of this information to the Department of Justice within three working days of its receipt.

(g) (1) Any person who is required to register under this section based on a misdemeanor conviction or juvenile adjudication who willfully violates any requirement of this section is guilty of a misdemeanor punishable by imprisonment in a county jail not exceeding one year.

(2) Except as provided in paragraphs (5) and (7), any person who is required to register under this section based on a felony conviction or juvenile adjudication who willfully violates any requirement of this section or who has a prior conviction or juvenile adjudication for the offense of failing to register under this section and who subsequently and willfully violates any requirement of this section is guilty of a felony and

shall be punished by imprisonment in the state prison for 16 months, or two or three years.

If probation is granted or if the imposition or execution of sentence is suspended, it shall be a condition of the probation or suspension that the person serve at least 90 days in a county jail. The penalty described in this paragraph shall apply whether or not the person has been released on parole or has been discharged from parole.

(3) Any person determined to be a mentally disordered sex offender or who has been found guilty in the guilt phase of trial for an offense for which registration is required under this section, but who has been found not guilty by reason of insanity in the sanity phase of the trial, or who has had a petition sustained in a juvenile adjudication for an offense for which registration is required under this section pursuant to subdivision (d), but who has been found not guilty by reason of insanity, who willfully violates any requirement of this section is guilty of a misdemeanor and shall be punished by imprisonment in a county jail not exceeding one year. For any second or subsequent willful violation of any requirement of this section, the person is guilty of a felony and shall be punished by imprisonment in the state prison for 16 months, or two or three years.

(4) If, after discharge from parole, the person is convicted of a felony or suffers a juvenile adjudication as specified in this subdivision, he or she shall be required to complete parole of at least one year, in addition to any other punishment imposed under this subdivision. A person convicted of a felony as specified in this subdivision may be granted probation only in the unusual case where the interests of justice would best be served. When probation is granted under this paragraph, the court shall specify on the record and shall enter into the minutes the circumstances indicating that the interests of justice would best be served by the disposition.

(5) Any person who has ever been adjudicated a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, and who fails to verify his or her registration every 90 days as required pursuant to subparagraph (E) of paragraph (1) of subdivision (a), shall be punished by imprisonment in the state prison, or in a county jail not exceeding one year.

(6) Except as otherwise provided in paragraph (5), and in addition to any other penalty imposed under this subdivision, any person who is required pursuant to subparagraph (C) of paragraph (1) of subdivision (a) to update his or her registration every 60 days and willfully fails to update his or her registration is guilty of a misdemeanor and shall be punished by imprisonment in a county jail not exceeding six months. Any subsequent violation of this requirement that persons described in subparagraph (C) of paragraph (1) of subdivision (a) shall update their

registration every 60 days is also a misdemeanor and shall be punished by imprisonment in a county jail not exceeding six months.

(7) Any person who fails to provide proof of residence as required by subparagraph (E) of paragraph (2) of subdivision (e), regardless of the offense upon which the duty to register is based, is guilty of a misdemeanor punishable by imprisonment in a county jail not exceeding six months.

(8) Any person who is required to register under this section who willfully violates any requirement of this section is guilty of a continuing offense as to each requirement he or she violated.

(h) Whenever any person is released on parole or probation and is required to register under this section but fails to do so within the time prescribed, the parole authority, the Youthful Offender Parole Board, or the court, as the case may be, shall order the parole or probation of the person revoked. For purposes of this subdivision, ''parole authority'' has the same meaning as described in Section 3000.

(i) Except as provided in Sections 290.01, 290.4, 290.45, and 290.46, the statements, photographs, and fingerprints required by this section shall not be open to inspection by the public or by any person other than a regularly employed peace officer or other law enforcement officer.

(j) In any case in which a person who would be required to register pursuant to this section for a felony conviction is to be temporarily sent outside the institution where he or she is confined on any assignment within a city or county including firefighting, disaster control, or of whatever nature the assignment may be, the local law enforcement agency having jurisdiction over the place or places where the assignment shall occur shall be notified within a reasonable time prior to removal from the institution. This subdivision shall not apply to any person who is temporarily released under guard from the institution where he or she is confined.

(k) As used in this section, ''mentally disordered sex offender'' includes any person who has been determined to be a sexual psychopath or a mentally disordered sex offender under any provision which, on or before January 1, 1976, was contained in Division 6 (commencing with Section 6000) of the Welfare and Institutions Code.

(*l*) (1) Every person who, prior to January 1, 1997, is required to register under this section, shall be notified whenever he or she next reregisters of the reduction of the registration period from 14 to 5 working days. This notice shall be provided in writing by the registering agency or agencies. Failure to receive this notification shall be a defense against the penalties prescribed by subdivision (g) if the person did register within 14 days.

(2) Every person who, as a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, is required to verify

his or her registration every 90 days, shall be notified wherever he or she next registers of his or her increased registration obligations. This notice shall be provided in writing by the registering agency or agencies. Failure to receive this notice shall be a defense against the penalties prescribed by paragraph (5) of subdivision (g).

(m) The registration provisions of this section are applicable to every person described in this section, without regard to when his or her crimes were committed or his or her duty to register pursuant to this section arose, and to every offense described in this section, regardless of when it was committed.

SEC. 1.5. Section 290 of the Penal Code is amended to read:

290. (a) (1) (A) Every person described in paragraph (2), for the rest of his or her life while residing in California, or while attending school or working in California, as described in subparagraph (G), shall be required to register with the chief of police of the city in which he or she is residing, or the sheriff of the county if he or she is residing in an unincorporated area or city that has no police department, and, additionally, with the chief of police of a campus of the University of California, the California State University, or community college if he or she is residing upon the campus or in any of its facilities, within five working days of coming into, or changing his or her residence within, any city, county, or city and county, or campus in which he or she temporarily resides.

(B) If the person who is registering has more than one residence address at which he or she regularly resides, he or she shall register in accordance with subparagraph (A) in each of the jurisdictions in which he or she regularly resides, regardless of the number of days or nights spent there. If all of the addresses are within the same jurisdiction, the person shall provide the registering authority with all of the addresses where he or she regularly resides.

(C) Every person described in paragraph (2), for the rest of his or her life while living as a transient in California shall be required to register, as follows:

(i) A transient must register, or reregister if the person has previously registered, within five working days from release from incarceration, placement or commitment, or release on probation, pursuant to paragraph (1) of subdivision (a), except that if the person previously registered as a transient less than 30 days from the date of his or her release from incarceration, he or she does not need to reregister as a transient until his or her next required 30-day update of registration. If a transient is not physically present in any one jurisdiction for five consecutive working days, he or she must register in the jurisdiction in which he or she is physically present on the fifth working day following release, pursuant to paragraph (1) of subdivision (a). Beginning on or

before the 30th day following initial registration upon release, a transient must reregister no less than once every 30 days thereafter. A transient shall register with the chief of police of the city in which he or she is physically present within that 30-day period, or the sheriff of the county if he or she is physically present in an unincorporated area or city that has no police department, and additionally, with the chief of police of a campus of the University of California, the California State University, or community college if he or she is physically present upon the campus or in any of its facilities. A transient must reregister no less than once every 30 days regardless of the length of time he or she has been physically present in the particular jurisdiction in which he or she reregisters. If a transient fails to reregister within any 30-day period, he or she may be prosecuted in any jurisdiction in which he or she is physically present.

(ii) A transient who moves to a residence shall have five working days within which to register at that address, in accordance with subparagraph (A) of paragraph (1) of subdivision (a). A person registered at a residence address in accordance with subparagraph (A) of paragraph (1) of subdivision (a), who becomes transient shall have five working days within which to reregister as a transient in accordance with clause (i).

(iii) Beginning on his or her first birthday following registration, a transient shall register annually, within five working days of his or her birthday, to update his or her registration with the entities described in clause (i). A transient shall register in whichever jurisdiction he or she is physically present on that date. At the 30-day updates and the annual update, a transient shall provide current information as required on the Department of Justice annual update form, including the information described in subparagraphs (A) to (C), inclusive, of paragraph (2) of subdivision (e), and the information specified in clause (iv).

(iv) A transient shall, upon registration and reregistration, provide current information as required on the Department of Justice registration forms, and shall also list the places where he or she sleeps, eats, works, frequents, and engages in leisure activities. If a transient changes or adds to the places listed on the form during the 30-day period, he or she does not need to report the new place or places until the next required reregistration.

(v) Failure to comply with the requirement of reregistering every 30 days following initial registration pursuant to clause (i) of this subparagraph shall be punished in accordance with paragraph (6) of subdivision (g). Failure to comply with any other requirement of this section, shall be punished in accordance with either paragraph (1) or (2) of subdivision (g).

(vi) A transient who moves out of state shall inform, in person or in writing, the chief of police in the city in which he or she is physically

present, or the sheriff of the county, if he or she is physically present in an unincorporated area or city that has no police department, within five working days of his or her move out of state. The transient shall inform that registering agency of his or her planned destination, residence, or transient location out of state, and any plans he or she has to return to California, if known. The law enforcement agency shall, within three days after receipt of this information, forward a copy of the change of location information to the Department of Justice. The department shall forward appropriate registration data to the law enforcement agency having local jurisdiction of the new place of residence or location.

(vii) For purposes of this section, ''transient'' means a person who has no residence. ''Residence'' means a place where a person is living or temporarily staying for more than five days, such as a shelter or structure that can be located by a street address, including, but not limited to, houses, apartment buildings, motels, hotels, homeless shelters, and recreational and other vehicles.

(viii) The transient registrant's duty to update his or her registration no less than every 30 days shall begin with his or her second transient update following the date this subdivision became effective.

(D) Beginning on his or her first birthday following registration or change of address, the person shall be required to register annually, within five working days of his or her birthday, to update his or her registration with the entities described in subparagraph (A). At the annual update, the person shall provide current information as required on the Department of Justice annual update form, including the information described in subparagraphs (A) to (C), inclusive, of paragraph (2) of subdivision (e).

(E) In addition, every person who has ever been adjudicated a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, shall, after his or her release from custody, verify his or her address no less than once every 90 days and place of employment, including the name and address of the employer, in a manner established by the Department of Justice.

(F) No entity shall require a person to pay a fee to register or update his or her registration pursuant to this section. The registering agency shall submit registrations, including annual updates or changes of address, directly into the Department of Justice Violent Crime Information Network (VCIN).

(G) Persons required to register in their state of residence who are out-of-state residents employed, or carrying on a vocation in California on a full-time or part-time basis, with or without compensation, for more than 14 days, or for an aggregate period exceeding 30 days in a calendar year, shall register in accordance with subparagraph (A). Persons described in paragraph (2) who are out-of-state residents enrolled in any

educational institution in California, as defined in Section 22129 of the Education Code, on a full-time or part-time basis, shall register in accordance with subparagraph (A). The place where the out-of-state resident is located, for purposes of registration, shall be the place where the person is employed, carrying on a vocation, or attending school. The out-of-state resident subject to this subparagraph shall, in addition to the information required pursuant to subdivision (e), provide the registering authority with the name of his or her place of employment or the name of the school attended in California, and his or her address or location in his or her state of residence. The registration requirement for persons subject to this subparagraph shall become operative on November 25, 2000. The terms ''employed or carries on a vocation'' include employment whether or not financially compensated, volunteered, or performed for government or educational benefit.

(2) The following persons shall be required to register pursuant to paragraph (1):

(A) Any person who, since July 1, 1944, has been or is hereafter convicted in any court in this state or in any federal or military court of a violation of Section 207 or 209 committed with intent to violate Section 261, 286, 288, 288a, or 289, Section 220, except assault to commit mayhem, Section 243.4, paragraph (1), (2), (3), (4), or (6) of subdivision (a) of Section 261, or paragraph (1) of subdivision (a) of Section 262 involving the use of force or violence for which the person is sentenced to the state prison, Section 264.1, 266, or 266c, subdivision (b) of Section 266h, subdivision (b) of Section 266i, 266j, Section 267, 269, 285, 286, 288, 288a, 288.5, or 289, Section 311.1, subdivision (b), (c), or (d) of Section 311.2, Section 311.3, 311.4, 311.10, 311.11, or 647.6, former Section 647a, subdivision (c) of Section 653f, subdivision 1 or 2 of Section 314, any offense involving lewd or lascivious conduct under Section 272, or any felony violation of Section 288.2; or any statutory predecessor that includes all elements of one of the above-mentioned offenses; or any person who since that date has been or is hereafter convicted of the attempt to commit any of the above-mentioned offenses.

(B) Any person who, since July 1, 1944, has been or hereafter is released, discharged, or paroled from a penal institution where he or she was confined because of the commission or attempted commission of one of the offenses described in subparagraph (A).

(C) Any person who, since July 1, 1944, has been or hereafter is determined to be a mentally disordered sex offender under Article 1 (commencing with Section 6300) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code or any person who has been found guilty in the guilt phase of a trial for an offense for which registration is

required by this section but who has been found not guilty by reason of insanity in the sanity phase of the trial.

(D) (i) Any person who, since July 1, 1944, has been, or is hereafter convicted in any other court, including any state, federal, or military court, of any offense that, if committed or attempted in this state, would have been punishable as one or more of the offenses described in subparagraph (A).

(ii) Any person ordered by any other court, including any state, federal, or military court, to register as a sex offender for any offense, if the court found at the time of conviction or sentencing that the person committed the offense as a result of sexual compulsion or for purposes of sexual gratification.

(iii) Except as provided in clause (iv), any person who would be required to register while residing in the state of conviction for a sex offense committed in that state.

(iv) Clause (iii) shall not apply to a person required to register in the state of conviction if the conviction was for the equivalent of one of the following offenses, and the person is not subject to clause (i):

(I) Indecent exposure, pursuant to Section 314.

(II) Unlawful sexual intercourse, pursuant to Section 261.5.

(III) Incest, pursuant to Section 285.

(IV) Sodomy, pursuant to Section 286, or oral copulation, pursuant to Section 288a, provided that the offender notifies the Department of Justice that the sodomy or oral copulation conviction was for conduct between consenting adults, as described in subparagraph (F) of paragraph (2) of subdivision (a), and the department is able, upon the exercise of reasonable diligence, to verify that fact.

(E) Any person ordered by any court to register pursuant to this section for any offense not included specifically in this section if the court finds at the time of conviction or sentencing that the person committed the offense as a result of sexual compulsion or for purposes of sexual gratification. The court shall state on the record the reasons for its findings and the reasons for requiring registration.

(F) (i) Notwithstanding any other subdivision, a person who was convicted before January 1, 1976, under subdivision (a) of Section 286, or Section 288a, shall not be required to register pursuant to this section for that conviction if the conviction was for conduct between consenting adults that was decriminalized by Chapter 71 of the Statutes of 1975 or Chapter 1139 of the Statutes of 1976. The Department of Justice shall remove that person from the Sex Offender Registry, and the person is discharged from his or her duty to register pursuant to the following procedure:

(I) The person submits to the Department of Justice official documentary evidence, including court records or police reports, that

demonstrate that the person's conviction pursuant to either of those sections was for conduct between consenting adults that was decriminalized; or

(II) The person submits to the department a declaration stating that the person's conviction pursuant to either of those sections was for consensual conduct between adults that has been decriminalized. The declaration shall be confidential and not a public record, and shall include the person's name, address, telephone number, date of birth, and a summary of the circumstances leading to the conviction, including the date of the conviction and county of the occurrence.

(III) The department shall determine whether the person's conviction was for conduct between consensual adults that has been decriminalized. If the conviction was for consensual conduct between adults that has been decriminalized, and the person has no other offenses for which he or she is required to register pursuant to this section, the department shall, within 60 days of receipt of those documents, notify the person that he or she is relieved of the duty to register, and shall notify the local law enforcement agency with which the person is registered that he or she has been relieved of the duty to register. The local law enforcement agency shall remove the person's registration from its files within 30 days of receipt of notification. If the documentary or other evidence submitted is insufficient to establish the person's claim, the department shall, within 60 days of receipt of those documents, notify the person that his or her claim cannot be established, and that the person shall continue to register pursuant to this section. The department shall provide, upon the person's request, any information relied upon by the department in making its determination that the person shall continue to register pursuant to this section. Any person whose claim has been denied by the department pursuant to this clause may petition the court to appeal the department's denial of the person's claim.

(ii) On or before July 1, 1998, the department shall make a report to the Legislature concerning the status of persons who may come under the provisions of this subparagraph, including the number of persons who were convicted before January 1, 1976, under subdivision (a) of Section 286 or Section 288a and are required to register under this section, the average age of these persons, the number of these persons who have any subsequent convictions for a registerable sex offense, and the number of these persons who have sought successfully or unsuccessfully to be relieved of their duty to register under this section.

(b) (1) Any person who is released, discharged, or paroled from a jail, state or federal prison, school, road camp, or other institution where he or she was confined because of the commission or attempted commission of one of the offenses specified in subdivision (a) or is released from a state hospital to which he or she was committed as a

mentally disordered sex offender under Article 1 (commencing with Section 6300) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code, shall, prior to discharge, parole, or release, be informed of his or her duty to register under this section by the official in charge of the place of confinement or hospital, and the official shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to the person. The official in charge of the place of confinement or hospital shall obtain the address where the person expects to reside upon his or her discharge, parole, or release and shall report the address to the Department of Justice. The official shall at the same time forward a current photograph of the person to the Department of Justice.

(2) The official in charge of the place of confinement or hospital shall give one copy of the form to the person and shall send one copy to the Department of Justice and one copy to the appropriate law enforcement agency or agencies having jurisdiction over the place the person expects to reside upon discharge, parole, or release. If the conviction that makes the person subject to this section is a felony conviction, the official in charge shall, not later than 45 days prior to the scheduled release of the person, send one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon discharge, parole, or release; one copy to the prosecuting agency that prosecuted the person; and one copy to the Department of Justice. The official in charge of the place of confinement or hospital shall retain one copy.

(c) (1) Any person who is convicted in this state of the commission or attempted commission of any of the offenses specified in subdivision (a) and who is released on probation, shall, prior to release or discharge, be informed of the duty to register under this section by the probation department, and a probation officer shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to him or her. The probation officer shall obtain the address where the person expects to reside upon release or discharge and shall report within three days the address to the Department of Justice. The probation officer shall give one copy of the form to the person, send one copy to the Department of Justice, and forward one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon his or her discharge, parole, or release.

(2) Any person who is convicted in this state of the commission or attempted commission of any of the offenses specified in subdivision (a) and who is granted conditional release without supervised probation, or

discharged upon payment of a fine, shall, prior to release or discharge, be informed of the duty to register under this section in open court by the court in which the person has been convicted, and the court shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to him or her. If the court finds that it is in the interest of the efficiency of the court, the court may assign the bailiff to require the person to read and sign forms under this section. The court shall obtain the address where the person expects to reside upon release or discharge and shall report within three days the address to the Department of Justice. The court shall give one copy of the form to the person, send one copy to the Department of Justice, and forward one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon his or her discharge, parole, or release.

(d) (1) Any person who, on or after January 1, 1986, is discharged or paroled from the Department of the Youth Authority to the custody of which he or she was committed after having been adjudicated a ward of the juvenile court pursuant to Section 602 of the Welfare and Institutions Code because of the commission or attempted commission of any offense described in paragraph (3) shall be subject to registration under the procedures of this section.

(2) Any person who is discharged or paroled from a facility in another state that is equivalent to the Department of the Youth Authority, to the custody of which he or she was committed because of an offense which, if committed or attempted in this state, would have been punishable as one or more of the offenses described in paragraph (3), shall be subject to registration under the procedures of this section.

(3) Any person described in this subdivision who committed an offense in violation of any of the following provisions shall be required to register pursuant to this section:

(A) Assault with intent to commit rape, sodomy, oral copulation, or any violation of Section 264.1, 288, or 289 under Section 220.

(B) Any offense defined in paragraph (1), (2), (3), (4), or (6) of subdivision (a) of Section 261, Section 264.1, 266c, or 267, paragraph (1) of subdivision (b) of, or subdivision (c) or (d) of, Section 286, Section 288 or 288.5, paragraph (1) of subdivision (b) of, or subdivision (c) or (d) of, Section 288a, subdivision (a) of Section 289, or Section 647.6.

(C) A violation of Section 207 or 209 committed with the intent to violate Section 261, 286, 288, 288a, or 289.

(4) Prior to discharge or parole from the Department of the Youth Authority, any person who is subject to registration under this subdivision shall be informed of the duty to register under the procedures set forth in this section. Department of the Youth Authority officials shall

transmit the required forms and information to the Department of Justice.

(5) All records specifically relating to the registration in the custody of the Department of Justice, law enforcement agencies, and other agencies or public officials shall be destroyed when the person who is required to register has his or her records sealed under the procedures set forth in Section 781 of the Welfare and Institutions Code. This subdivision shall not be construed as requiring the destruction of other criminal offender or juvenile records relating to the case that are maintained by the Department of Justice, law enforcement agencies, the juvenile court, or other agencies and public officials unless ordered by a court under Section 781 of the Welfare and Institutions Code.

(e) (1) On or after January 1, 1998, upon incarceration, placement, or commitment, or prior to release on probation, any person who is required to register under this section shall preregister. The preregistering official shall be the admitting officer at the place of incarceration, placement, or commitment, or the probation officer if the person is to be released on probation. The preregistration shall consist of all of the following:

(A) A preregistration statement in writing, signed by the person, giving information that shall be required by the Department of Justice.

(B) The fingerprints and a current photograph of the person.

(C) Any person who is preregistered pursuant to this subdivision is required to be preregistered only once.

(2) A person described in paragraph (2) of subdivision (a) shall register, or reregister if the person has previously registered, upon release from incarceration, placement, commitment, or release on probation pursuant to paragraph (1) of subdivision (a). The registration shall consist of all of the following:

(A) A statement in writing signed by the person, giving information as shall be required by the Department of Justice and giving the name and address of the person's employer, and the address of the person's place of employment if that is different from the employer's main address.

(B) The fingerprints and a current photograph of the person taken by the registering official.

(C) The license plate number of any vehicle owned by, regularly driven by, or registered in the name of the person.

(D) Notice to the person that, in addition to the requirements of paragraph (4), he or she may have a duty to register in any other state where he or she may relocate.

(E) Copies of adequate proof of residence, which shall be limited to a California driver's license, California identification card, recent rent or utility receipt, printed personalized checks or other recent banking

documents showing that person's name and address, or any other information that the registering official believes is reliable. If the person has no residence and no reasonable expectation of obtaining a residence in the foreseeable future, the person shall so advise the registering official and shall sign a statement provided by the registering official stating that fact. Upon presentation of proof of residence to the registering official or a signed statement that the person has no residence, the person shall be allowed to register. If the person claims that he or she has a residence but does not have any proof of residence, he or she shall be allowed to register but shall furnish proof of residence within 30 days of the date he or she is allowed to register.

(3) Within three days thereafter, the preregistering official or the registering law enforcement agency or agencies shall forward the statement, fingerprints, photograph, and vehicle license plate number, if any, to the Department of Justice.

(f) (1) If any person who is required to register pursuant to this section and who has a residence address changes his or her residence address, whether within the jurisdiction in which he or she is currently registered or to a new jurisdiction inside or outside the state, the person shall inform, in writing within five working days, the law enforcement agency or agencies with which he or she last registered of the new address or transient location and any plans he or she has to return to California, if known. If the person does not know the new residence address or location, the registrant shall inform the last registering agency or agencies that he or she is moving within five working days of the move, and shall later notify the agency or agencies of the new address or location within five working days of moving into the new residence address or location, whether temporary or permanent. The law enforcement agency or agencies shall, within three working days after receipt of this information, forward a copy of the change of address information to the Department of Justice. The Department of Justice shall forward appropriate registration data to the law enforcement agency or agencies having local jurisdiction of the new place of residence.

(2) If the person's new address is in a Department of the Youth Authority facility or a state prison or state mental institution, an official of the place of incarceration, placement, or commitment shall, within 90 days of receipt of the person, forward the registrant's change of address information to the Department of Justice. The agency need not provide a physical address for the registrant but shall indicate that he or she is serving a period of incarceration or commitment in a facility under the agency's jurisdiction. This paragraph shall apply to persons received in a Department of the Youth Authority facility or a state prison or state mental institution on or after January 1, 1999. The Department of Justice

shall forward the change of address information to the agency with which the person last registered.

(3) If any person who is required to register pursuant to this section changes his or her name, the person shall inform, in person, the law enforcement agency or agencies with which he or she is currently registered within five working days. The law enforcement agency or agencies shall forward a copy of this information to the Department of Justice within three working days of its receipt.

(g) (1) Any person who is required to register under this section based on a misdemeanor conviction or juvenile adjudication who willfully violates any requirement of this section is guilty of a misdemeanor punishable by imprisonment in a county jail not exceeding one year.

(2) Except as provided in paragraphs (5), (7), and (9), any person who is required to register under this section based on a felony conviction or juvenile adjudication who willfully violates any requirement of this section or who has a prior conviction or juvenile adjudication for the offense of failing to register under this section and who subsequently and willfully violates any requirement of this section is guilty of a felony and shall be punished by imprisonment in the state prison for 16 months, or two or three years.

If probation is granted or if the imposition or execution of sentence is suspended, it shall be a condition of the probation or suspension that the person serve at least 90 days in a county jail. The penalty described in this paragraph shall apply whether or not the person has been released on parole or has been discharged from parole.

(3) Any person determined to be a mentally disordered sex offender or who has been found guilty in the guilt phase of trial for an offense for which registration is required under this section, but who has been found not guilty by reason of insanity in the sanity phase of the trial, or who has had a petition sustained in a juvenile adjudication for an offense for which registration is required under this section pursuant to subdivision (d), but who has been found not guilty by reason of insanity, who willfully violates any requirement of this section is guilty of a misdemeanor and shall be punished by imprisonment in a county jail not exceeding one year. For any second or subsequent willful violation of any requirement of this section, the person is guilty of a felony and shall be punished by imprisonment in the state prison for 16 months, or two or three years.

(4) If, after discharge from parole, the person is convicted of a felony or suffers a juvenile adjudication as specified in this subdivision, he or she shall be required to complete parole of at least one year, in addition to any other punishment imposed under this subdivision. A person convicted of a felony as specified in this subdivision may be granted

probation only in the unusual case where the interests of justice would best be served. When probation is granted under this paragraph, the court shall specify on the record and shall enter into the minutes the circumstances indicating that the interests of justice would best be served by the disposition.

(5) Any person who has ever been adjudicated a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, and who fails to verify his or her registration every 90 days as required pursuant to subparagraph (E) of paragraph (1) of subdivision (a), shall be punished by imprisonment in the state prison, or in a county jail not exceeding one year.

(6) Except as otherwise provided in paragraph (5), any person who is required to register or reregister pursuant to clause (i) of subparagraph (C) of paragraph (1) of subdivision (a) and willfully fails to comply with the requirement that he or she reregister no less than every 30 days is guilty of a misdemeanor and shall be punished by imprisonment in a county jail at least 30 days, but not exceeding six months. A person who willfully fails to comply with the requirement that he or she reregister no less than every 30 days shall not be charged with this violation more often than once for a failure to register in any period of 90 days. Any person who willfully commits a third or subsequent violation of the requirements of subparagraph (C) of paragraph (1) of subdivision (a) that he or she reregister no less than every 30 days shall be punished in accordance with either paragraph (1) or (2) of this subdivision.

(7) Any person who fails to provide proof of residence as required by subparagraph (E) of paragraph (2) of subdivision (e), regardless of the offense upon which the duty to register is based, is guilty of a misdemeanor punishable by imprisonment in a county jail not exceeding six months.

(8) Any person who is required to register under this section who willfully violates any requirement of this section is guilty of a continuing offense as to each requirement he or she violated.

(9) In addition to any other penalty imposed under this subdivision, the failure to provide information required on registration and reregistration forms of the Department of Justice, or the provision of false information, is a crime punishable by imprisonment in a county jail for a period not exceeding one year.

(h) Whenever any person is released on parole or probation and is required to register under this section but fails to do so within the time prescribed, the parole authority, the Youthful Offender Parole Board, or the court, as the case may be, shall order the parole or probation of the person revoked. For purposes of this subdivision, ''parole authority'' has the same meaning as described in Section 3000.

(i) Except as provided in Sections 290.01, 290.4, and 290.45, the statements, photographs, and fingerprints required by this section shall not be open to inspection by the public or by any person other than a regularly employed peace officer or other law enforcement officer.

(j) In any case in which a person who would be required to register pursuant to this section for a felony conviction is to be temporarily sent outside the institution where he or she is confined on any assignment within a city or county including firefighting, disaster control, or of whatever nature the assignment may be, the local law enforcement agency having jurisdiction over the place or places where the assignment shall occur shall be notified within a reasonable time prior to removal from the institution. This subdivision shall not apply to any person who is temporarily released under guard from the institution where he or she is confined.

(k) As used in this section, ''mentally disordered sex offender'' includes any person who has been determined to be a sexual psychopath or a mentally disordered sex offender under any provision which, on or before January 1, 1976, was contained in Division 6 (commencing with Section 6000) of the Welfare and Institutions Code.

(*l*) (1) Every person who, prior to January 1, 1997, is required to register under this section, shall be notified whenever he or she next reregisters of the reduction of the registration period from 14 to 5 working days. This notice shall be provided in writing by the registering agency or agencies. Failure to receive this notification shall be a defense against the penalties prescribed by subdivision (g) if the person did register within 14 days.

(2) Every person who, as a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, is required to verify his or her registration every 90 days, shall be notified wherever he or she next registers of his or her increased registration obligations. This notice shall be provided in writing by the registering agency or agencies. Failure to receive this notice shall be a defense against the penalties prescribed by paragraph (5) of subdivision (g).

(m) The registration provisions of this section are applicable to every person described in this section, without regard to when his or her crime or crimes were committed or his or her duty to register pursuant to this section arose, and to every offense described in this section, regardless of when it was committed.

SEC. 1.6. Section 290 of the Penal Code is amended to read:

290. (a) (1) (A) Every person described in paragraph (2), for the rest of his or her life while residing in California, or while attending school or working in California, as described in subparagraph (G), shall be required to register with the chief of police of the city in which he or she is residing, or the sheriff of the county if he or she is residing in an

unincorporated area or city that has no police department, and, additionally, with the chief of police of a campus of the University of California, the California State University, or community college if he or she is residing upon the campus or in any of its facilities, within five working days of coming into, or changing his or her residence within, any city, county, or city and county, or campus in which he or she temporarily resides.

(B) If the person who is registering has more than one residence address at which he or she regularly resides, he or she shall register in accordance with subparagraph (A) in each of the jurisdictions in which he or she regularly resides, regardless of the number of days or nights spent there. If all of the addresses are within the same jurisdiction, the person shall provide the registering authority with all of the addresses where he or she regularly resides.

(C) Every person described in paragraph (2), for the rest of his or her life while living as a transient in California shall be required to register, as follows:

(i) A transient must register, or reregister if the person has previously registered, within five working days from release from incarceration, placement or commitment, or release on probation, pursuant to paragraph (1) of subdivision (a), except that if the person previously registered as a transient less than 30 days from the date of his or her release from incarceration, he or she does not need to reregister as a transient until his or her next required 30-day update of registration. If a transient is not physically present in any one jurisdiction for five consecutive working days, he or she must register in the jurisdiction in which he or she is physically present on the fifth working day following release, pursuant to paragraph (1) of subdivision (a). Beginning on or before the 30th day following initial registration upon release, a transient must reregister no less than once every 30 days thereafter. A transient shall register with the chief of police of the city in which he or she is physically present within that 30-day period, or the sheriff of the county if he or she is physically present in an unincorporated area or city that has no police department, and additionally, with the chief of police of a campus of the University of California, the California State University, or community college if he or she is physically present upon the campus or in any of its facilities. A transient must reregister no less than once every 30 days regardless of the length of time he or she has been physically present in the particular jurisdiction in which he or she reregisters. If a transient fails to reregister within any 30-day period, he or she may be prosecuted in any jurisdiction in which he or she is physically present.

(ii) A transient who moves to a residence shall have five working days within which to register at that address, in accordance with subparagraph

(A) of paragraph (1) of subdivision (a). A person registered at a residence address in accordance with subparagraph (A) of paragraph (1) of subdivision (a), who becomes transient shall have five working days within which to reregister as a transient in accordance with clause (i).

(iii) Beginning on his or her first birthday following registration, a transient shall register annually, within five working days of his or her birthday, to update his or her registration with the entities described in clause (i). A transient shall register in whichever jurisdiction he or she is physically present on that date. At the 30-day updates and the annual update, a transient shall provide current information as required on the Department of Justice annual update form, including the information described in subparagraphs (A) to (C), inclusive, of paragraph (2) of subdivision (e), and the information specified in clause (iv).

(iv) A transient shall, upon registration and reregistration, provide current information as required on the Department of Justice registration forms, and shall also list the places where he or she sleeps, eats, works, frequents, and engages in leisure activities. If a transient changes or adds to the places listed on the form during the 30-day period, he or she does not need to report the new place or places until the next required reregistration.

(v) Failure to comply with the requirement of reregistering every 30 days following initial registration pursuant to clause (i) of this subparagraph shall be punished in accordance with paragraph (6) of subdivision (g). Failure to comply with any other requirement of this section, shall be punished in accordance with either paragraph (1) or (2) of subdivision (g).

(vi) A transient who moves out of state shall inform, in person or in writing, the chief of police in the city in which he or she is physically present, or the sheriff of the county, if he or she is physically present in an unincorporated area or city that has no police department, within five working days of his or her move out of state. The transient shall inform that registering agency of his or her planned destination, residence, or transient location out of state, and any plans he or she has to return to California, if known. The law enforcement agency shall, within three days after receipt of this information, forward a copy of the change of location information to the Department of Justice. The department shall forward appropriate registration data to the law enforcement agency having local jurisdiction of the new place of residence or location.

(vii) For purposes of this section, ''transient'' means a person who has no residence. ''Residence'' means a place where a person is living or temporarily staying for more than five days, such as a shelter or structure that can be located by a street address, including, but not limited to, houses, apartment buildings, motels, hotels, homeless shelters, and recreational and other vehicles.

(viii) The transient registrant's duty to update his or her registration no less than every 30 days shall begin with his or her second transient update following the date this subdivision became effective.

(D) Beginning on his or her first birthday following registration or change of address, the person shall be required to register annually, within five working days of his or her birthday, to update his or her registration with the entities described in subparagraph (A). At the annual update, the person shall provide current information as required on the Department of Justice annual update form, including the information described in subparagraphs (A) to (C), inclusive, of paragraph (2) of subdivision (e).

(E) In addition, every person who has ever been adjudicated a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, shall, after his or her release from custody, verify his or her address no less than once every 90 days and place of employment, including the name and address of the employer, in a manner established by the Department of Justice.

(F) No entity shall require a person to pay a fee to register or update his or her registration pursuant to this section. The registering agency shall submit registrations, including annual updates or changes of address, directly into the Department of Justice Violent Crime Information Network (VCIN).

(G) Persons required to register in their state of residence who are out-of-state residents employed, or carrying on a vocation in California on a full-time or part-time basis, with or without compensation, for more than 14 days, or for an aggregate period exceeding 30 days in a calendar year, shall register in accordance with subparagraph (A). Persons described in paragraph (2) who are out-of-state residents enrolled in any educational institution in California, as defined in Section 22129 of the Education Code, on a full-time or part-time basis, shall register in accordance with subparagraph (A). The place where the out-of-state resident is located, for purposes of registration, shall be the place where the person is employed, carrying on a vocation, or attending school. The out-of-state resident subject to this subparagraph shall, in addition to the information required pursuant to subdivision (e), provide the registering authority with the name of his or her place of employment or the name of the school attended in California, and his or her address or location in his or her state of residence. The registration requirement for persons subject to this subparagraph shall become operative on November 25, 2000. The terms ''employed or carries on a vocation'' include employment whether or not financially compensated, volunteered, or performed for government or educational benefit.

(2) The following persons shall be required to register pursuant to paragraph (1):

(A) Any person who, since July 1, 1944, has been or is hereafter convicted in any court in this state or in any federal or military court of a violation of Section 207 or 209 committed with intent to violate Section 261, 286, 288, 288a, or 289, Section 220, except assault to commit mayhem, Section 243.4, paragraph (1), (2), (3), (4), or (6) of subdivision (a) of Section 261, or paragraph (1) of subdivision (a) of Section 262 involving the use of force or violence for which the person is sentenced to the state prison, Section 264.1, 266, or 266c, subdivision (b) of Section 266h, subdivision (b) of Section 266i, 266j, Section 267, 269, 285, 286, 288, 288a, 288.5, or 289, Section 311.1, subdivision (b), (c), or (d) of Section 311.2, Section 311.3, 311.4, 311.10, 311.11, or 647.6, former Section 647a, subdivision (c) of Section 653f, subdivision 1 or 2 of Section 314, any offense involving lewd or lascivious conduct under Section 272, or any felony violation of Section 288.2; or any statutory predecessor that includes all elements of one of the above-mentioned offenses; or any person who since that date has been or is hereafter convicted of the attempt to commit any of the above-mentioned offenses.

(B) Any person who, since July 1, 1944, has been or hereafter is released, discharged, or paroled from a penal institution where he or she was confined because of the commission or attempted commission of one of the offenses described in subparagraph (A).

(C) Any person who, since July 1, 1944, has been or hereafter is determined to be a mentally disordered sex offender under Article 1 (commencing with Section 6300) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code or any person who has been found guilty in the guilt phase of a trial for an offense for which registration is required by this section but who has been found not guilty by reason of insanity in the sanity phase of the trial.

(D) Any person who, since July 1, 1944, has been, or is hereafter convicted in any other court, including any state, federal, or military court, of any offense that, if committed or attempted in this state, would have been punishable as one or more of the offenses described in subparagraph (A) or any person ordered by any other court, including any state, federal, or military court, to register as a sex offender for any offense, if the court found at the time of conviction or sentencing that the person committed the offense as a result of sexual compulsion or for purposes of sexual gratification.

(E) Any person ordered by any court to register pursuant to this section for any offense not included specifically in this section if the court finds at the time of conviction or sentencing that the person committed the offense as a result of sexual compulsion or for purposes of sexual gratification. The court shall state on the record the reasons for its findings and the reasons for requiring registration.

(F) (i) Notwithstanding any other subdivision, a person who was convicted before January 1, 1976, under subdivision (a) of Section 286, or Section 288a, shall not be required to register pursuant to this section for that conviction if the conviction was for conduct between consenting adults that was decriminalized by Chapter 71 of the Statutes of 1975 or Chapter 1139 of the Statutes of 1976. The Department of Justice shall remove that person from the Sex Offender Registry, and the person is discharged from his or her duty to register pursuant to the following procedure:

(I) The person submits to the Department of Justice official documentary evidence, including court records or police reports, that demonstrate that the person's conviction pursuant to either of those sections was for conduct between consenting adults that was decriminalized; or

(II) The person submits to the department a declaration stating that the person's conviction pursuant to either of those sections was for consensual conduct between adults that has been decriminalized. The declaration shall be confidential and not a public record, and shall include the person's name, address, telephone number, date of birth, and a summary of the circumstances leading to the conviction, including the date of the conviction and county of the occurrence.

(III) The department shall determine whether the person's conviction was for conduct between consensual adults that has been decriminalized. If the conviction was for consensual conduct between adults that has been decriminalized, and the person has no other offenses for which he or she is required to register pursuant to this section, the department shall, within 60 days of receipt of those documents, notify the person that he or she is relieved of the duty to register, and shall notify the local law enforcement agency with which the person is registered that he or she has been relieved of the duty to register. The local law enforcement agency shall remove the person's registration from its files within 30 days of receipt of notification. If the documentary or other evidence submitted is insufficient to establish the person's claim, the department shall, within 60 days of receipt of those documents, notify the person that his or her claim cannot be established, and that the person shall continue to register pursuant to this section. The department shall provide, upon the person's request, any information relied upon by the department in making its determination that the person shall continue to register pursuant to this section. Any person whose claim has been denied by the department pursuant to this clause may petition the court to appeal the department's denial of the person's claim.

(ii) On or before July 1, 1998, the department shall make a report to the Legislature concerning the status of persons who may come under the provisions of this subparagraph, including the number of persons

who were convicted before January 1, 1976, under subdivision (a) of Section 286 or Section 288a and are required to register under this section, the average age of these persons, the number of these persons who have any subsequent convictions for a registerable sex offense, and the number of these persons who have sought successfully or unsuccessfully to be relieved of their duty to register under this section.

(b) (1) Any person who is released, discharged, or paroled from a jail, state or federal prison, school, road camp, or other institution where he or she was confined because of the commission or attempted commission of one of the offenses specified in subdivision (a) or is released from a state hospital to which he or she was committed as a mentally disordered sex offender under Article 1 (commencing with Section 6300) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code, shall, prior to discharge, parole, or release, be informed of his or her duty to register under this section by the official in charge of the place of confinement or hospital, and the official shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to the person. The official in charge of the place of confinement or hospital shall obtain the address where the person expects to reside upon his or her discharge, parole, or release and shall report the address to the Department of Justice. The official shall at the same time forward a current photograph of the person to the Department of Justice.

(2) The official in charge of the place of confinement or hospital shall give one copy of the form to the person and shall send one copy to the Department of Justice and one copy to the appropriate law enforcement agency or agencies having jurisdiction over the place the person expects to reside upon discharge, parole, or release. If the conviction that makes the person subject to this section is a felony conviction, the official in charge shall, not later than 45 days prior to the scheduled release of the person, send one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon discharge, parole, or release; one copy to the prosecuting agency that prosecuted the person; and one copy to the Department of Justice. The official in charge of the place of confinement or hospital shall retain one copy.

(c) (1) Any person who is convicted in this state of the commission or attempted commission of any of the offenses specified in subdivision (a) and who is released on probation, shall, prior to release or discharge, be informed of the duty to register under this section by the probation department, and a probation officer shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been

explained to him or her. The probation officer shall obtain the address where the person expects to reside upon release or discharge and shall report within three days the address to the Department of Justice. The probation officer shall give one copy of the form to the person, send one copy to the Department of Justice, and forward one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon his or her discharge, parole, or release.

(2) Any person who is convicted in this state of the commission or attempted commission of any of the offenses specified in subdivision (a) and who is granted conditional release without supervised probation, or discharged upon payment of a fine, shall, prior to release or discharge, be informed of the duty to register under this section in open court by the court in which the person has been convicted, and the court shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to him or her. If the court finds that it is in the interest of the efficiency of the court, the court may assign the bailiff to require the person to read and sign forms under this section. The court shall obtain the address where the person expects to reside upon release or discharge and shall report within three days the address to the Department of Justice. The court shall give one copy of the form to the person, send one copy to the Department of Justice, and forward one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon his or her discharge, parole, or release.

(d) (1) Any person who, on or after January 1, 1986, is discharged or paroled from the Department of the Youth Authority to the custody of which he or she was committed after having been adjudicated a ward of the juvenile court pursuant to Section 602 of the Welfare and Institutions Code because of the commission or attempted commission of any offense described in paragraph (3) shall be subject to registration under the procedures of this section.

(2) Any person who is discharged or paroled from a facility in another state that is equivalent to the Department of the Youth Authority, to the custody of which he or she was committed because of an offense which, if committed or attempted in this state, would have been punishable as one or more of the offenses described in paragraph (3), shall be subject to registration under the procedures of this section.

(3) Any person described in this subdivision who committed an offense in violation of any of the following provisions shall be required to register pursuant to this section:

(A) Assault with intent to commit rape, sodomy, oral copulation, or any violation of Section 264.1, 288, or 289 under Section 220.

(B) Any offense defined in paragraph (1), (2), (3), (4), or (6) of subdivision (a) of Section 261, Section 264.1, 266c, or 267, paragraph (1) of subdivision (b) of, or subdivision (c) or (d) of, Section 286, Section 288 or 288.5, paragraph (1) of subdivision (b) of, or subdivision (c) or (d) of, Section 288a, subdivision (a) of Section 289, or Section 647.6.

(C) A violation of Section 207 or 209 committed with the intent to violate Section 261, 286, 288, 288a, or 289.

(4) Prior to discharge or parole from the Department of the Youth Authority, any person who is subject to registration under this subdivision shall be informed of the duty to register under the procedures set forth in this section. Department of the Youth Authority officials shall transmit the required forms and information to the Department of Justice.

(5) All records specifically relating to the registration in the custody of the Department of Justice, law enforcement agencies, and other agencies or public officials shall be destroyed when the person who is required to register has his or her records sealed under the procedures set forth in Section 781 of the Welfare and Institutions Code. This subdivision shall not be construed as requiring the destruction of other criminal offender or juvenile records relating to the case that are maintained by the Department of Justice, law enforcement agencies, the juvenile court, or other agencies and public officials unless ordered by a court under Section 781 of the Welfare and Institutions Code.

(e) (1) On or after January 1, 1998, upon incarceration, placement, or commitment, or prior to release on probation, any person who is required to register under this section shall preregister. The preregistering official shall be the admitting officer at the place of incarceration, placement, or commitment, or the probation officer if the person is to be released on probation. The preregistration shall consist of all of the following:

(A) A preregistration statement in writing, signed by the person, giving information that shall be required by the Department of Justice.

(B) The fingerprints and a current photograph of the person.

(C) Any person who is preregistered pursuant to this subdivision is required to be preregistered only once.

(2) A person described in paragraph (2) of subdivision (a) shall register, or reregister if the person has previously registered, upon release from incarceration, placement, commitment, or release on probation pursuant to paragraph (1) of subdivision (a). The registration shall consist of all of the following:

(A) A statement in writing signed by the person, giving information as shall be required by the Department of Justice and giving the name and address of the person's employer, and the address of the person's

place of employment if that is different from the employer's main address.

(B) The fingerprints and a current photograph of the person taken by the registering official.

(C) The license plate number of any vehicle owned by, regularly driven by, or registered in the name of the person.

(D) Notice to the person that, in addition to the requirements of paragraph (4), he or she may have a duty to register in any other state where he or she may relocate.

(E) Copies of adequate proof of residence, which shall be limited to a California driver's license, California identification card, recent rent or utility receipt, printed personalized checks or other recent banking documents showing that person's name and address, or any other information that the registering official believes is reliable. If the person has no residence and no reasonable expectation of obtaining a residence in the foreseeable future, the person shall so advise the registering official and shall sign a statement provided by the registering official stating that fact. Upon presentation of proof of residence to the registering official or a signed statement that the person has no residence, the person shall be allowed to register. If the person claims that he or she has a residence but does not have any proof of residence, he or she shall be allowed to register but shall furnish proof of residence within 30 days of the date he or she is allowed to register.

(3) Within three days thereafter, the preregistering official or the registering law enforcement agency or agencies shall forward the statement, fingerprints, photograph, and vehicle license plate number, if any, to the Department of Justice.

(f) (1) If any person who is required to register pursuant to this section and who has a residence address changes his or her residence address, whether within the jurisdiction in which he or she is currently registered or to a new jurisdiction inside or outside the state, the person shall inform, in writing within five working days, the law enforcement agency or agencies with which he or she last registered of the new address or transient location and any plans he or she has to return to California if known. If the person does not know the new residence address or location, the registrant shall inform the last registering agency or agencies that he or she is moving within five working days of the move, and shall later notify the agency or agencies of the new address or location within five working days of moving into the new residence address or location, whether temporary or permanent. The law enforcement agency or agencies shall, within three working days after receipt of this information, forward a copy of the change of address information to the Department of Justice. The Department of Justice shall forward appropriate registration data to the law enforcement

agency or agencies having local jurisdiction of the new place of residence.

(2) If the person's new address is in a Department of the Youth Authority facility or a state prison or state mental institution, an official of the place of incarceration, placement, or commitment shall, within 90 days of receipt of the person, forward the registrant's change of address information to the Department of Justice. The agency need not provide a physical address for the registrant but shall indicate that he or she is serving a period of incarceration or commitment in a facility under the agency's jurisdiction. This paragraph shall apply to persons received in a Department of the Youth Authority facility or a state prison or state mental institution on or after January 1, 1999. The Department of Justice shall forward the change of address information to the agency with which the person last registered.

(3) If any person who is required to register pursuant to this section changes his or her name, the person shall inform, in person, the law enforcement agency or agencies with which he or she is currently registered within five working days. The law enforcement agency or agencies shall forward a copy of this information to the Department of Justice within three working days of its receipt.

(g) (1) Any person who is required to register under this section based on a misdemeanor conviction or juvenile adjudication who willfully violates any requirement of this section is guilty of a misdemeanor punishable by imprisonment in a county jail not exceeding one year.

(2) Except as provided in paragraphs (5), (7), and (9), any person who is required to register under this section based on a felony conviction or juvenile adjudication who willfully violates any requirement of this section or who has a prior conviction or juvenile adjudication for the offense of failing to register under this section and who subsequently and willfully violates any requirement of this section is guilty of a felony and shall be punished by imprisonment in the state prison for 16 months, or two or three years.

If probation is granted or if the imposition or execution of sentence is suspended, it shall be a condition of the probation or suspension that the person serve at least 90 days in a county jail. The penalty described in this paragraph shall apply whether or not the person has been released on parole or has been discharged from parole.

(3) Any person determined to be a mentally disordered sex offender or who has been found guilty in the guilt phase of trial for an offense for which registration is required under this section, but who has been found not guilty by reason of insanity in the sanity phase of the trial, or who has had a petition sustained in a juvenile adjudication for an offense for which registration is required under this section pursuant to subdivision

(d), but who has been found not guilty by reason of insanity, who willfully violates any requirement of this section is guilty of a misdemeanor and shall be punished by imprisonment in a county jail not exceeding one year. For any second or subsequent willful violation of any requirement of this section, the person is guilty of a felony and shall be punished by imprisonment in the state prison for 16 months, or two or three years.

(4) If, after discharge from parole, the person is convicted of a felony or suffers a juvenile adjudication as specified in this subdivision, he or she shall be required to complete parole of at least one year, in addition to any other punishment imposed under this subdivision. A person convicted of a felony as specified in this subdivision may be granted probation only in the unusual case where the interests of justice would best be served. When probation is granted under this paragraph, the court shall specify on the record and shall enter into the minutes the circumstances indicating that the interests of justice would best be served by the disposition.

(5) Any person who has ever been adjudicated a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, and who fails to verify his or her registration every 90 days as required pursuant to subparagraph (E) of paragraph (1) of subdivision (a), shall be punished by imprisonment in the state prison, or in a county jail not exceeding one year.

(6) Except as otherwise provided in paragraph (5), any person who is required to register or reregister pursuant to clause (i) of subparagraph (C) of paragraph (1) of subdivision (a) and willfully fails to comply with the requirement that he or she reregister no less than every 30 days is guilty of a misdemeanor and shall be punished by imprisonment in a county jail at least 30 days, but not exceeding six months. A person who willfully fails to comply with the requirement that he or she reregister no less than every 30 days shall not be charged with this violation more often than once for a failure to register in any period of 90 days. Any person who willfully commits a third or subsequent violation of the requirements of subparagraph (C) of paragraph (1) of subdivision (a) that he or she reregister no less than every 30 days shall be punished in accordance with either paragraph (1) or (2) of this subdivision.

(7) Any person who fails to provide proof of residence as required by subparagraph (E) of paragraph (2) of subdivision (e), regardless of the offense upon which the duty to register is based, is guilty of a misdemeanor punishable by imprisonment in a county jail not exceeding six months.

(8) Any person who is required to register under this section who willfully violates any requirement of this section is guilty of a continuing offense as to each requirement he or she violated.

(9) In addition to any other penalty imposed under this subdivision, the failure to provide information required on registration and reregistration forms of the Department of Justice, or the provision of false information, is a crime punishable by imprisonment in a county jail for a period not exceeding one year.

(h) Whenever any person is released on parole or probation and is required to register under this section but fails to do so within the time prescribed, the parole authority, the Youthful Offender Parole Board, or the court, as the case may be, shall order the parole or probation of the person revoked. For purposes of this subdivision, ''parole authority'' has the same meaning as described in Section 3000.

(i) Except as provided in Sections 290.01, 290.4, 290.45, and 290.46, the statements, photographs, and fingerprints required by this section shall not be open to inspection by the public or by any person other than a regularly employed peace officer or other law enforcement officer.

(j) In any case in which a person who would be required to register pursuant to this section for a felony conviction is to be temporarily sent outside the institution where he or she is confined on any assignment within a city or county including firefighting, disaster control, or of whatever nature the assignment may be, the local law enforcement agency having jurisdiction over the place or places where the assignment shall occur shall be notified within a reasonable time prior to removal from the institution. This subdivision shall not apply to any person who is temporarily released under guard from the institution where he or she is confined.

(k) As used in this section, ''mentally disordered sex offender'' includes any person who has been determined to be a sexual psychopath or a mentally disordered sex offender under any provision which, on or before January 1, 1976, was contained in Division 6 (commencing with Section 6000) of the Welfare and Institutions Code.

(*l*) (1) Every person who, prior to January 1, 1997, is required to register under this section, shall be notified whenever he or she next reregisters of the reduction of the registration period from 14 to 5 working days. This notice shall be provided in writing by the registering agency or agencies. Failure to receive this notification shall be a defense against the penalties prescribed by subdivision (g) if the person did register within 14 days.

(2) Every person who, as a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, is required to verify his or her registration every 90 days, shall be notified wherever he or she next registers of his or her increased registration obligations. This notice shall be provided in writing by the registering agency or agencies. Failure to receive this notice shall be a defense against the penalties prescribed by paragraph (5) of subdivision (g).

(m) The registration provisions of this section are applicable to every person described in this section, without regard to when his or her crime or crimes were committed or his or her duty to register pursuant to this section arose, and to every offense described in this section, regardless of when it was committed.

SEC. 1.7. Section 290 of the Penal Code is amended to read:

290. (a) (1) (A) Every person described in paragraph (2), for the rest of his or her life while residing in California, or while attending school or working in California, as described in subparagraph (G), shall be required to register with the chief of police of the city in which he or she is residing, or the sheriff of the county if he or she is residing in an unincorporated area or city that has no police department, and, additionally, with the chief of police of a campus of the University of California, the California State University, or community college if he or she is residing upon the campus or in any of its facilities, within five working days of coming into, or changing his or her residence or within, any city, county, or city and county, or campus in which he or she temporarily resides.

(B) If the person who is registering has more than one residence address at which he or she regularly resides, he or she shall register in accordance with subparagraph (A) in each of the jurisdictions in which he or she regularly resides, regardless of the number of days or nights spent there. If all of the addresses are within the same jurisdiction, the person shall provide the registering authority with all of the addresses where he or she regularly resides.

(C) Every person described in paragraph (2), for the rest of his or her life while living as a transient in California shall be required to register, as follows:

(i) A transient must register, or reregister if the person has previously registered, within five working days from release from incarceration, placement or commitment, or release on probation, pursuant to paragraph (1) of subdivision (a), except that if the person previously registered as a transient less than 30 days from the date of his or her release from incarceration, he or she does not need to reregister as a transient until his or her next required 30-day update of registration. If a transient is not physically present in any one jurisdiction for five consecutive working days, he or she must register in the jurisdiction in which he or she is physically present on the fifth working day following release, pursuant to paragraph (1) of subdivision (a). Beginning on or before the 30th day following initial registration upon release, a transient must reregister no less than once every 30 days thereafter. A transient shall register with the chief of police of the city in which he or she is physically present within that 30-day period, or the sheriff of the county if he or she is physically present in an unincorporated area or city that

has no police department, and additionally, with the chief of police of a campus of the University of California, the California State University, or community college if he or she is physically present upon the campus or in any of its facilities. A transient must reregister no less than once every 30 days regardless of the length of time he or she has been physically present in the particular jurisdiction in which he or she reregisters. If a transient fails to reregister within any 30-day period, he or she may be prosecuted in any jurisdiction in which he or she is physically present.

(ii) A transient who moves to a residence shall have five working days within which to register at that address, in accordance with subparagraph (A) of paragraph (1) of subdivision (a). A person registered at a residence address in accordance with subparagraph (A) of paragraph (1) of subdivision (a), who becomes transient shall have five working days within which to reregister as a transient in accordance with clause (i).

(iii) Beginning on his or her first birthday following registration, a transient shall register annually, within five working days of his or her birthday, to update his or her registration with the entities described in clause (i). A transient shall register in whichever jurisdiction he or she is physically present on that date. At the 30-day updates and the annual update, a transient shall provide current information as required on the Department of Justice annual update form, including the information described in subparagraphs (A) to (C), inclusive, of paragraph (2) of subdivision (e), and the information specified in clause (iv).

(iv) A transient shall, upon registration and reregistration, provide current information as required on the Department of Justice registration forms, and shall also list the places where he or she sleeps, eats, works, frequents, and engages in leisure activities. If a transient changes or adds to the places listed on the form during the 30-day period, he or she does not need to report the new place or places until the next required reregistration.

(v) Failure to comply with the requirement of reregistering every 30 days following initial registration pursuant to clause (i) of this subparagraph shall be punished in accordance with paragraph (6) of subdivision (g). Failure to comply with any other requirement of this section, shall be punished in accordance with either paragraph (1) or (2) of subdivision (g).

(vi) A transient who moves out of state shall inform, in person or in writing, the chief of police in the city in which he or she is physically present, or the sheriff of the county, if he or she is physically present in an unincorporated area or city that has no police department, within five working days of his or her move out of state. The transient shall inform that registering agency of his or her planned destination, residence, or transient location out of state, and any plans he or she has to return to

California, if known. The law enforcement agency shall, within three days after receipt of this information, forward a copy of the change of location information to the Department of Justice. The department shall forward appropriate registration data to the law enforcement agency having local jurisdiction of the new place of residence or location.

(vii) For purposes of this section, ''transient'' means a person who has no residence. ''Residence'' means a place where a person is living or temporarily staying for more than five days, such as a shelter or structure that can be located by a street address, including, but not limited to, houses, apartment buildings, motels, hotels, homeless shelters, and recreational and other vehicles.

(viii) The transient registrant's duty to update his or her registration no less than every 30 days shall begin with his or her second transient update following the date this subdivision became effective.

(D) Beginning on his or her first birthday following registration or change of address, the person shall be required to register annually, within five working days of his or her birthday, to update his or her registration with the entities described in subparagraph (A). At the annual update, the person shall provide current information as required on the Department of Justice annual update form, including the information described in subparagraphs (A) to (C), inclusive, of paragraph (2) of subdivision (e).

(E) In addition, every person who has ever been adjudicated a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, shall, after his or her release from custody, verify his or her address no less than once every 90 days and place of employment, including the name and address of the employer, in a manner established by the Department of Justice.

(F) No entity shall require a person to pay a fee to register or update his or her registration pursuant to this section. The registering agency shall submit registrations, including annual updates or changes of address, directly into the Department of Justice Violent Crime Information Network (VCIN).

(G) Persons required to register in their state of residence who are out-of-state residents employed, or carrying on a vocation in California on a full-time or part-time basis, with or without compensation, for more than 14 days, or for an aggregate period exceeding 30 days in a calendar year, shall register in accordance with subparagraph (A). Persons described in paragraph (2) who are out-of-state residents enrolled in any educational institution in California, as defined in Section 22129 of the Education Code, on a full-time or part-time basis, shall register in accordance with subparagraph (A). The place where the out-of-state resident is located, for purposes of registration, shall be the place where the person is employed, carrying on a vocation, or attending school. The

out-of-state resident subject to this subparagraph shall, in addition to the information required pursuant to subdivision (e), provide the registering authority with the name of his or her place of employment or the name of the school attended in California, and his or her address or location in his or her state of residence. The registration requirement for persons subject to this subparagraph shall become operative on November 25, 2000. The terms ''employed or carries on a vocation'' include employment whether or not financially compensated, volunteered, or performed for government or educational benefit.

(2) The following persons shall be required to register pursuant to paragraph (1):

(A) Any person who, since July 1, 1944, has been or is hereafter convicted in any court in this state or in any federal or military court of a violation of Section 207 or 209 committed with intent to violate Section 261, 286, 288, 288a, or 289, Section 220, except assault to commit mayhem, Section 243.4, paragraph (1), (2), (3), (4), or (6) of subdivision (a) of Section 261, or paragraph (1) of subdivision (a) of Section 262 involving the use of force or violence for which the person is sentenced to the state prison, Section 264.1, 266, or 266c, subdivision (b) of Section 266h, subdivision (b) of Section 266i, 266j, Section 267, 269, 285, 286, 288, 288a, 288.5, or 289, Section 311.1, subdivision (b), (c), or (d) of Section 311.2, Section 311.3, 311.4, 311.10, 311.11, or 647.6, former Section 647a, subdivision (c) of Section 653f, subdivision 1 or 2 of Section 314, any offense involving lewd or lascivious conduct under Section 272, or any felony violation of Section 288.2; or any statutory predecessor that includes all elements of one of the above-mentioned offenses; or any person who since that date has been or is hereafter convicted of the attempt to commit any of the above-mentioned offenses.

(B) Any person who, since July 1, 1944, has been or hereafter is released, discharged, or paroled from a penal institution where he or she was confined because of the commission or attempted commission of one of the offenses described in subparagraph (A).

(C) Any person who, since July 1, 1944, has been or hereafter is determined to be a mentally disordered sex offender under Article 1 (commencing with Section 6300) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code or any person who has been found guilty in the guilt phase of a trial for an offense for which registration is required by this section but who has been found not guilty by reason of insanity in the sanity phase of the trial.

(D) (i) Any person who, since July 1, 1944, has been, or is hereafter convicted in any other court, including any state, federal, or military court, of any offense that, if committed or attempted in this state, would

have been punishable as one or more of the offenses described in subparagraph (A).

(ii) Any person ordered by any other court, including any state, federal, or military court, to register as a sex offender for any offense, if the court found at the time of conviction or sentencing that the person committed the offense as a result of sexual compulsion or for purposes of sexual gratification.

(iii) Except as provided in clause (iv), any person who would be required to register while residing in the state of conviction for a sex offense committed in that state.

(iv) Clause (iii) shall not apply to a person required to register in the state of conviction if the conviction was for the equivalent of one of the following offenses, and the person is not subject to clause (i):

(I) Indecent exposure, pursuant to Section 314.

(II) Unlawful sexual intercourse, pursuant to Section 261.5.

(III) Incest, pursuant to Section 285.

(IV) Sodomy, pursuant to Section 286, or oral copulation, pursuant to Section 288a, provided that the offender notifies the Department of Justice that the sodomy or oral copulation conviction was for conduct between consenting adults, as described in subparagraph (F) of paragraph (2) of subdivision (a), and the department is able, upon the exercise of reasonable diligence, to verify that fact.

(E) Any person ordered by any court to register pursuant to this section for any offense not included specifically in this section if the court finds at the time of conviction or sentencing that the person committed the offense as a result of sexual compulsion or for purposes of sexual gratification. The court shall state on the record the reasons for its findings and the reasons for requiring registration.

(F) (i) Notwithstanding any other subdivision, a person who was convicted before January 1, 1976, under subdivision (a) of Section 286, or Section 288a, shall not be required to register pursuant to this section for that conviction if the conviction was for conduct between consenting adults that was decriminalized by Chapter 71 of the Statutes of 1975 or Chapter 1139 of the Statutes of 1976. The Department of Justice shall remove that person from the Sex Offender Registry, and the person is discharged from his or her duty to register pursuant to the following procedure:

(I) The person submits to the Department of Justice official documentary evidence, including court records or police reports, that demonstrate that the person's conviction pursuant to either of those sections was for conduct between consenting adults that was decriminalized; or

(II) The person submits to the department a declaration stating that the person's conviction pursuant to either of those sections was for

consensual conduct between adults that has been decriminalized. The declaration shall be confidential and not a public record, and shall include the person's name, address, telephone number, date of birth, and a summary of the circumstances leading to the conviction, including the date of the conviction and county of the occurrence.

(III) The department shall determine whether the person's conviction was for conduct between consensual adults that has been decriminalized. If the conviction was for consensual conduct between adults that has been decriminalized, and the person has no other offenses for which he or she is required to register pursuant to this section, the department shall, within 60 days of receipt of those documents, notify the person that he or she is relieved of the duty to register, and shall notify the local law enforcement agency with which the person is registered that he or she has been relieved of the duty to register. The local law enforcement agency shall remove the person's registration from its files within 30 days of receipt of notification. If the documentary or other evidence submitted is insufficient to establish the person's claim, the department shall, within 60 days of receipt of those documents, notify the person that his or her claim cannot be established, and that the person shall continue to register pursuant to this section. The department shall provide, upon the person's request, any information relied upon by the department in making its determination that the person shall continue to register pursuant to this section. Any person whose claim has been denied by the department pursuant to this clause may petition the court to appeal the department's denial of the person's claim.

(ii) On or before July 1, 1998, the department shall make a report to the Legislature concerning the status of persons who may come under the provisions of this subparagraph, including the number of persons who were convicted before January 1, 1976, under subdivision (a) of Section 286 or Section 288a and are required to register under this section, the average age of these persons, the number of these persons who have any subsequent convictions for a registerable sex offense, and the number of these persons who have sought successfully or unsuccessfully to be relieved of their duty to register under this section.

(b) (1) Any person who is released, discharged, or paroled from a jail, state or federal prison, school, road camp, or other institution where he or she was confined because of the commission or attempted commission of one of the offenses specified in subdivision (a) or is released from a state hospital to which he or she was committed as a mentally disordered sex offender under Article 1 (commencing with Section 6300) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code, shall, prior to discharge, parole, or release, be informed of his or her duty to register under this section by the official in charge of the place of confinement or hospital, and the official shall

require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to the person. The official in charge of the place of confinement or hospital shall obtain the address where the person expects to reside upon his or her discharge, parole, or release and shall report the address to the Department of Justice. The official shall at the same time forward a current photograph of the person to the Department of Justice.

(2) The official in charge of the place of confinement or hospital shall give one copy of the form to the person and shall send one copy to the Department of Justice and one copy to the appropriate law enforcement agency or agencies having jurisdiction over the place the person expects to reside upon discharge, parole, or release. If the conviction that makes the person subject to this section is a felony conviction, the official in charge shall, not later than 45 days prior to the scheduled release of the person, send one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon discharge, parole, or release; one copy to the prosecuting agency that prosecuted the person; and one copy to the Department of Justice. The official in charge of the place of confinement or hospital shall retain one copy.

(c) (1) Any person who is convicted in this state of the commission or attempted commission of any of the offenses specified in subdivision (a) and who is released on probation, shall, prior to release or discharge, be informed of the duty to register under this section by the probation department, and a probation officer shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to him or her. The probation officer shall obtain the address where the person expects to reside upon release or discharge and shall report within three days the address to the Department of Justice. The probation officer shall give one copy of the form to the person, send one copy to the Department of Justice, and forward one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon his or her discharge, parole, or release.

(2) Any person who is convicted in this state of the commission or attempted commission of any of the offenses specified in subdivision (a) and who is granted conditional release without supervised probation, or discharged upon payment of a fine, shall, prior to release or discharge, be informed of the duty to register under this section in open court by the court in which the person has been convicted, and the court shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under

this section has been explained to him or her. If the court finds that it is in the interest of the efficiency of the court, the court may assign the bailiff to require the person to read and sign forms under this section. The court shall obtain the address where the person expects to reside upon release or discharge and shall report within three days the address to the Department of Justice. The court shall give one copy of the form to the person, send one copy to the Department of Justice, and forward one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon his or her discharge, parole, or release.

(d) (1) Any person who, on or after January 1, 1986, is discharged or paroled from the Department of the Youth Authority to the custody of which he or she was committed after having been adjudicated a ward of the juvenile court pursuant to Section 602 of the Welfare and Institutions Code because of the commission or attempted commission of any offense described in paragraph (3) shall be subject to registration under the procedures of this section.

(2) Any person who is discharged or paroled from a facility in another state that is equivalent to the Department of the Youth Authority, to the custody of which he or she was committed because of an offense which, if committed or attempted in this state, would have been punishable as one or more of the offenses described in paragraph (3), shall be subject to registration under the procedures of this section.

(3) Any person described in this subdivision who committed an offense in violation of any of the following provisions shall be required to register pursuant to this section:

(A) Assault with intent to commit rape, sodomy, oral copulation, or any violation of Section 264.1, 288, or 289 under Section 220.

(B) Any offense defined in paragraph (1), (2), (3), (4), or (6) of subdivision (a) of Section 261, Section 264.1, 266c, or 267, paragraph (1) of subdivision (b) of, or subdivision (c) or (d) of, Section 286, Section 288 or 288.5, paragraph (1) of subdivision (b) of, or subdivision (c) or (d) of, Section 288a, subdivision (a) of Section 289, or Section 647.6.

(C) A violation of Section 207 or 209 committed with the intent to violate Section 261, 286, 288, 288a, or 289.

(4) Prior to discharge or parole from the Department of the Youth Authority, any person who is subject to registration under this subdivision shall be informed of the duty to register under the procedures set forth in this section. Department of the Youth Authority officials shall transmit the required forms and information to the Department of Justice.

(5) All records specifically relating to the registration in the custody of the Department of Justice, law enforcement agencies, and other agencies or public officials shall be destroyed when the person who is

required to register has his or her records sealed under the procedures set forth in Section 781 of the Welfare and Institutions Code. This subdivision shall not be construed as requiring the destruction of other criminal offender or juvenile records relating to the case that are maintained by the Department of Justice, law enforcement agencies, the juvenile court, or other agencies and public officials unless ordered by a court under Section 781 of the Welfare and Institutions Code.

(e) (1) On or after January 1, 1998, upon incarceration, placement, or commitment, or prior to release on probation, any person who is required to register under this section shall preregister. The preregistering official shall be the admitting officer at the place of incarceration, placement, or commitment, or the probation officer if the person is to be released on probation. The preregistration shall consist of all of the following:

(A) A preregistration statement in writing, signed by the person, giving information that shall be required by the Department of Justice.

(B) The fingerprints and a current photograph of the person.

(C) Any person who is preregistered pursuant to this subdivision is required to be preregistered only once.

(2) A person described in paragraph (2) of subdivision (a) shall register, or reregister if the person has previously registered, upon release from incarceration, placement, commitment, or release on probation pursuant to paragraph (1) of subdivision (a). The registration shall consist of all of the following:

(A) A statement in writing signed by the person, giving information as shall be required by the Department of Justice and giving the name and address of the person's employer, and the address of the person's place of employment if that is different from the employer's main address.

(B) The fingerprints and a current photograph of the person taken by the registering official.

(C) The license plate number of any vehicle owned by, regularly driven by, or registered in the name of the person.

(D) Notice to the person that, in addition to the requirements of paragraph (4), he or she may have a duty to register in any other state where he or she may relocate.

(E) Copies of adequate proof of residence, which shall be limited to a California driver's license, California identification card, recent rent or utility receipt, printed personalized checks or other recent banking documents showing that person's name and address, or any other information that the registering official believes is reliable. If the person has no residence and no reasonable expectation of obtaining a residence in the foreseeable future, the person shall so advise the registering official and shall sign a statement provided by the registering official

stating that fact. Upon presentation of proof of residence to the registering official or a signed statement that the person has no residence, the person shall be allowed to register. If the person claims that he or she has a residence but does not have any proof of residence, he or she shall be allowed to register but shall furnish proof of residence within 30 days of the date he or she is allowed to register.

(3) Within three days thereafter, the preregistering official or the registering law enforcement agency or agencies shall forward the statement, fingerprints, photograph, and vehicle license plate number, if any, to the Department of Justice.

(f) (1) If any person who is required to register pursuant to this section and who has a residence address changes his or her residence address, whether within the jurisdiction in which he or she is currently registered or to a new jurisdiction inside or outside the state, the person shall inform, in writing within five working days, the law enforcement agency or agencies with which he or she last registered of the new address or transient location and any plans he or she has to return to California if known. If the person does not know the new residence address or location, the registrant shall inform the last registering agency or agencies that he or she is moving within five working days of the move, and shall later notify the agency or agencies of the new address or location within five working days of moving into the new residence address or location, whether temporary or permanent. The law enforcement agency or agencies shall, within three working days after receipt of this information, forward a copy of the change of address information to the Department of Justice. The Department of Justice shall forward appropriate registration data to the law enforcement agency or agencies having local jurisdiction of the new place of residence.

(2) If the person's new address is in a Department of the Youth Authority facility or a state prison or state mental institution, an official of the place of incarceration, placement, or commitment shall, within 90 days of receipt of the person, forward the registrant's change of address information to the Department of Justice. The agency need not provide a physical address for the registrant but shall indicate that he or she is serving a period of incarceration or commitment in a facility under the agency's jurisdiction. This paragraph shall apply to persons received in a Department of the Youth Authority facility or a state prison or state mental institution on or after January 1, 1999. The Department of Justice shall forward the change of address information to the agency with which the person last registered.

(3) If any person who is required to register pursuant to this section changes his or her name, the person shall inform, in person, the law enforcement agency or agencies with which he or she is currently

registered within five working days. The law enforcement agency or agencies shall forward a copy of this information to the Department of Justice within three working days of its receipt.

(g) (1) Any person who is required to register under this section based on a misdemeanor conviction or juvenile adjudication who willfully violates any requirement of this section is guilty of a misdemeanor punishable by imprisonment in a county jail not exceeding one year.

(2) Except as provided in paragraphs (5), (7), and (9), any person who is required to register under this section based on a felony conviction or juvenile adjudication who willfully violates any requirement of this section or who has a prior conviction or juvenile adjudication for the offense of failing to register under this section and who subsequently and willfully violates any requirement of this section is guilty of a felony and shall be punished by imprisonment in the state prison for 16 months, or two or three years.

If probation is granted or if the imposition or execution of sentence is suspended, it shall be a condition of the probation or suspension that the person serve at least 90 days in a county jail. The penalty described in this paragraph shall apply whether or not the person has been released on parole or has been discharged from parole.

(3) Any person determined to be a mentally disordered sex offender or who has been found guilty in the guilt phase of trial for an offense for which registration is required under this section, but who has been found not guilty by reason of insanity in the sanity phase of the trial, or who has had a petition sustained in a juvenile adjudication for an offense for which registration is required under this section pursuant to subdivision (d), but who has been found not guilty by reason of insanity, who willfully violates any requirement of this section is guilty of a misdemeanor and shall be punished by imprisonment in a county jail not exceeding one year. For any second or subsequent willful violation of any requirement of this section, the person is guilty of a felony and shall be punished by imprisonment in the state prison for 16 months, or two or three years.

(4) If, after discharge from parole, the person is convicted of a felony or suffers a juvenile adjudication as specified in this subdivision, he or she shall be required to complete parole of at least one year, in addition to any other punishment imposed under this subdivision. A person convicted of a felony as specified in this subdivision may be granted probation only in the unusual case where the interests of justice would best be served. When probation is granted under this paragraph, the court shall specify on the record and shall enter into the minutes the circumstances indicating that the interests of justice would best be served by the disposition.

(5) Any person who has ever been adjudicated a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, and who fails to verify his or her registration every 90 days as required pursuant to subparagraph (E) of paragraph (1) of subdivision (a), shall be punished by imprisonment in the state prison, or in a county jail not exceeding one year.

(6) Except as otherwise provided in paragraph (5), any person who is required to register or reregister pursuant to clause (i) of subparagraph (C) of paragraph (1) of subdivision (a) and willfully fails to comply with the requirement that he or she reregister no less than every 30 days is guilty of a misdemeanor and shall be punished by imprisonment in a county jail at least 30 days, but not exceeding six months. A person who willfully fails to comply with the requirement that he or she reregister no less than every 30 days shall not be charged with this violation more often than once for a failure to register in any period of 90 days. Any person who willfully commits a third or subsequent violation of the requirements of subparagraph (C) of paragraph (1) of subdivision (a) that he or she reregister no less than every 30 days shall be punished in accordance with either paragraph (1) or (2) of this subdivision.

(7) Any person who fails to provide proof of residence as required by subparagraph (E) of paragraph (2) of subdivision (e), regardless of the offense upon which the duty to register is based, is guilty of a misdemeanor punishable by imprisonment in a county jail not exceeding six months.

(8) Any person who is required to register under this section who willfully violates any requirement of this section is guilty of a continuing offense as to each requirement he or she violated.

(9) In addition to any other penalty imposed under this subdivision, the failure to provide information required on registration and reregistration forms of the Department of Justice, or the provision of false information, is a crime punishable by imprisonment in a county jail for a period not exceeding one year.

(h) Whenever any person is released on parole or probation and is required to register under this section but fails to do so within the time prescribed, the parole authority, the Youthful Offender Parole Board, or the court, as the case may be, shall order the parole or probation of the person revoked. For purposes of this subdivision, ''parole authority'' has the same meaning as described in Section 3000.

(i) Except as provided in Sections 290.01, 290.4, 290.45, and 290.46, the statements, photographs, and fingerprints required by this section shall not be open to inspection by the public or by any person other than a regularly employed peace officer or other law enforcement officer.

(j) In any case in which a person who would be required to register pursuant to this section for a felony conviction is to be temporarily sent

outside the institution where he or she is confined on any assignment within a city or county including firefighting, disaster control, or of whatever nature the assignment may be, the local law enforcement agency having jurisdiction over the place or places where the assignment shall occur shall be notified within a reasonable time prior to removal from the institution. This subdivision shall not apply to any person who is temporarily released under guard from the institution where he or she is confined.

(k) As used in this section, ''mentally disordered sex offender'' includes any person who has been determined to be a sexual psychopath or a mentally disordered sex offender under any provision which, on or before January 1, 1976, was contained in Division 6 (commencing with Section 6000) of the Welfare and Institutions Code.

(*l*) (1) Every person who, prior to January 1, 1997, is required to register under this section, shall be notified whenever he or she next reregisters of the reduction of the registration period from 14 to 5 working days. This notice shall be provided in writing by the registering agency or agencies. Failure to receive this notification shall be a defense against the penalties prescribed by subdivision (g) if the person did register within 14 days.

(2) Every person who, as a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, is required to verify his or her registration every 90 days, shall be notified wherever he or she next registers of his or her increased registration obligations. This notice shall be provided in writing by the registering agency or agencies. Failure to receive this notice shall be a defense against the penalties prescribed by paragraph (5) of subdivision (g).

(m) The registration provisions of this section are applicable to every person described in this section, without regard to when his or her crime or crimes were committed or his or her duty to register pursuant to this section arose, and to every offense described in this section, regardless of when it was committed.

SEC. 2. Section 290.4 of the Penal Code is amended to read:

290.4. (a) (1) The Department of Justice shall continually compile information as described in paragraph (2) regarding any person required to register under Section 290 for a conviction of Section 207 or 209 committed with the intent to violate Section 261, 286, 288, 288a, or 289; Section 220, except assault to commit mayhem; Section 243.4, provided that the offense is a felony; paragraph (1), (2), (3), (4), or (6) of subdivision (a) of Section 261; Section 264.1; Section 266, provided that the offense is a felony; Section 266c, provided that the offense is a felony; Section 266j; Section 267; Section 269; paragraph (1) of subdivision (b) of Section 286, provided that the offense is a felony; paragraph (2) of subdivision (b), subdivision (c), (d), (f), (g), (i), (j), or

(k) of Section 286; Section 288; aragraph (1) of subdivision (b) of Section 288a, provided that the offense is a felony; paragraph (2) of subdivision (b), (c), (d), (f), (g), (i), (j), or (k) of Section 288a; Section 288.5; subdivision (a), (b), (d), (e), (f), (g), or (h) of Section 289, provided that the offense is a felony; subdivision (i) or (j) of Section 289; Section 647.6; or the attempted commission of any of these offenses; or the statutory predecessor of any of these offenses or any offense which, if committed or attempted in this state, would have been punishable as one or more of the offenses described in this section. This requirement shall not be applied to a person whose duty to register has been terminated pursuant to paragraph (5) of subdivision (d) of Section 290, or to a person who has been relieved of his or her duty to register under Section 290.5.

(2) The information shall be categorized by community of residence and ZIP Code. The information shall include the names and known aliases of the person, a photograph, a physical description, gender, race, date of birth, the criminal history, and the address, including ZIP Code, in which the person resides, and any other information that the Department of Justice deems relevant, not including information that would identify the victim.

(3) The department shall operate a ''900'' telephone number that members of the public may call and inquire whether a named individual is listed among those described in this subdivision. The caller shall furnish his or her first name, middle initial, and last name. The department shall ascertain whether a named person reasonably appears to be a person so listed and provide the caller with the information described in paragraph (2), except the department shall not disclose the name or address of a listed person's employer, or the street address or criminal history of a person listed, except to disclose the ZIP Code area in which the person resides and to describe the specific crimes for which the registrant was required to register. The department shall decide whether the named person reasonably appears to be a person listed, based upon information from the caller providing information that shall include (A) an exact street address, including apartment number, social security number, California driver's license or identification number, or birth date along with additional information that may include any of the following: name, hair color, eye color, height, weight, distinctive markings, ethnicity; or (B) any combination of at least six of the above-listed characteristics if an exact birth date or address is not available. If three of the characteristics provided include ethnicity, hair color, and eye color, a seventh identifying characteristic shall be provided. Any information identifying the victim by name, birth date, address, or relation to the registrant shall be excluded by the department.

(4) (A) The department shall provide a CD-ROM or other electronic medium containing the information described in paragraph (2), except the name or address of a listed person's employer, or the listed person's street address and criminal history other than the specific crimes for which the person was required to register, for all persons described in paragraph (1) of subdivision (a), and shall update and distribute the CD-ROM or other electronic medium, to the sheriff's department in each county, municipal police departments of cities with a population of more than 200,000, and each law enforcement agency listed in subparagraph (I) of paragraph (1) of subdivision (b) of Section 290.45, except that school district police departments may receive the information only upon request. These law enforcement agencies may obtain additional copies by purchasing a yearly subscription to the CD-ROM or other electronic medium from the Department of Justice for a yearly subscription fee. The Department of Justice, the sheriffs' departments, and the municipal police departments of cities with a population of more than 200,000 shall make, and the other law enforcement agencies may make, the CD-ROM or other electronic medium available for viewing by the public in accordance with the following: The agency may require that a person applying to view the CD-ROM or other electronic medium express an articulable purpose in order to have access thereto. The applicant shall provide identification in the form of a California driver's license, California identification card, or military identification card and orders with proof of permanent assignment or attachment to a military command or vessel in California, showing the applicant to be at least 18 years of age. The applicant shall sign a statement, on a form provided by the Department of Justice, stating that the applicant is not a registered sex offender, that he or she understands the purpose of the release of information is to allow members of the public to protect themselves and their children from sex offenders, and he or she understands it is unlawful to use information obtained from the CD-ROM or other electronic medium to commit a crime against any registrant or to engage in illegal discrimination or harassment of any registrant. The signed statement shall be maintained in a file in the designated law enforcement agency's office. A person under 18 years of age may accompany an applicant who is that person's parent or legal guardian for the purpose of viewing the CD-ROM or other electronic medium.

(B) The records of persons requesting to view the CD-ROM or other electronic medium are confidential, except that a copy of the applications requesting to view the CD-ROM or other electronic medium may be disclosed to law enforcement agencies for law enforcement purposes.

(C) Any information identifying the victim by name, birth date, address, or relationship to the registrant shall be excluded from the CD-ROM or other electronic medium.

(5) (A) The income from the operation of the ''900'' telephone number shall be deposited in the Sexual Predator Public Information Account within the Department of Justice for the purpose of the implementation of this section by the Department of Justice, including all actual and reasonable costs related to establishing and maintaining the information described in subdivision (a) and the CD-ROM or other electronic medium described in this subdivision.

(B) The moneys in the Sexual Predator Public Information Account shall consist of income from the operation of the ''900'' telephone number program authorized by this section, proceeds of the loan made pursuant to Section 6 of the act adding this section, and any other funds made available to the account by the Legislature. Moneys in the account shall be available to the Department of Justice upon appropriation by the Legislature for the purpose specified in subparagraph (A).

(C) When the ''900'' telephone number is called, a preamble shall be played before charges begin to accrue. The preamble shall run at least the length of time required by federal law and shall provide the following information:

(i) Notice that the caller's telephone number will be recorded.

(ii) The charges for use of the ''900'' telephone number.

(iii) Notice that the caller is required to identify himself or herself to the operator.

(iv) Notice that the caller is required to be 18 years of age or older.

(v) A warning that it is illegal to use information obtained through the ''900'' telephone number to commit a crime against any registrant or to engage in illegal discrimination or harassment against any registrant.

(vi) Notice that the caller is required to have the birth date, California driver's license or identification number, social security number, address, or other identifying information regarding the person about whom information is sought in order to achieve a positive identification of that person.

(vii) A statement that the number is not a crime hotline and that any suspected criminal activity should be reported to local authorities.

(viii) A statement that the caller should have a reasonable suspicion that a person is at risk.

(D) The Department of Justice shall expend no more than six hundred thousand dollars ($600,000) per year from any moneys appropriated by the Legislature from the account.

(b) (1) Any person who uses information disclosed pursuant to this section to commit a felony shall be punished, in addition and

consecutive to, any other punishment, by a five-year term of imprisonment in the state prison.

(2) Any person who, without authorization, uses information disclosed pursuant to this section to commit a misdemeanor shall be subject to, in addition to any other penalty or fine imposed, a fine of not less than five hundred dollars ($500) and not more than one thousand dollars ($1,000).

(c) The record of the compilation of offender information on each CD-ROM or other electronic medium distributed pursuant to this section shall be used only for law enforcement purposes and the public safety purposes specified in this section and Sections 290 and 290.45. This record shall not be distributed or removed from the custody of the law enforcement agency that is authorized to retain it. Information obtained from this record shall be disclosed to a member of the public only as provided in this section, Section 290, 290.45, or any other statute expressly authorizing it.

Any person who copies, distributes, discloses, or receives this record or information from it, except as authorized by law, is guilty of a misdemeanor, punishable by imprisonment in a county jail not to exceed six months, or by a fine not exceeding one thousand dollars ($1,000), or by both that imprisonment and fine. This subdivision shall not apply to a law enforcement officer who makes a copy as part of his or her official duties in the course of a criminal investigation, court case, or as otherwise authorized by subdivision (b) of Section 290.45. This subdivision shall not prohibit copying information by handwriting.

Notwithstanding Section 6254.5 of the Government Code, disclosure of information pursuant to this section is not a waiver of exemptions under Chapter 3.5 (commencing with Section 6250) of Title 1 of Division 7 of the Government Code and does not affect other statutory restrictions on disclosure in other situations.

(d) Unauthorized removal or destruction of the CD-ROM or other electronic medium from the offices of any law enforcement agency is a misdemeanor, punishable by imprisonment in a county jail not to exceed one year, or by a fine not exceeding one thousand dollars ($1,000), or by both that imprisonment and fine.

(e) (1) A person is authorized to use information disclosed pursuant to this section only to protect a person at risk.

This section shall not affect authorized access to, or use of, information pursuant to, among other provisions, Sections 11105 and 11105.3 of this code, Section 226.55 of the Civil Code, Sections 777.5 and 14409.2 of the Financial Code, Sections 1522.01 and 1596.871 of the Health and Safety Code, and Section 432.7 of the Labor Code.

(2) Except as authorized under paragraph (1) or any other provision of law, use of any information that is disclosed pursuant to this section for purposes relating to any of the following is prohibited:

(A) Health insurance.

(B) Insurance.

(C) Loans.

(D) Credit.

(E) Employment.

(F) Education, scholarships, or fellowships.

(G) Housing or accommodations.

(H) Benefits, privileges, or services provided by any business establishment.

(3) (A) Any use of information disclosed pursuant to this section for purposes other than those provided by paragraph (1) or in violation of paragraph (2) shall make the user liable for the actual damages, and any amount that may be determined by a jury or a court sitting without a jury, not exceeding three times the amount of actual damage, and not less than two hundred fifty dollars ($250), and attorney's fees, exemplary damages, or a civil penalty not exceeding twenty-five thousand dollars ($25,000).

(B) Whenever there is reasonable cause to believe that any person or group of persons is engaged in a pattern or practice of misuse of the ''900'' telephone number in violation of paragraph (2), the Attorney General, any district attorney, or city attorney, or any person aggrieved by the misuse of that number is authorized to bring a civil action in the appropriate court requesting preventive relief, including an application for a permanent or temporary injunction, restraining order, or other order against the person or group of persons responsible for the pattern or practice of misuse. The foregoing remedies shall be independent of any other remedies or procedures that may be available to an aggrieved party under other provisions of law, including Part 2 (commencing with Section 43) of Division 1 of the Civil Code.

(f) This section shall not be deemed to authorize the publication, distribution, or disclosure of the address of any person about whom information can be published, distributed, or disclosed pursuant to this section.

(g) Community notification shall be governed by Section 290.45.

(h) Any law enforcement agency and employees of any law enforcement agency shall be immune from liability for good faith conduct under this section. For the purposes of this section, ''law enforcement agency'' means the Attorney General of California, every district attorney, the Department of Corrections, the Department of the Youth Authority, and every state or local agency expressly authorized by statute to investigate or prosecute law violators.

(i) The registration and public notification provisions of this section are applicable to every person described in these sections, without regard to when his or her crimes were committed or his or her duty to register pursuant to Section 290 arose, and to every offense described in these sections, regardless of when it was committed.

(j) The Department of Justice shall mail an informational pamphlet to any member of the public who makes an inquiry using the ''900'' telephone number required by this section and who provides an address. The pamphlet shall provide basic information concerning appropriate steps parents, guardians, and other responsible adults can take to ensure a child is safe from a suspected child molester, including, but not limited to, how to identify suspicious activity by an adult, common facts and myths about child molesters, and how to obtain additional help and information. A notice to callers to the "900'' telephone number that they will receive the pamphlet, if an address is provided, shall be included in the preamble required by this section.

(k) On or before July 1, 2001, and every year thereafter, the Department of Justice shall make a report to the Legislature concerning the operation of this section.

(*l*) Agencies disseminating information to the public pursuant to this section shall maintain records of those persons requesting to view the CD-ROM or other electronic media for a minimum of five years.

(m) This section shall remain operative only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, which becomes effective on or before that date, deletes or extends that date.

SEC. 3. (a) Section 1.1 of this bill incorporates amendments to Section 290 of the Penal Code proposed by this bill and required by the enactment of AB 488. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) this bill amends Section 290 of the Penal Code and AB 488 adds Section 290.46 to the Penal Code, (3) and neither AB 2395, nor AB 2527 are enacted or as enacted do not amend that section, in which case Sections 1, 1.2, 1.3, 1.4, 1.5, 1.6, and 1.7 of this bill shall not become operative.

(b) Section 1.2 of this bill incorporates amendments to Section 290 of the Penal Code proposed by both this bill and AB 2395. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 290 of the Penal Code, (3) neither AB 488, nor AB 2527 are enacted or as enacted, AB 2527 does not amend that section and AB 488 does not add Section 290.46 to the Penal Code, and (4) this bill is enacted after AB 2395, in which case Sections 1, 1.1, 1.3, 1.4, 1.5, 1.6, and 1.7 of this bill shall not become operative.

(c) Section 1.3 of this bill incorporated amendments to Section 290 of the Penal Code proposed by both this bill and AB 2527. It shall only

become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 290 of the Penal Code, (3) neither AB 488, nor AB 2395 are enacted or as enacted AB 2395 does not amend that section and AB 488 does not add Section 290.46 to the Penal Code, and (4) this bill is enacted after AB 2527, in which case Sections 1, 1.1, 1.2, 1.4, 1.5, 1.6, and 1.7 of this bill shall not become operative.

(d) Section 1.4 of this bill incorporates amendments to Section 290 of the Penal Code proposed by this bill and AB 2395, and required by the enactment of AB 488. It shall only become operative if (1) all three bills are enacted and become effective on or before January 1, 2005, (2) this bill and AB 2395 amend Section 290 of the Penal Code and AB 488 adds Section 290.46 to the Penal Code, (3) AB 2527 is not enacted or as enacted does not amend Section 290 of the Penal Code, and (4) this bill is enacted after AB 2395, in which case Sections 1, 1.1, 1.2, 1.3, 1.5, 1.6, and 1.7 of this bill shall not become operative.

(e) Section 1.5 of this bill incorporated amendments to Section 290 of the Penal Code proposed by this bill, AB 2395, and AB 2527. It shall only become operative if (1) all three bills are enacted and become effective on or before January 1, 2005, (2) all three bills amend Section 290 of the Penal Code, (3) this bill is enacted after AB 2395, and AB 2527, and (4) AB 488 is not enacted, or as enacted does not add Section 290.46 to the Penal Code, in which case Sections 1, 1.1, 1.2, 1.3, 1.4, 1.6, and 1.7 of this bill shall not become operative.

(f) Section 1.6 of this bill incorporates amendments to Section 290 of the Penal Code proposed by this bill and AB 2527, and required by the enactment of AB 488. It shall only become operative if (1) all three bills are enacted and become effective on or before January 1, 2005, (2) this bill and AB 2527 amend Section 290 of the Penal Code, (3) AB 488 adds Section 290.46 to the Penal Code, (4) AB 2395 is not enacted or as enacted does not amend Section 290 of the Penal Code, and (5) this bill is enacted after AB 2527, in which case Sections 1, 1.1, 1.2, 1.3, 1.4, 1.5, and 1.7 of this bill shall not become operative.

(g) Section 1.7 of this bill incorporated amendments to Section 290 of the Penal Code proposed by this bill, AB 2395, and AB 2527, and required by the enactment of AB 488. It shall only become operative if (1) all four bills are enacted and become effective on or before January 1, 2005, (2) this bill, AB 2395, and AB 2527 amend Section 290 of the Penal Code, (3) AB 488 adds Section 290.46 to the Penal Code, and (4) this bill is enacted after AB 2395 and AB 2527, in which case Sections 1, 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6 of this bill shall not become operative.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because

in that regard this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

However, notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

CHAPTER 732

An act to add Section 21083.4 to the Public Resources Code, relating to oak woodlands conservation.

[Approved by Governor September 24, 2004. Filed with Secretary of State September 24, 2004.]

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

SECTION 1. Section 21083.4 is added to the Public Resources Code, to read:

21083.4. (a) For purposes of this section, ''oak'' means a native tree species in the genus Quercus, not designated as Group A or Group B commercial species pursuant to regulations adopted by the State Board of Forestry and Fire Protection pursuant to Section 4526, and that is 5 inches or more in diameter at breast height.

(b) As part of the determination made pursuant to Section 21080.1, a county shall determine whether a project within its jurisdiction may result in a conversion of oak woodlands that will have a significant effect on the environment. If a county determines that there may be a significant effect to oak woodlands, the county shall require one or more of the following oak woodlands mitigation alternatives to mitigate the significant effect of the conversion of oak woodlands:

(1) Conserve oak woodlands, through the use of conservation easements.

(2) (A) Plant an appropriate number of trees, including maintaining plantings and replacing dead or diseased trees.

(B) The requirement to maintain trees pursuant to this paragraph terminates seven years after the trees are planted.

(C) Mitigation pursuant to this paragraph shall not fulfill more than one-half of the mitigation requirement for the project.

(D) The requirements imposed pursuant to this paragraph also may be used to restore former oak woodlands.

(3) Contribute funds to the Oak Woodlands Conservation Fund, as established under subdivision (a) of Section 1363 of the Fish and Game Code, for the purpose of purchasing oak woodlands conservation easements, as specified under paragraph (1) of subdivision (d) of that section and the guidelines and criteria of the Wildlife Conservation Board. A project applicant that contributes funds under this paragraph shall not receive a grant from the Oak Woodlands Conservation Fund as part of the mitigation for the project.

(4) Other mitigation measures developed by the county.

(c) Notwithstanding subdivision (d) of Section 1363 of the Fish and Game Code, a county may use a grant awarded pursuant to the Oak Woodlands Conservation Act (Article 3.5 (commencing with Section 1360) of Chapter 4 of Division 2 of the Fish and Game Code) to prepare an oak conservation element for a general plan, an oak protection ordinance, or an oak woodlands management plan, or amendments thereto, that meets the requirements of this section.

(d) The following are exempt from this section:

(1) Projects undertaken pursuant to an approved Natural Community Conservation Plan or approved subarea plan within an approved Natural Community Conservation Plan that includes oaks as a covered species or that conserves oak habitat through natural community conservation preserve designation and implementation and mitigation measures that are consistent with this section.

(2) Affordable housing projects for lower income households, as defined pursuant to Section 50079.5 of the Health and Safety Code, that are located within an urbanized area, or within a sphere of influence as defined pursuant to Section 56076 of the Government Code.

(3) Conversion of oak woodlands on agricultural land that includes land that is used to produce or process plant and animal products for commercial purposes.

(4) Projects undertaken pursuant to Section 21080.5 of the Public Resources Code.

(e) (1) A lead agency that adopts, and a project that incorporates, one or more of the measures specified in this section to mitigate the significant effects to oaks and oak woodlands shall be deemed to be in compliance with this division only as it applies to effects on oaks and oak woodlands.

(2) The Legislature does not intend this section to modify requirements of this division, other than with regard to effects on oaks and oak woodlands.

(f) This section does not preclude the application of Section 21081 to a project.

(g) This section, and the regulations adopted pursuant to this section, shall not be construed as a limitation on the power of a public agency to comply with this division or any other provision of law.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a 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, within the meaning of Section 17556 of the Government Code.

CHAPTER 733

An act to amend Sections 6125, 6126, 6128, and 6129 of the Penal Code, relating to the Inspector General.

[Approved by Governor September 24, 2004. Filed with Secretary of State September 24, 2004.]

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

SECTION 1. Section 6125 of the Penal Code is amended to read:

6125. There is hereby created the independent office of the Inspector General which shall not be a subdivision of any other governmental entity. The Governor shall appoint, subject to confirmation by the Senate, the Inspector General to a six-year term. The Inspector General may not be removed from office during that term, except for good cause.

SEC. 2. Section 6126 of the Penal Code is amended to read:

6126. (a) The Inspector General shall be responsible for reviewing departmental policy and procedures for conducting audits of investigatory practices and other audits, as well as conducting investigations of the Department of Corrections, the Department of the Youth Authority, the Board of Prison Terms, the Youthful Offender Parole Board, the Board of Corrections, the Narcotic Addict Evaluation Authority, the Prison Industry Authority, and the Youth and Adult Correctional Agency, as requested by either the Secretary of the Youth and Adult Correctional Agency or a Member of the Legislature, pursuant to the approval of the Inspector General under policies to be developed by the Inspector General. The Inspector General may, under policies

developed by the Inspector General, initiate an investigation or an audit on his or her own accord.

(b) Upon completion of an investigation or audit, the Inspector General shall provide a response to the requester.

(c) The Inspector General shall, during the course of an investigatory audit, identify areas of full and partial compliance, or noncompliance, with departmental investigatory policies and procedures, specify deficiencies in the completion and documentation of investigatory processes, and recommend corrective actions, including, but not limited to, additional training with respect to investigative policies, additional policies, or changes in policy, as well as any other findings or recommendations that the Inspector General deems appropriate.

(d) The Inspector General shall, in consultation with the Department of Finance, develop a methodology for producing a workload budget to be used for annually adjusting the budget of the office of the Inspector General, beginning with the budget for the 2005–06 fiscal year.

SEC. 3. Section 6128 of the Penal Code is amended to read:

6128. (a) The office of the Inspector General may receive communications from any individual, including those employed by any department, board, or authority who believes he or she may have information that may describe an improper governmental activity, as that term is defined in subdivision (b) of Section 8547.2 of the Government Code. It is not the purpose of these communications to redress any single disciplinary action or grievance that may routinely occur.

(b) In order to properly respond to any allegation of improper governmental activity, the Inspector General shall establish a toll-free public telephone number for the purpose of identifying any alleged wrongdoing by an employee of the Department of Corrections, the Department of the Youth Authority, the Board of Prison Terms, the Board of Corrections, the Narcotic Addict Evaluation Authority, the Prison Industry Authority, or the Youth and Adult Correctional Agency. This telephone number shall be posted by the above-named departments, and their respective subdivisions, in clear view of all employees and the public. When appropriate, the Inspector General shall initiate an investigation or audit of any alleged improper governmental activity. However, any request to conduct an investigation shall be in writing.

(c) All identifying information, and any personal papers or correspondence from any person who initiated the investigation shall not be disclosed, except in those cases where the Inspector General determines that disclosure of the information is necessary in the interests of justice.

SEC. 4. Section 6129 of the Penal Code is amended to read:

6129. (a) (1) For purposes of this section, ‘‘employee’’ means any person employed by the Youth and Adult Correctional Agency, the

Department of Corrections, the Department of the Youth Authority, the Board of Corrections, the Board of Prison Terms, the Youth Authority Board or the Inspector General.

(2) For purposes of this section, ''retaliation'' means intentionally engaging in acts of reprisal, retaliation, threats, coercion, or similar acts against another employee who has done either of the following:

(A) Has disclosed or is disclosing to any employee at a supervisory or managerial level, what the employee, in good faith, believes to be improper governmental activities.

(B) Has cooperated or is cooperating with any investigation of improper governmental activities.

(C) Has refused to obey an illegal order or directive.

(b) (1) Upon receiving a complaint of retaliation from an employee against a member of management, the Inspector General shall commence an inquiry into the complaint and conduct a formal investigation where a legally cognizable cause of action is presented. All investigations conducted pursuant to this section shall be performed in accordance with Sections 6126.5 and 6127.3. The Inspector General may refer all other matters for investigation by the appropriate employing entity, subject to investigative oversight by the Inspector General. In a case in which the employing entity declines to investigate the complaint, it shall, within 30 days of receipt of the referral by the Inspector General, notify the Inspector General of its decision. The Inspector General shall thereafter, conduct his or her own inquiry into the complaint. If, after reviewing the complaint, the Inspector General determines that a legally cognizable cause of action has not been presented by the complaint, the Inspector General shall thereafter notify the complaining employee and the State Personnel Board that a formal investigation is not warranted.

(2) When investigating a complaint, in determining whether retaliation has occurred, the Inspector General or the employing entity shall consider, among other things, whether any of the following either actually occurred or were threatened:

(A) Unwarranted or unjustified staff changes.

(B) Unwarranted or unjustified letters of reprimand or other disciplinary actions, or unsatisfactory evaluations.

(C) Unwarranted or unjustified formal or informal investigations.

(D) Engaging in acts, or encouraging or permitting other employees to engage in acts, that are unprofessional, or foster a hostile work environment.

(E) Engaging in acts, or encouraging or permitting other employees to engage in acts, that are contrary to the rules, regulations, or policies of the workplace.

(3) In a case in which the complaining employee has also filed a retaliation complaint with the State Personnel Board pursuant to Sections 8547.8 and 19683 of the Government Code, the State Personnel Board shall have the discretion to toll any investigation, hearing, or other proceeding that would otherwise be conducted by the State Personnel Board in response to that complaint, pending either the completion of the Inspector General's or the employing entity's investigation, or until the complaint is rejected or otherwise dismissed by the Inspector General or the employing entity. An employee, however, may not be required to first file a retaliation complaint with the Inspector General prior to filing a complaint with the State Personnel Board.

(A) In a case in which the complaining employee has filed a retaliation complaint with the Inspector General but not with the State Personnel Board, the limitation period for filing a retaliation complaint with the State Personnel Board shall be tolled until the time the Inspector General or the employing entity either issues its investigative report to the State Personnel Board, or until the complaint is rejected or otherwise dismissed by the Inspector General or the employing entity.

(B) In order to facilitate coordination of efforts between the Inspector General and the State Personnel Board, the Inspector General shall notify the State Personnel Board of the identity of any employee who has filed a retaliation complaint with the Inspector General, and the State Personnel Board shall notify the Inspector General of the identity of any employee who has filed a retaliation complaint with the State Personnel Board.

(c) (1) In a case in which the Inspector General determines, as a result of his or her own investigation, that an employee has been subjected to acts of reprisal, retaliation, threats, or similar acts in violation of this section, the Inspector General shall provide a copy of the investigative report, together with all other underlying investigative materials the Inspector General determines to be relevant, to the appropriate director or chair who shall take appropriate corrective action. In a case in which the Inspector General determines, based on an independent review of the investigation conducted by the employing entity, that an employee has been subjected to acts of reprisal, retaliation, threats, or similar acts in violation of this section, the Inspector General shall submit a written recommendation to the appropriate director or chair who shall take appropriate corrective action. If the hiring authority initiates disciplinary action as defined in Section 19570 of the Government Code, it shall provide the subject with all materials required by law.

(2) The Inspector General shall publish a quarterly summary of investigations, with personal identifying information removed, including, but not limited to, the conduct investigated, any recommended discipline, and any discipline actually imposed.

(3) Any employee at any rank and file, supervisory, or managerial level, who intentionally engages in acts of reprisal, retaliation, threats, coercion, or similar acts against another employee, pursuant to paragraph (2) of subdivision (a), shall be disciplined by the employing entity by adverse action as provided in Section 19572 of the Government Code. The disciplinary action shall require, at a minimum, a suspension for not less than 30 days without pay, except in a case in which the employing entity determines that a lesser penalty is warranted. In that case, the employing entity shall, within 30 days of receipt of the investigative report, provide written justification for that decision to the Inspector General. The employing entity shall also, within 30 days of receipt of the written report, notify the Inspector General in writing as to what steps, if any, it has taken to remedy the retaliatory conduct found to have been committed by any of its employees.

(d) (1) In an instance in which the appropriate director or chair declines to take adverse action against any employee found by the Inspector General to have engaged in acts of reprisal, retaliation, threats, or similar acts in violation of this section, the director or chair shall notify the Inspector General of that fact in writing within 30 days of receipt of the investigative report from the Inspector General, and shall notify the Inspector General of the specific reasons why the director or chair declined to invoke adverse action proceedings against the employee.

(2) The Inspector General shall, thereafter, with the written consent of the complaining employee, forward an unredacted copy of the investigative report, together with all other underlying investigative materials the Inspector General deems to be relevant, to the State Personnel Board so that the complaining employee can request leave to file charges against the employee found to have engaged in acts of reprisal, retaliation, threats, or similar acts, in accordance with the provisions of Section 19583.5 of the Government Code. If the State Personnel Board accepts the complaint, the board shall provide the charged and complaining parties with a copy of all relevant materials.

(3) In addition to all other penalties provided by law, including Section 8547.8 of the Government Code or any other penalties that the sanctioning authority may determine to be appropriate, any state employee at any rank and file, supervisory, or managerial level found by the State Personnel Board to have intentionally engaged in acts of reprisal, retaliation, threats, or coercion shall be suspended for not less than 30 days without pay, and shall be liable in an action for damages brought against him or her by the injured party. If the State Personnel Board determines that a lesser period of suspension is warranted, the reasons for that determination must be justified in writing in the decision.

(e) Nothing in this section shall prohibit the employing entity from exercising its authority to terminate, suspend, or discipline an employee who engages in conduct prohibited by this section.

CHAPTER 734

An act to amend Sections 6126.3 and 6126.5 of, and to add Sections 6131 and 6132 to, and to repeal Section 6126.6 of, the Penal Code, relating to the Inspector General.

[Approved by Governor September 24, 2004. Filed with Secretary of State September 24, 2004.]

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

SECTION 1. Section 6126.3 of the Penal Code is amended to read:

6126.3. (a) The Inspector General shall not destroy any papers or memoranda used to support a completed audit within three years after a report is released.

(b) Except as provided in subdivision (c), all books, papers, records, and correspondence of the office pertaining to its work are public records subject to Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code and shall be filed at any of the regularly maintained offices of the Inspector General.

(c) The following books, papers, records, and correspondence of the office of the Inspector General pertaining to its work are not public records subject to Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code, nor shall they be subject to discovery pursuant to any provision of Title 3 (commencing with Section 1985) of Part 4 of the Code of Civil Procedure in any manner:

(1) All reports, papers, correspondence, memoranda, electronic communications, or other documents that are otherwise exempt from disclosure pursuant to the provisions of subdivision (d) of Section 6126.5, subdivision (c) of Section 6128, subdivision (a) or (b) of Section 6131, or all other applicable laws regarding confidentiality, including, but not limited to, the California Public Records Act, the Public Safety Officers' Procedural Bill of Rights, the Information Practices Act of 1977, the Confidentiality of Medical Information Act of 1977, and the provisions of Section 832.7, relating to the disposition notification for complaints against peace officers.

(2) Any papers, correspondence, memoranda, electronic communications, or other documents pertaining to any audit or investigation that has not been completed.

(3) Any papers, correspondence, memoranda, electronic communications, or other documents pertaining to internal discussions between the Inspector General and his or her staff, or between staff members of the Inspector General, or any personal notes of the Inspector General or his or her staff.

(4) All identifying information, and any personal papers or correspondence from any person requesting assistance from the Inspector General, except in those cases where the Inspector General determines that disclosure of the information is necessary in the interests of justice.

SEC. 2. Section 6126.5 of the Penal Code is amended to read:

6126.5. (a) Notwithstanding any other provision of law, the Inspector General during regular business hours or at any other time determined necessary by the Inspector General, shall have access to and authority to examine and reproduce, any and all books, accounts, reports, vouchers, correspondence files, documents, and other records, and to examine the bank accounts, money, or other property, of any entity defined in Section 6126 for any audit or investigation. 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 consistent with the provisions of this section, upon the request of the Inspector General or his or her authorized representative.

(b) For the purpose of conducting any audit or investigation, the Inspector General or his or her authorized representative shall have access to the records and property of any public or private entity or person subject to review or regulation by the public agency or public entity being audited or investigated to the same extent that employees or officers of that agency or public entity have access. No provision of law or any memorandum of understanding or any other agreement entered into between the employing entity and the employee or the employee's representative providing for the confidentiality or privilege of any records or property shall prevent disclosure pursuant to subdivision (a).

(c) Any officer or person who fails or refuses to permit access, examination, or reproduction, as required by this section, is guilty of a misdemeanor.

(d) The Inspector General may require any employee of those entities specified in Section 6126 to be interviewed on a confidential basis. Any employee requested to be interviewed shall comply and shall have time afforded by the appointing authority for the purpose of an interview with the Inspector General or his or her designee. The Inspector General shall have the discretion to redact the name or other identifying information of any person interviewed from any public report issued by the Inspector

General, where required by law or where the failure to redact the information may hinder prosecution or an action in a criminal, civil, or administrative proceeding, or where the Inspector General determines that disclosure of the information is not in the interests of justice. It is not the purpose of these communications to address disciplinary action or grievance procedures that may routinely occur. If it appears that the facts of the case could lead to punitive action, the Inspector General shall be subject to Sections 3303, 3307, 3307.5, 3308, and 3309 of the Government Code as if the Inspector General were the employer, except that the Inspector General shall not be subject to the provisions of any memorandum of understanding or other agreement entered into between the employing entity and the employee or the employee's representative that is in conflict with, or adds to the requirements of, Sections 3303, 3307, 3307.5, 3308, and 3309 of the Government Code.

SEC. 3. Section 6126.6 of the Penal Code is repealed.

SEC. 4. Section 6131 is added to the Penal Code, to read:

6131. (a) Upon the completion of any audit conducted by the Inspector General, he or she shall prepare a written report, which shall be disclosed, along with all underlying materials the Inspector General deems appropriate, to the Governor, the Secretary of the Youth and Adult Correctional Agency, the appropriate director, chair, or law enforcement agency, and the Legislature. Copies of all those written reports shall be posted on the Inspector General's Web site within 10 days of being disclosed to the above-listed entities or persons.

(b) Upon the completion of any investigation conducted by the Inspector General, he or she shall prepare a complete written report, which shall be held as confidential and disclosed in confidence, along with all underlying investigative materials the Inspector General deems appropriate, to the Governor, the Secretary of the Youth and Adult Correctional Agency, and the appropriate director, chair, or law enforcement agency.

(c) Upon the completion of any investigation conducted by the Inspector General, he or she shall also prepare and issue on a quarterly basis, a public investigative report that includes all investigations completed in the previous quarter. The public investigative report shall differ from the complete investigative report in the respect that the Inspector General shall have the discretion to redact or otherwise protect the names of individuals, specific locations, or other facts that, if not redacted, might hinder prosecution related to the investigation, or where disclosure of the information is otherwise prohibited by law, and to decline to produce any of the underlying investigative materials. In a case where allegations were deemed to be unfounded, all applicable identifying information shall be redacted. The public investigative

report shall be made available to the public upon request and on a quarterly basis as follows:

(1) In those cases where an investigation is referred only for disciplinary action before the State Personnel Board or for other administrative proceedings, the employing entity shall, within 10 days of receipt of the State Personnel Board's order rendered in other administrative proceedings, provide the Inspector General with a copy of the order. The Inspector General shall attach the order to the public investigative report on its Web site and provide copies of the report and order to the Legislature, as well as to any complaining employee and any employee who was the subject of the investigation.

(2) In those cases where the employing entity and the employee against whom disciplinary action has been taken enter into a settlement agreement concerning the disciplinary action, the employing entity shall, within 10 days of the settlement agreement becoming final, notify the Inspector General in writing of that fact and shall describe what disciplinary action, if any, was ultimately imposed on the employee. The Inspector General shall include the settlement information in the public investigative report on its Web site and provide copies of the report to the Legislature, as well as to any complaining employee and any employee who was the subject of the investigation.

(3) In those cases where the employing entity declines to pursue disciplinary action against an employee, the employing entity shall, within 10 days of its decision, notify the Inspector General in writing of its decision not to pursue disciplinary action, setting forth the reasons for its decision. The Inspector General shall include the decision and rationale in the public investigative report on its Web site and provide copies of the report to the Legislature, as well as to any complaining employee and any employee who was the subject of the investigation.

(4) In those cases where an investigation has been referred for possible criminal prosecution, and the applicable local law enforcement agency or the Attorney General has decided to commence criminal proceedings against an employee, the report shall be made public at a time deemed appropriate by the Inspector General after consultation with the local law enforcement agency or the Attorney General, but in all cases no later than when discovery has been provided to the defendant in the criminal proceedings. The Inspector General shall thereafter post the public investigative report on its Web site and provide copies of the report to the Legislature, as well as to any complaining employee and any employee who was the subject of the investigation.

(5) In those cases where the local law enforcement agency or the Attorney General declines to commence criminal proceedings against an employee, the local law enforcement agency or the Attorney General shall, within 30 days of reaching that decision, notify the Inspector

General of that fact. The Inspector General shall include the decision in the public investigative report on its Web site and provide copies of the report to the Legislature, as well as to any complaining employee and any employee who was the subject of the investigation.

(6) In those cases where an investigation has been referred for neither disciplinary action or other administrative proceedings, nor for criminal prosecution, the Inspector General shall include the decision not to refer the matter in the public investigative report on its Web site and provide copies of the report to the Legislature, as well as to any complaining employee and any employee who was the subject of the investigation.

SEC. 5. Section 6132 is added to the Penal Code, to read:

6132. (a) The Inspector General shall report annually to the Governor and the Legislature a summary of his or her investigations and audits. The summary shall be posted on the Inspector General's Web site and otherwise made available to the public upon its release to the Governor and the Legislature. The summary shall include, but not be limited to, significant problems discovered by the Inspector General, and whether recommendations the Inspector General has made through audits and investigations have been implemented by the subject agency, department, or board.

(b) The Inspector General shall issue regular, and in no case less than twice per year, reports to the Governor and the Legislature summarizing its findings concerning its oversight of Youth and Adult Correctional Agency disciplinary cases and shall thereafter post the reports summarizing disciplinary cases on its Web site.

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 that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 735

An act to amend, repeal, and add Section 1271 of the Business and Professions Code, relating to cytotechnologists.

[Approved by Governor September 24, 2004. Filed with Secretary of State September 24, 2004.]

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

SECTION 1. Section 1271 of the Business and Professions Code is amended to read:

1271. (a) A cytotechnologist shall not examine more than 80 gynecologic slides in a 24-hour period when performing a manual review of slides.

(b) The maximum workload limit in subdivision (a) is the maximum number of gynecologic slides that a cytotechnologist shall examine in a 24-hour period without regard to the number of clinical laboratories or other persons for which the work is performed. Cytotechnologists, who examine both gynecologic and nongynecologic slides, shall do so on a pro rata basis so that the maximum workload limit in subdivision (a) is not exceeded, and so that the number of gynecologic slides examined is reduced proportionally if both gynecologic and nongynecologic slides are examined in a 24-hour period.

(c) The maximum workload limit in subdivision (a) is for a cytotechnologist who has no duties other than the evaluation of gynecological slides. Cytotechnologists who have other duties, including, but not limited to, the preparation and staining of cytologic slides, shall decrease on a pro rata basis the number of slides examined.

(d) All cytologic slides shall be examined in a clinical laboratory that has been licensed by the department, or in a municipal or county laboratory established under Section 101150 of the Health and Safety Code. All slides examined under the name of a clinical laboratory shall be examined on the premises of that laboratory.

(e) Each clinical laboratory shall maintain records of the number of cases and slides for gynecologic and nongynecologic samples examined on a monthly and annual basis.

(f) Each cytotechnologist shall maintain current records in a form prescribed by the department of hours worked and the names and addresses of the clinical laboratories or other persons for whom slides are examined.

(g) Each clinical laboratory shall retain all cytology slides and cell blocks examined for a minimum of five years and all cytology reports for a minimum of 10 years.

(h) The presence of any factor that would prohibit the proper examination of a cytologic slide, including, but not limited to, damaged slides or inadequate specimens, as determined by the director of the laboratory, shall result in the issuance of a statement of inadequacy to the referring physician and no report of cytologic findings shall be issued on that slide.

(i) Each clinical laboratory shall maintain records of the number of cases and slides for gynecologic and nongynecologic slides each

cytotechnologist in the laboratory reads each 24-hour period, the number of hours devoted during each 24-hour period to screening cytology slides by each individual, and shall determine weekly and cumulatively the frequency of abnormal slides found by each cytotechnologist employed.

(j) Ten percent of the negative or normal slides examined by each cytotechnologist employed by a clinical laboratory shall be rescreened at least weekly by a cytopathologist or supervising cytotechnologist other than the original examiner.

(k) When reviewing gynecologic slides using automated or semiautomated screening devices approved by the federal Food and Drug Administration, a laboratory shall follow the workload requirements established by Section 493.1274 of Title 42 of the Code of Federal Regulations.

(1) Any slide reviewed using automated or semiautomated screening devices approved by the federal Food and Drug Administration that requires full manual review shall be counted against the applicable limits established in subdivision (a) and this subdivision.

(2) On or before June 30, 2007, the State Department of Health Services shall review published evidence-based peer review journal articles that review the performance of both automated and semiautomated screening devices, subsequent to the approval of the device by the federal Food and Drug Administration, and shall determine whether increasing the number of slides reviewed on a daily basis increases the rate of error. If the department determines that the volume of screening on these devices increases the rate of error, the department may issue new regulations in that regard that are consistent with Section 493.1274 of Title 42 of the Code of Federal Regulations.

(*l*) The technical supervisor of an individual who performs primary screening shall establish the maximum workload limit for the individual, based on the individual's performance, in accordance with the criteria set forth in Section 493.1274(d)(1) of Title 42 of the Code of Federal Regulations.

(m) Where cytotechnologists are represented by a labor organization, the maximum workload limitations otherwise established pursuant to this section shall be contained in a collective bargaining agreement or memorandum of understanding negotiated between the employer and the labor organization.

(n) This section shall remain in effect only until January 1, 2008, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2008, deletes or extends that date.

SEC. 2. Section 1271 is added to the Business and Professions Code, to read:

1271. (a) A cytotechnologist shall not examine more than 80 gynecologic slides in a 24-hour period.

(b) The maximum workload limit in subdivision (a) is the maximum number of gynecologic slides that a cytotechnologist shall examine in a 24-hour period without regard to the number of clinical laboratories or other persons for which the work is performed. Cytotechnologists who examine both gynecologic and nongynecologic slides shall do so on a pro rata basis so that the maximum workload limit in subdivision (a) is not exceeded, and so that the number of gynecologic slides examined is reduced proportionally if both gynecologic and nongynecologic slides are examined in a 24-hour period.

(c) The maximum workload limit in subdivision (a) is for a cytotechnologist who has no duties other than the evaluation of gynecological slides. Cytotechnologists who have other duties, including, but not limited to, the preparation and staining of cytologic slides, shall decrease on a pro rata basis the number of slides examined.

(d) All cytologic slides shall be examined in a clinical laboratory that has been licensed by the department, or in a municipal or county laboratory established under Section 101150 of the Health and Safety Code. All slides examined under the name of a clinical laboratory shall be examined on the premises of that laboratory.

(e) Each clinical laboratory shall maintain records of the number of cases and slides for gynecologic and nongynecologic samples examined on a monthly and annual basis.

(f) Each cytotechnologist shall maintain current records in a form prescribed by the department of hours worked and the names and addresses of the clinical laboratories or other persons for whom slides are examined.

(g) Each clinical laboratory shall retain all cytology slides and cell blocks examined for a minimum of five years and all cytology reports for a minimum of 10 years.

(h) The presence of any factor that would prohibit the proper examination of a cytologic slide, including, but not limited to, damaged slides or inadequate specimens, as determined by the director of the laboratory, shall result in the issuance of a statement of inadequacy to the referring physician and no report of cytologic findings shall be issued on that slide.

(i) Each clinical laboratory shall maintain records of the number of cases and slides for gynecologic and nongynecologic slides each cytotechnologist in the laboratory reads each 24-hour period, the number of hours devoted during each 24-hour period to screening cytology slides by each individual, and shall determine weekly and cumulatively the frequency of abnormal slides found by each cytotechnologist employed.

(j) Ten percent of the negative or normal slides examined by each cytotechnologist employed by a clinical laboratory shall be rescreened

at least weekly by a cytopathologist or supervising cytotechnologist other than the original examiner.

(k) This section shall become operative on January 1, 2008.

CHAPTER 736

An act to add Section 6133 to the Penal Code, relating to corrections.

[Approved by Governor September 24, 2004. Filed with Secretary of State September 24, 2004.]

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

SECTION 1. Section 6133 is added to the Penal Code, to read:

6133. (a) There is created within the office of the Inspector General a Bureau of Independent Review (BIR), which shall be subject to the direction of the Inspector General.

(b) The BIR shall be responsible for contemporaneous public oversight of the Youth and Adult Correctional Agency investigations conducted by the Department of Corrections' Office of Investigative Services and by Internal Affairs for the Department of the Youth Authority. The BIR shall also be responsible for advising the public regarding the adequacy of each investigation, and whether discipline of the subject of the investigation is warranted. The BIR shall have discretion to provide public oversight of other Youth and Adult Correctional Agency personnel investigations as needed.

(c) (1) The BIR shall issue regular reports, no less than annually, to the Governor and the Legislature summarizing its recommendations concerning its oversight of Youth and Adult Correctional Agency allegations of internal misconduct and use of force. The BIR shall also issue regular reports, no less than semiannually, summarizing its oversight of Office of Investigative Services and Internal Affairs investigations pursuant to subdivision (b). The reports shall include, but not be limited to, the following:

(A) Data on the number, type, and disposition of complaints made against correctional officers and staff.

(B) A synopsis of each matter reviewed by the BIR.

(C) An assessment of the quality of the investigation, the appropriateness of any disciplinary charges, the BIR's recommendations regarding the disposition in the case and when founded, the level of discipline afforded, and the degree to which the agency's authorities agreed with the BIR recommendations regarding disposition and level of discipline.

(D) The report of any settlement and whether the BIR concurred with the settlement.

(E) The extent to which any discipline was modified after imposition.

(2) The reports shall be in a form which does not identify the agency employees involved in the alleged misconduct.

(3) The reports shall be posted on the Inspector General's Web site and otherwise made available to the public upon their release to the Governor and the Legislature.

CHAPTER 737

An act to add Article 1.5 (commencing with Section 66725) to Chapter 9.2 of Part 40 of the Education Code, relating to postsecondary education.

[Approved by Governor September 24, 2004. Filed with Secretary of State September 24, 2004.]

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

SECTION 1. Article 1.5 (commencing with Section 66725) is added to Chapter 9.2 of Part 40 of the Education Code, to read:

Article 1.5. Common Course Numbering System

66725. (a) It is the intent of the Legislature to facilitate articulation and seamless integration of California's postsecondary institutions by facilitating the adoption and integration of a common course numbering system among the public and private postsecondary institutions. The purpose of building and implementing a common course numbering system is to provide for the effective and efficient progression of students within and among the higher education segments and to minimize duplication of coursework.

(b) The Legislature finds and declares both of the following:

(1) Effective transfer programs provide a clear path for obtaining the preparation necessary for upper-division major coursework and graduation at a four-year college or university. The segments have made significant progress in developing articulation agreements that specify required coursework and other academic preparation necessary for transfer students to succeed at a four-year institution. These articulation agreements are essential to provide the basis for a common course numbering system that facilitates transfer student success.

(2) In implementing this article, the public postsecondary educational institutions and other parties involved should assess programs and build upon those proving to be the most effective in communicating articulation, such as the California Articulation Number (CAN) system, the Intersegmental Major Preparation Articulated Curriculum (IMPAC) project, the Intersegmental General Education Transfer Curriculum (IGETC), and the Articulation System Stimulating Interinstitutional Student Transfer (ASSIST).

66725.3. (a) Not later than June 1, 2006, the California Community Colleges and the California State University shall adopt, and the University of California and private postsecondary institutions may adopt, a common course numbering system for the 20 highest-demand majors in the respective segments.

(b) Not later than June 30, 2006, the Board of Governors of the California Community Colleges and the Trustees of the California State University shall, and the Regents of the University of California are requested to, report to the Legislature on the status of the activities of their respective segments as they relate to subdivision (a) and on the plans of their respective segments to implement a common course numbering system for the majors that are not covered by subdivision (a).

(c) Each campus of a public postsecondary educational institution shall incorporate the common course numbering system in its catalogue. This incorporation into a campus catalogue shall occur at the next adoption of a campus catalogue after June 1, 2006.

CHAPTER 738

An act to add Section 5058.4 to the Penal Code, and to add Section 1752.05 to the Welfare and Institutions Code, relating to corrections.

[Approved by Governor September 24, 2004. Filed with Secretary of State September 24, 2004.]

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

SECTION 1. The Legislature finds and declares the following:

(a) Investigations of the state's correctional facilities conducted by authorities and by the Legislature have revealed the existence of a ''code of silence'' that has threatened inmates, the integrity of correctional officers, security within the institutions, and public safety.

(b) Findings made by the federal court special master in the investigation of the Pelican Bay State Prison confirm that newly hired correctional officers who work for the Department of Corrections are

often confronted by this code of silence, which forces good officers to commit crimes or lie or cover up the abuses of their coworkers, and that the department has failed to address the situation in an effective manner.

(c) The whistleblower laws applicable to all employees of the state are insufficient to protect those workers at the Department of Corrections and the Department of the Youth Authority who choose to expose the wrongdoing of coworkers or their superiors, and therefore these employees must be provided additional protections to ensure their safety as well as their cooperation in the investigation of wrongdoing within the departments.

(d) In order to break the code of silence, the Department of Corrections and the Department of the Youth Authority must adopt a code of conduct that would provide uniform guidance to all workers at these departments, including their duty to report wrongdoing at their workplace, and the protection that may be provided to those who discharge this duty in good faith.

SEC. 2. Section 5058.4 is added to the Penal Code, to read:

5058.4. (a) The director shall provide for the development and implementation of a disciplinary matrix with offenses and associated punishments applicable to all department employees, in order to ensure notice and consistency statewide. The disciplinary matrix shall take into account aggravating and mitigating factors for establishing a just and proper penalty for the charged misconduct, as required by the California Supreme Court in Skelly v. State Personnel Board (1975) 15 Cal.3d 194. The presence of aggravating or mitigating factors may result in the imposition of a greater or a lesser penalty than might otherwise be mandated by the disciplinary matrix.

(b) The director shall adopt a code of conduct for all employees of the department.

(c) The director shall ensure that employees who have reported improper governmental activities and who request services from the department are informed of the services available to them.

(d) The department shall post the code of conduct in locations where employee notices are maintained. On July 1, 2005, and annually thereafter, the department shall send by electronic mail to its employees who have authorized access to electronic mail, the following:

(1) Information regarding the code of conduct.

(2) The duty to report misconduct.

(3) How to report misconduct.

(4) The duty to fully cooperate during investigations.

(5) Assurances against retaliation.

SEC. 3. Section 1752.05 is added to the Welfare and Institutions Code, to read:

1752.05. (a) The director shall provide for the development and implementation of a disciplinary matrix with offenses and associated punishments applicable to all department employees, in order to ensure notice and consistency statewide. The disciplinary matrix shall take into account aggravating and mitigating factors for establishing a just and proper penalty for the charged misconduct, as required by the California Supreme Court in Skelly v. State Personnel Board (1975) 15 Cal.3d 194. The presence of aggravating or mitigating factors may result in the imposition of a greater or a lesser penalty than might otherwise be mandated by the disciplinary matrix.

(b) The director shall adopt a code of conduct for all employees of the department.

(c) The director shall ensure that employees who have reported improper governmental activities and who request services from the department are informed of the services available to them.

(d) The department shall post the code of conduct in locations where employee notices are maintained. On July 1, 2005, and annually thereafter, the department shall send by electronic mail to its employees who have authorized access to electronic mail, the following:

(1) Information regarding the code of conduct.
(2) The duty to report misconduct.
(3) How to report misconduct.
(4) The duty to fully cooperate during investigations.
(5) Assurances against retaliation.

CHAPTER 739

An act to amend Section 20112 of the Public Contract Code, relating to public contracting.

[Approved by Governor September 24, 2004. Filed with Secretary of State September 24, 2004.]

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

SECTION 1. Section 20112 of the Public Contract Code is amended to read:

20112. For the purpose of securing bids the governing board of a school district shall publish at least once a week for two weeks in some newspaper of general circulation published in the district, or if there is no such paper, then in some newspaper of general circulation, circulated in the county, and may post on the district's Web site or through an electronic portal, a notice calling for bids, stating the work to be done or

materials or supplies to be furnished and the time when and the place and the Web site where bids will be opened. Whether or not bids are opened exactly at the time fixed in the public notice for opening bids, a bid shall not be received after that time. The governing board of the district may accept a bid that was submitted either electronically or on paper.

CHAPTER 740

An act to amend Sections 94739, 94931, and 94999 of, to add Section 94742.3 to, to add and repeal Section 94779.2 of, to repeal Section 94742.2 of, and to repeal Chapter 3 (commencing with Section 94301) of Part 59 of, the Education Code, relating to private postsecondary education, and making an appropriation therefor.

[Approved by Governor September 24, 2004. Filed with Secretary of State September 24, 2004.]

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

SECTION 1. Chapter 3 (commencing with Section 94301) of Part 59 of the Education Code is repealed.

SEC. 2. Section 94739 of the Education Code is amended to read:

94739. (a) ''Private postsecondary educational institution'' means any person doing business in California that offers to provide or provides, for a tuition, fee, or other charge, any instruction, training, or education under any of the following circumstances:

(1) A majority of the students to whom instruction, training, or education is provided during any 12-month period is obtained from, or on behalf of, students who have completed or terminated their secondary education or are beyond the age of compulsory high school attendance.

(2) More than 50 percent of the revenue derived from providing instruction, training, or education during any 12-month period is obtained from, or on behalf of, students who have completed or terminated their secondary education or are beyond the age of compulsory high school attendance.

(3) More than 50 percent of the hours of instruction, training, or education provided during any 12-month period is provided to students who have completed or terminated their secondary education or are beyond the age of compulsory high school attendance.

(4) A substantial portion, as determined by the council, by regulation, of the instruction, training, or education provided is provided to students who have completed or terminated their secondary education or are beyond the age of compulsory high school attendance.

(b) The following are not considered to be private postsecondary educational institutions under this chapter:

(1) Institutions exclusively offering instruction at any or all levels from preschool through the 12th grade.

(2) Institutions offering education solely avocational or recreational in nature, and institutions offering this education exclusively.

(3) Institutions offering education sponsored by a bona fide trade, business, professional, or fraternal organization, solely for that organization's membership.

(4) Postsecondary or vocational educational institutions established, operated, and governed by the federal government or by this state, or its political subdivisions.

(5) Institutions offering continuing education where the institution or the program is approved, certified, or sponsored by any of the following:

(A) A government agency, other than the bureau, that licenses persons in a particular profession, trade, or job category.

(B) A state-recognized professional licensing body, such as the State Bar of California, that licenses persons in a particular profession, trade, or job category.

(C) A bona fide trade, business, or professional organization.

(6) A nonprofit institution owned, controlled, and operated and maintained by a bona fide church, religious denomination, or religious organization comprised of multidenominational members of the same well-recognized religion, lawfully operating as a nonprofit religious corporation pursuant to Part 4 (commencing with Section 9110) of Division 2 of Title 1 of the Corporations Code, if the education is limited to instruction in the principles of that church, religious denomination, or religious organization, or to courses offered pursuant to Section 2789 of the Business and Professions Code, and the diploma or degree is limited to evidence of completion of that education, and the meritorious recognition upon which any honorary degree is conferred is limited to the principles of that church, religious denomination, or religious organization. Institutions operating under this paragraph shall offer degrees and diplomas only in the beliefs and practices of the church, religious denomination, or religious organization. The enactment of this paragraph expresses the legislative intent that the state shall not involve itself in the content of degree programs awarded by any institution operating under this paragraph, as long as the institution awards degrees and diplomas only in the beliefs and practices of the church, religious denomination, or religious organization. Institutions operating under this paragraph shall not award degrees in any area of physical science. Any degree or diploma granted in any area of study under these provisions shall contain on its face, in the written description of the title of the degree being conferred, a reference to the theological or religious

aspect of the degree's subject area. Degrees awarded under this paragraph shall reflect the nature of the degree title, such as ''associate of religious studies,'' or ''bachelor of religious studies,'' or ''master of divinity'' or ''doctor of divinity.'' The use of the degree titles ''associate of arts'' or ''associate of science,'' ''bachelor of arts'' or ''bachelor of science,'' ''master of arts'' or ''master of science,'' or ''doctor of philosophy'' or ''Ph.D.'' shall only be awarded by institutions approved to operate under Article 8 (commencing with Section 94900) or meeting the requirements for an exemption under Section 94750. The enactment of this paragraph is intended to prevent any entity claiming to be a nonprofit institution owned, controlled, and operated and maintained by a bona fide church, religious denomination, or religious organization comprised of multidenominational members of the same well-recognized religion, lawfully operating as a nonprofit religious corporation pursuant to Part 4 (commencing with Section 9110) of Division 2 of Title 1 of the Corporations Code, from marketing and granting degrees or diplomas that are represented as being linked to their church, religious denomination, or religious organization, but which, in reality, are degrees in secular areas of study. An institution operating under this paragraph shall file annually with the council evidence to demonstrate its status as a nonprofit religious corporation under the Corporations Code. A college or university operating under this paragraph shall file annually with the council evidence to demonstrate its status as a nonprofit religious corporation under the Corporations Code.

(7) (A) Public institutions accredited by the Accrediting Commission for Senior Colleges and Universities or the Accrediting Commission for Community and Junior Colleges of the Western Association of Schools and Colleges.

(B) Institutions accredited by the Accrediting Commission for Senior Colleges and Universities or the Accrediting Commission for Community and Junior Colleges of the Western Association of Schools and Colleges that are incorporated and lawfully operating as a nonprofit public benefit corporation pursuant to Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code and that are not managed by any entity for profit.

(C) For-profit institutions accredited by the Accrediting Commission for Senior Colleges and Universities or the Accrediting Commission for Community and Junior Colleges of the Western Association of Schools and Colleges.

(D) Institutions accredited by the Western Association of Schools and Colleges that do not meet all of the criteria in subparagraph (B) and that are incorporated and lawfully operating as a nonprofit public benefit corporation pursuant to Part 2 (commencing with Section 5110) of

Division 2 of Title 1 of the Corporations Code, that have been in continuous operation since April 15, 1997, and that are not managed by any entity for profit. Notwithstanding this subdivision, institutions that meet the criteria in this subparagraph shall be subject to Section 94831, except subdivision (c) of that section, and Sections 94832, 94834, 94838, and 94985.

(8) Institutions that exclusively offer programs that cost five hundred dollars ($500) or less.

SEC. 3. Section 94742.2 of the Education Code is repealed.

SEC. 4. Section 94742.3 is added to the Education Code, to read:

94742.3. ''Short-term education program'' means an educational service meeting all of the following criteria:

(a) The total charge to the student is more than five hundred dollars ($500) and not more than two thousand dollars ($2,000).

(b) The length of training is 250 hours or less.

(c) The service is not any of the following:

(1) Instruction leading to a degree.

(2) Instruction financed by a federal or state loan or grant.

(3) Any educational service that was originally longer than 250 hours or cost more than two thousand dollars ($2,000), but has been structured into segments to meet the requirement of subdivision (a).

(c) The service is offered by approved institutions or institutions registered pursuant to Article 9.5 (commencing with Section 94931).

SEC. 5. Section 94779.2 is added to the Education Code, to read:

94779.2. (a) (1) The Director of Consumer Affairs shall appoint a Bureau for Private Postsecondary and Vocational Education Operations and Administrative Monitor no later than January 3, 2005. The director may retain a person for this position by a personal services contract. In this connection, the Legislature finds, pursuant to Section 19130 of the Government Code, that this is a new state function.

(2) The director shall supervise the operations monitor and may terminate or dismiss him or her from this position.

(b) The director shall advertise the availability of this position. The requirements for this position shall include experience in conducting investigations, familiarity with state laws, rules, and procedures pertaining to the bureau, and familiarity with relevant administrative procedures.

(c) (1) The operations monitor shall assess the bureau's administrative operations, including its school approval, applicant review, revenue collection, and complaint and enforcement processes and procedures with the primary goals of improving the bureau's overall efficiency, improving its effectiveness, and improving its compliance with state laws, particularly with respect to the bureau's approval, complaint, and enforcement processes.

(2) This monitoring duty shall be on a continuing basis for a period of no more than two years from the date of the operations monitor's appointment and shall include, but not necessarily be limited to, all of the following:

(A) Assessing the bureau's revenue collections and needs, and its staffing.

(B) Evaluating the relevant laws and regulations to identify revisions that would improve state regulation and maintain or improve student and public protection.

(C) Improving the quality and consistency of the bureau's processes and performance, including complaint processing and investigation, and reducing timeframes for each.

(D) Reducing any complaint backlog.

(E) Ensuring consistency in the application of sanctions or discipline imposed on regulated institutions and persons.

(F) Improving the quality and timeliness of application and approval processes for regulated institutions and persons, the collection of fees, and the collection of information from, and the ability to disseminate information regarding, those entities or persons regulated by the bureau.

(G) Improving the bureau's ability to perform outreach to prospective students of private postsecondary and vocational educational institutions.

(3) The operations monitor shall exercise no authority over the bureau's management or staff; however, the bureau and its staff shall cooperate with him or her, and shall provide data, information, and files as requested by the monitor to perform all of his or her duties.

(4) The director shall assist the operations monitor in the performance of his or her duties, and the operations monitor shall have the same investigative authority as the director.

(d) The operations monitor shall submit an initial written report of his or her findings and conclusions to the director, the bureau, and the Legislature no later than October 1, 2005, and every six months thereafter, and shall be available to make oral reports to each if requested to do so. The operations monitor may also provide additional information to either the department or the Legislature at his or her discretion or at the request of either the department or the Legislature. The operations monitor shall make his or her reports available to the public and the media. The operations monitor shall make every effort to provide the department and the bureau with an opportunity to reply to any facts, finding, issues, or conclusions in his or her reports with which the department or the bureau may disagree.

(e) The bureau shall reimburse the department for all of the costs associated with the employment of an operations manager.

(f) This section shall become inoperative on April 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 6. Section 94931 of the Education Code is amended to read:

94931. (a) No private postsecondary educational institution, except those offering degrees and approved under Article 8 (commencing with Section 94900) or offering vocational and nondegree granting programs and approved under Article 9 (commencing with Section 94915), or those that are exempt from this chapter, may offer educational services or programs or short-term educational programs unless the institution has been registered by the bureau as meeting the requirements of this article.

(b) An institution approved to offer degrees under Article 8 (commencing with Section 94900) or approved to offer vocational and nondegree granting programs under Article 9 (commencing with Section 94915) may offer registered short-term education programs without affecting its status under either of those articles so long as the registered short-term education program is disclosed in its approval to operate application or the institution completes a registration application and receives specific authorization for the program, maintains compliance for all registered programs in conformity with this article, and maintains a set of student records for registered programs separate from its approved programs. Any registered institution that offers an educational program not specified in subdivision (c) or not otherwise exempt from this chapter shall be approved under Article 8 (commencing with Section 94900) or Article 9 (commencing with Section 94915) and shall comply with this chapter.

(c) Except as otherwise provided in this article, this chapter does not apply to an educational service that qualifies for registration status and that complies with this article. The educational services that qualify for registration status are limited to:

(1) An educational service, as defined in Section 94733, that is offered to provide an intensive English language program.

(2) An educational service, as defined in Section 94742.1, that is offered to provide short-term career training.

(3) An educational service, as defined in Section 94742.2, that is offered to provide short-term seminar training.

(4) An educational service that is offered to assist students to prepare for an examination for licensure, except as provided in Section 94787.

(5) An educational service that consists of continuing education not otherwise exempt from this chapter.

(d) An institution that qualifies under any of paragraphs (1) to (4), inclusive, of subdivision (c) shall complete a registration form provided

by the bureau, including a signed declaration by the chief executive officer of the institution under penalty of perjury, and provide all of the following information for public disclosure:

(1) The owner's legal name, headquarters address, and the name of an agent for the service of process within California.

(2) All names, whether real or fictitious, under which the owner is doing and will do business.

(3) The names and addresses of the principal officers of the institution.

(4) A list of all California locations at which the institution operates, its offerings, and, if previously registered, the number of students enrolled in California during the preceding year.

(5) A copy of the registration form or agreement that enrolls the student in the educational service that contains all of the following:

(A) The name and address of the location where instruction will be provided.

(B) The title of the educational program.

(C) The total amount the student is obligated to pay for the educational service.

(D) A clear and conspicuous statement that the enrollment form or agreement is a legally binding instrument when signed by the student and accepted by the institution.

(E) The refund policy developed by the institution unless this article specifies a different refund policy.

(F) Unless this article specifies that the institution is required to participate in the Student Tuition Recovery Fund, a statement that the institution does not participate in that fund.

(G) In 10-point boldface type or larger, the following statement: ''Any questions or problems concerning this school that have not been satisfactorily answered or resolved by the school should be directed to the Bureau for Private Postsecondary and Vocational Education in the Department of Consumer Affairs (insert city, address, CA ZIP Code number, and telephone number).''

(H) Schools approved under paragraph (1) of subdivision (c) of Section 94931 shall also include with the statement required by subparagraph (G) information referring the student to a consulate of his or her country and the United States Immigration and Naturalization Service.

(6) A brochure or catalog and a sample advertisement used to promote the educational service.

(7) A copy of its certificate of completion.

(8) If the educational service offers short-term career training, the institution shall comply with the requirements of Sections 94804 and 94806.

(9) If the institution assists students in obtaining financing from a third party for the cost of the educational services at the institution, a copy of the contract or finance agreement reflecting that financing.

(e) The bureau shall establish the initial registration fee and the annual fee to be paid by institutions registered under this article. No institution shall be registered pursuant to this article unless it has paid the appropriate fees required by the bureau. Upon receipt of an institution's initial application for registration for a program, the bureau may conduct a site visit pursuant to subdivision (c) of Section 94915.

(f) For the purposes of communication with other state agencies, any organization or individual registered to offer short-term seminar training may state that they are ''authorized'' by the State of California.

(g) (1) Except as provided by subdivision (f), any institution registered pursuant to this article shall be restricted to stating that their training is ''registered'' with the State of California and is prohibited from using the words ''approval,'' ''approved,'' ''approval to operate,'' ''approved to operate,'' ''authorized,'' ''licensed,'' or ''licensed to operate.''

(2) The institution shall place the following statement in all brochures, catalogues, enrollment agreements, and registration forms, in a conspicuous location in at least 12-point boldfaced type:

''We are registered with the State of California. Registration means we have met certain minimum standards imposed by the state for registered schools on the basis of our written application to the state. Registration does not mean we have met all of the more extensive standards required by the state for schools that are approved to operate or licensed or that the state has verified the information we submitted with our registration form.''

(h) The bureau may require, at least every three years following the initial registration date, that a registered institution verify all or part of the information required to be provided with the registration form under subdivision (d).

(i) Sections 94812 and 94818, Sections 94822 to 94825, inclusive, and Sections 94829 to 94838, inclusive, and Sections 94841 and 94846 shall apply to any institution registered pursuant to this article.

(j) Article 1 (commencing with Section 94700), Article 2 (commencing with Section 94710), Article 3 (commencing with Section 94750), Article 3.5 (commencing with Section 94760), Article 4 (commencing with Section 94770), and Article 13 (commencing with Section 94950) shall apply to any institution registered pursuant to this article.

SEC. 7. Section 94999 of the Education Code is amended to read:

94999. This chapter shall become inoperative on July 1, 2007, and, as of January 1, 2008, is repealed, unless a later enacted statute, that

becomes operative on or before January 1, 2008, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 8. The sum of one hundred fifty thousand dollars ($150,000) is hereby appropriated from the Private Postsecondary and Vocational Education Administration Fund, established pursuant to Section 94932 of the Education Code, to the Director of Consumer Affairs for expenditure for the 2004–05, 2005–06, and 2006–07 fiscal years for the purpose of contracting for the employment of a Bureau for Private Postsecondary and Vocational Education Operations and Administrative Monitor pursuant to Section 94779.2 of the Education Code.

SEC. 9. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CHAPTER 741

An act to add Section 340.35 to the Code of Civil Procedure, relating to statutes of limitation.

[Approved by Governor September 24, 2004. Filed with Secretary of State September 24, 2004.]

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

SECTION 1. Section 340.35 is added to the Code of Civil Procedure, to read:

340.35. (a) This section shall apply if both of the following conditions are met:

(1) A complaint, information, or indictment was filed in a criminal case initiated pursuant to subdivision (f), (g), or (h) of Section 803 of the Penal Code.

(2) The case was dismissed or overturned pursuant to the United States Supreme Court's decision in Stogner v. California (2003) 156 L.Ed.2d 544.

(b) Unless a longer period is prescribed for a specific action, any action for damages against an individual for committing an act of childhood sexual abuse shall be commenced before January 1, 2006.

(c) This section shall apply to any action commenced before, on, or after the effective date of this section, including any action otherwise barred by a limitation of time in effect prior to the effective date of this section, thereby reviving those causes of action that had lapsed or expired under the law in effect prior to the effective date of this section.

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

(1) Any claim against a person or entity other than the individual against whom a complaint, information, or indictment was filed as described in paragraph (1) of subdivision (a).

(2) Any claim that has been litigated to finality on the merits in any court of competent jurisdiction prior to the effective date of this section. For purposes of this section, termination of a prior action on the basis of the statute of limitations does not constitute a claim that has been ''litigated to finality on the merits.''

(3) Any written, compromised settlement agreement that has been entered into between a plaintiff and a defendant, if the plaintiff was represented by an attorney who was admitted to practice law in this state at the time of the settlement, and the plaintiff signed the agreement.

(e) Any restitution paid by the defendant to the victim shall be credited against any judgment, award, or settlement obtained pursuant to this section. Any judgment, award, or settlement obtained pursuant to an action under this section shall be subject to Section 13966.01 of the Government Code.

CHAPTER 742

An act to add Section 2234.1 to the Business and Professions Code, relating to healing arts.

[Approved by Governor September 24, 2004. Filed with Secretary of State September 24, 2004.]

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

SECTION 1. Section 2234.1 is added to the Business and Professions Code, to read:

2234.1. (a) A physician and surgeon shall not be subject to discipline pursuant to subdivision (b), (c), or (d) of Section 2234 solely on the basis that the treatment or advice he or she rendered to a patient is alternative or complementary medicine if that treatment or advice meets all of the following requirements:

(1) It is provided after informed consent and a good-faith prior examination of the patient, and medical indication exists for the treatment or advice, or it is provided for health or well-being.

(2) It is provided after the physician and surgeon has given the patient information concerning conventional treatment and describing the education, experience, and credentials of the physician and surgeon related to the alternative or complementary medicine he or she practices.

(3) It does not cause a delay in, or discourage traditional diagnosis of, a condition of the patient.

(4) It does not cause death or serious bodily injury to the patient.

(b) For purposes of this section, ''alternative or complementary medicine'' means those health care methods of diagnosis, treatment, or healing that are not generally used but that provide a reasonable potential for therapeutic gain in a patient's medical condition that is not outweighed by the risk of the health care method.

CHAPTER 743

An act to add Section 66739.5 to the Education Code, relating to public postsecondary education.

[Approved by Governor September 24, 2004. Filed with Secretary of State September 24, 2004.]

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

SECTION 1. Section 66739.5 is added to the Education Code, to read:

66739.5. (a) The Legislature finds and declares all of the following:

(1) The California Master Plan and supporting statutes place utmost importance on the effective transfer of community college students to the University of California (UC) and the California State University (CSU) as a means of providing access to the baccalaureate degree.

(2) In 2002, CSU enrolled 55,000 transfer students from community colleges.

(3) Two out of three students who earn CSU baccalaureate degrees begin in a community college.

(4) Effective use of state and student time and resources would be maximized by students accruing fewer unrequired units in earning their degrees.

(5) Additional access to community colleges and CSU will be created by higher graduation rates and fewer nonessential units taken.

(6) The state budget situation makes it urgent to streamline the path of the transfer student to the baccalaureate degree.

(b) It is, therefore, the intent of the Legislature to ensure that community college students who wish to earn the baccalaureate degree at CSU are provided with a clear and effective path to this degree.

(c) This section shall not be construed to limit in any way the ability of students to gain admission through alternative paths to transfer, such as the Intersegmental General Education Transfer Curriculum (IGETC) or the California State University General Education-Breadth Requirements.

(d) On or before February 1, 2005, the Chancellor of CSU shall establish transfer student admissions requirements that give highest priority to transfer students who are qualified in accordance with subdivision (f) and paragraph (3) of subdivision (g).

(e) (1) CSU campuses admitting students qualified in accordance with subdivision (f) and paragraph (3) of subdivision (g) will make it possible for these students to complete their baccalaureate degree in the minimum number of remaining units required for that degree major.

(2) For purposes of this subdivision, the ''minimum number of remaining units'' is the minimum number of units required for a degree major after subtracting the number of fully degree-transferable units earned at the community college.

(f) The Chancellor of CSU, in consultation with the Academic Senate of CSU, shall establish the following components necessary for a clear degree path for transfer students:

(1) On or before June 1, 2005, the Chancellor of CSU, in consultation with the Academic Senate of CSU and with the faculty responsible for each high-demand baccalaureate degree major program, shall specify for each high-demand baccalaureate program major a systemwide lower division transfer curriculum composed of at least 45 semester course units, or the quarter-units equivalent, that will be common across all CSU campuses offering specific major programs.

(2) (A) The systemwide lower division transfer curriculum for each high-demand baccalaureate major degree program shall be composed of at least 45 semester units, or the quarter-unit equivalent, and shall include all of the following:

(i) General education courses.

(ii) Any other lower division courses required for graduation.

(iii) Lower division components of the student's declared major.

(iv) Elective units, as appropriate.

(B) The coursework described in subparagraph in subparagraph (A) shall be designated by the CSU faculty responsible for the student's major degree program.

(3) The systemwide lower division transfer curriculum shall be specified in sufficient manner and detail so that existing and future community college lower division courses may be articulated, according to the usual procedures, to the corresponding CSU courses or course descriptions.

(g) (1) On or before June 1, 2006, the Chancellor of CSU and the Chancellor of the California Community Colleges, in consultation with the Academic Senate of the California Community Colleges, shall articulate those lower division, baccalaureate-level courses at each campus of the California Community Colleges that meet for each degree major the systemwide lower division transfer curriculum requirements specified in paragraph (1) of subdivision (f).

(2) To the extent that the goals of efficiency and urgency are advanced, existing articulation procedures such as the California Articulation Number (CAN) program shall be employed.

(3) On or before June 1, 2006, each CSU campus shall have identified any additional specific, nonelective course requirements beyond the systemwide lower division transfer curriculum requirements for each major, up to a maximum of 60 semester units or the quarter-unit equivalent, for the systemwide and campus-specific requirements combined. To the extent these additional course requirements are identified, each CSU campus shall provide that information to all community colleges.

(4) The Chancellor of CSU shall amend CSU's transfer admissions procedures to encourage prospective community college transfer students to identify and, to the extent possible, commit to, a specific CSU transfer destination campus before earning no more than 45 semester units, or the quarter-unit equivalent, of lower division, baccalaureate-level courses, as described in subdivision (f).

(h) As allowed by enrollment demand and available space, each CSU campus shall develop a transfer admission agreement with each student who intends to meet the requirements of this section, including the declaration of a major and identification of a choice of a destination campus, before earning no more than 45 systemwide semester units, or the quarter-unit equivalent. The transfer admission agreement shall guarantee admission to the campus and major identified in that agreement and transfer of all 60 semester units, or the quarter-unit equivalent, as creditable to the baccalaureate degree subject to the student's meeting the following conditions:

(1) Completion of the 60 semester units of college-level coursework, or the quarter-unit equivalent, specified for the student's major degree program.

(2) Declaration of a major.

(3) Satisfactory completion of the systemwide lower division transfer curriculum requirements for the student's declared major.

(4) Satisfactory completion of any requirements beyond the systemwide lower division transfer curriculum that are specified by the CSU destination campus.

(5) Any impaction criteria for that campus or major.

(i) A CSU campus shall guarantee that the transfer students admitted under this section will be able to complete the baccalaureate degree in the minimum number of course units required for that degree.

CHAPTER 744

An act to amend Sections 21080.3, 21104, 21153, 21159.24, 21159.25, and 21167 of, and to add Section 21070 to, the Public Resources Code, relating to environmental protection.

[Approved by Governor September 24, 2004. Filed with Secretary of State September 24, 2004.]

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

SECTION 1. Section 21070 is added to the Public Resources Code, to read:

21070. ''Trustee agency'' means a state agency that has jurisdiction by law over natural resources affected by a project, that are held in trust for the people of the State of California.

SEC. 2. Section 21080.3 of the Public Resources Code is amended to read:

21080.3. (a) Prior to determining whether a negative declaration or environmental impact report is required for a project, the lead agency shall consult with all responsible agencies and trustee agencies. Prior to that required consultation, the lead agency may informally contact any of those agencies.

(b) In order to expedite the requirements of subdivision (a), the Office of Planning and Research, upon request of a lead agency, shall assist the lead agency in determining the various responsible agencies and trustee agencies, for a proposed project. In the case of a project described in subdivision (c) of Section 21065, the request may also be made by the project applicant.

SEC. 3. Section 21104 of the Public Resources Code is amended to read:

21104. (a) Prior to completing an environmental impact report, the state lead agency shall consult with, and obtain comments from, each

responsible agency, trustee agency, any public agency that has jurisdiction by law with respect to the project, and any city or county that borders on a city or county within which the project is located unless otherwise designated annually by agreement between the state lead agency and the city or county, and may consult with any person who has special expertise with respect to any environmental impact involved. In the case of a project described in subdivision (c) of Section 21065, the state lead agency shall, upon the request of the applicant, provide for early consultation to identify the range of actions, alternatives, mitigation measures, and significant effects to be analyzed in depth in the environmental impact report. The state lead agency may consult with persons identified by the applicant who the applicant believes will be concerned with the environmental effects of the project and may consult with members of the public who have made a written request to be consulted on the project. A request by the applicant for early consultation shall be made not later than 30 days after the determination required by Section 21080.1 with respect to the project.

(b) The state lead agency shall consult with, and obtain comments from, the State Air Resources Board in preparing an environmental impact report on a highway or freeway project, as to the air pollution impact of the potential vehicular use of the highway or freeway.

(c) A responsible agency or other public agency shall only make substantive comments regarding those activities involved in a project that are within an area of expertise of the agency or that are required to be carried out or approved by the agency. Those comments shall be supported by specific documentation.

SEC. 4. Section 21153 of the Public Resources Code is amended to read:

21153. (a) Prior to completing an environmental impact report, every local lead agency shall consult with, and obtain comments from, each responsible agency, trustee agency, any public agency that has jurisdiction by law with respect to the project, and any city or county that borders on a city or county within which the project is located unless otherwise designated annually by agreement between the local lead agency and the city or county, and may consult with any person who has special expertise with respect to any environmental impact involved. In the case of a project described in subdivision (c) of Section 21065, the local lead agency shall, upon the request of the project applicant, provide for early consultation to identify the range of actions, alternatives, mitigation measures, and significant effects to be analyzed in depth in the environmental impact report. The local lead agency may consult with persons identified by the project applicant who the applicant believes will be concerned with the environmental effects of the project and may consult with members of the public who have made written request to

be consulted on the project. A request by the project applicant for early consultation shall be made not later than 30 days after the date that the determination required by Section 21080.1 was made with respect to the project. The local lead agency may charge and collect a fee from the project applicant in an amount that does not exceed the actual costs of the consultations.

(b) In the case of a project described in subdivision (a) of Section 21065, the lead agency may provide for early consultation to identify the range of actions, alternatives, mitigation measures, and significant effects to be analyzed in depth in the environmental impact report. At the request of the lead agency, the Office of Planning and Research shall ensure that each responsible agency, and any public agency that has jurisdiction by law with respect to the project, is notified regarding any early consultation.

(c) A responsible agency or other public agency shall only make substantive comments regarding those activities involved in a project that are within an area of expertise of the agency or that are required to be carried out or approved by the agency. Those comments shall be supported by specific documentation.

SEC. 5. Section 21159.24 of the Public Resources Code is amended to read:

21159.24. (a) Except as provided in subdivision (b), this division does not apply to a project if all of the following criteria are met:

(1) The project is a residential project on an infill site.

(2) The project is located within an urbanized area.

(3) The project satisfies the criteria of Section 21159.21.

(4) Within five years of the date that the application for the project is deemed complete pursuant to Section 65943 of the Government Code, community-level environmental review was certified or adopted.

(5) The site of the project is not more than four acres in total area.

(6) The project does not contain more than 100 residential units.

(7) Either of the following criteria are met:

(A) (i) At least 10 percent of the housing is sold to families of moderate income, or not less than 10 percent of the housing is rented to families of low income, or not less than 5 percent of the housing is rented to families of very low income.

(ii) The project developer provides sufficient legal commitments to the appropriate local agency to ensure the continued availability and use of the housing units for very low, low-, and moderate-income households at monthly housing costs determined pursuant to paragraph (3) of subdivision (h) of Section 65589.5 of the Government Code.

(B) The project developer has paid or will pay in-lieu fees pursuant to a local ordinance in an amount sufficient to result in the development

of an equivalent number of units that would otherwise be required pursuant to subparagraph (A).

(8) The project is within one-half mile of a major transit stop.

(9) The project does not include any single level building that exceeds 100,000 square feet.

(10) The project promotes higher density infill housing. A project with a density of at least 20 units per acre shall be conclusively presumed to promote higher density infill housing. A project with a density of at least 10 units per acre and a density greater than the average density of the residential properties within 1,500 feet shall be presumed to promote higher density housing unless the preponderance of the evidence demonstrates otherwise.

(b) Notwithstanding subdivision (a), this division shall apply to a development project that meets the criteria described in subdivision (a), if any of the following occur:

(1) There is a reasonable possibility that the project will have a project-specific, significant effect on the environment due to unusual circumstances.

(2) Substantial changes with respect to the circumstances under which the project is being undertaken that are related to the project have occurred since community-level environmental review was certified or adopted.

(3) New information becomes available regarding the circumstances under which the project is being undertaken and that is related to the project, that was not known, and could not have been known, at the time that community-level environmental review was certified or adopted.

(c) If a project satisfies the criteria described in subdivision (a), but is not exempt from this division as result of satisfying the criteria described in subdivision (b), the analysis of the environmental effects of the project in the environmental impact report or the negative declaration shall be limited to an analysis of the project-specific effect of the projects and any effects identified pursuant to paragraph (2) or (3) of subdivision (b).

(d) For the purposes of this section, ''residential'' means a use consisting of either of the following:

(1) Residential units only.

(2) Residential units and primarily neighborhood-serving goods, services, or retail uses that do not exceed 15 percent of the total floor area of the project.

SEC. 6. Section 21159.25 of the Public Resources Code is amended to read:

21159.25. (a) For a project in the City of Oakland that consists of multiple-family residential development, or a residential and commercial or retail mixed-use development with not more than 25

percent of the total floor area of the project utilized as retail space, a focused environmental impact report may be prepared, notwithstanding that the project was not identified in a master environmental impact report, if all of the following conditions are met:

(1) The Oakland City Council does both of the following:

(A) Authorizes the implementation of this section. The city council may authorize the implementation of this section only by voting to approve the practice of preparing focused environmental impact reports for projects in the central business district housing target areas specified in paragraph (11).

(B) Determines that the general plan, zoning ordinance, and related policies and programs are consistent with principles that encourage compact development in a manner that does both of the following:

(i) Promotes efficient transportation systems, economic growth, affordable housing, energy efficiency, and an appropriate balance of jobs and housing.

(ii) Protects the environment, open space, and agricultural areas.

(2) The city submits a draft determination to the Office of Planning and Research that the applicable general plan, zoning ordinance, and any related policies and programs are consistent with the principles described in subparagraph (B) of paragraph (1) prior to the city council making its determination regarding that consistency. The office may submit comments on the draft findings to the city council within 30 days from the date that the city submits the draft determination to the office.

(3) The city has an average population density of at least 5,000 persons per square mile.

(4) The project is consistent with the general plan, any applicable specific plan and community plan, and zoning ordinance, including any variance that is properly granted pursuant to that zoning ordinance, an environmental impact report was prepared for the general plan, and the application for the project is deemed complete pursuant to Section 65943 of the Government Code within three years of the date this section is effective.

(5) The lead agency cannot make the finding described in subdivision (c) of Section 21157.1, a negative declaration or mitigated negative declaration cannot be prepared pursuant to Section 21080, 21157.5, or 21158, and Section 21166 does not apply.

(6) The project meets one or both of the following conditions:

(A) The parcel on which the project is to be developed is surrounded by immediately contiguous urban development.

(B) The parcel on which the project is to be developed is, or has been previously, developed with urban uses.

(7) The density of the project is at least 40 units per net acre.

(8) The parcel on which the project is to be developed is within one-half mile of an existing rail transit station.

(9) The project can be adequately served by existing utilities and municipal services, and there will be adequate capacity for infrastructure, utilities, and services to serve other projects approved and proposed in the service area.

(10) The project does not include a single level building that exceeds 100,000 square feet.

(11) The project is located in one of the following central business district housing target areas:

(A) The Valdez cluster, which is bounded on the west by Telegraph Avenue, on the south by 23rd Street, on the east by Harrison Street, and on the north by 27th Street. A project located in this cluster that meets the condition described in paragraph (8) may include a portion up to one acre that does not meet that condition.

(B) The Uptown cluster, which is bounded on the west by Castro Street, on the south by 14th Street from Castro Street to Jefferson Street and 16th Street and Broadway from 16th Street to 22nd Street, and on the north by 22nd Street.

(C) The 11th Street cluster, which is bounded by Franklin Street from 12th Street to 15th Street, by Webster Street from 11th Street to 12th Street, by Alice Street from 11th Street to 13th Street, by 12th Street from Franklin Street to Webster Street, by 11th Street from Webster Street to Alice Street and 13th Street from Alice Street to Madison Street, and on the east by Madison Street from 13th Street to 15th Street, and on the north by 15th Street from Franklin Street to Madison Street.

(D) The Old Oakland cluster, which is bounded on the west by Castro Street, on the south by 7th Street, on the east by Broadway, and on the north by 11th Street.

(b) A focused environmental impact report prepared pursuant to this section shall be limited to a discussion of potentially significant effects on the environment specific to the project. No discussion shall be required of alternatives to the project, cumulative impacts of the project, or the growth inducing impacts of the project.

(c) (1) On or before July 1, 2004, the city shall submit a report to the Office of Planning and Research that includes, but that is not necessarily limited to, all of the following information:

(A) The number of focused environmental impact reports prepared pursuant to this section.

(B) The types of projects for which focused environmental impact reports were prepared pursuant to this section.

(C) The time periods for preparing each of the focused environmental impact reports prepared pursuant to this section, and for acting on each project from the date that the application was deemed complete.

(D) A description of any alternatives to a project, cumulative impacts of a project, growth inducing impacts of a project, or other issues that may have been identified and analyzed if an environmental document, other than a focused environmental impact report, had been prepared for the project.

(2) Prior to submitting the report to the office pursuant to paragraph (1), the city shall hold at least one public hearing and shall respond to oral and written comments regarding the draft report. The city shall include the comments and responses in the final report.

(d) This section shall remain in effect only until January 1, 2008, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2008, deletes or extends that date.

SEC. 7. Section 21167 of the Public Resources Code is amended to read:

21167. An action or proceeding to attack, review, set aside, void, or annul the following acts or decisions of a public agency on the grounds of noncompliance with this division shall be commenced as follows:

(a) An action or proceeding alleging that a public agency is carrying out or has approved a project that may have a significant effect on the environment without having determined whether the project may have a significant effect on the environment shall be commenced within 180 days from the date of the public agency's decision to carry out or approve the project, or, if a project is undertaken without a formal decision by the public agency, within 180 days from the date of commencement of the project.

(b) An action or proceeding alleging that a public agency has improperly determined whether a project may have a significant effect on the environment shall be commenced within 30 days from the date of the filing of the notice required by subdivision (a) of Section 21108 or subdivision (a) of Section 21152.

(c) An action or proceeding alleging that an environmental impact report does not comply with this division shall be commenced within 30 days from the date of the filing of the notice required by subdivision (a) of Section 21108 or subdivision (a) of Section 21152 by the lead agency.

(d) An action or proceeding alleging that a public agency has improperly determined that a project is not subject to this division pursuant to subdivision (b) of Section 21080 or Section 21172 shall be commenced within 35 days from the date of the filing by the public agency, or person specified in subdivision (b) or (c) of Section 21065, of the notice authorized by subdivision (b) of Section 21108 or subdivision (b) of Section 21152. If the notice has not been filed, the action or proceeding shall be commenced within 180 days from the date of the public agency's decision to carry out or approve the project, or, if

a project is undertaken without a formal decision by the public agency, within 180 days from the date of commencement of the project.

(e) An action or proceeding alleging that another act or omission of a public agency does not comply with this division shall be commenced within 30 days from the date of the filing of the notice required by subdivision (a) of Section 21108 or subdivision (a) of Section 21152.

(f) If a person has made a written request to the public agency for a copy of the notice specified in Section 21108 or 21152 prior to the date on which the agency approves or determines to carry out the project, then not later than five days from the date of the agency's action, the public agency shall deposit a written copy of the notice addressed to that person in the United States mail, first class postage prepaid. The date upon which this notice is mailed shall not affect the time periods specified in subdivisions (b), (c), (d), and (e).

SEC. 8. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a 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, within the meaning of Section 17556 of the Government Code.

CHAPTER 745

An act to add Section 290.46 to the Penal Code, relating to sex offenders, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 24, 2004. Filed with Secretary of State September 24, 2004.]

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

SECTION 1. Section 290.46 is added to the Penal Code, to read:

290.46. (a) On or before the dates specified in this section, the Department of Justice shall make available information concerning persons who are required to register pursuant to Section 290 to the public via an Internet Web site as specified in this section. The department shall update the Web site on an ongoing basis. All information identifying the victim by name, birth date, address, or relationship to the registrant shall be excluded from the Web site. The name or address of the person's employer and the listed person's criminal history other than the specific crimes for which the person is required to register shall not be included

on the Web site. The Web site shall be translated into languages other than English as determined by the department.

(b) (1) On or before July 1, 2005, with respect to a person who has been convicted of the commission or the attempted commission of any of the offenses listed in this subdivision or the statutory predecessors of any of these offenses, or any offense which, if committed or attempted to be committed in this state, would have been punishable as one or more of the offenses listed in this subdivision, the Department of Justice shall make available to the public via the Internet Web site his or her names and known aliases, a photograph, a physical description, including gender and race, date of birth, criminal history, the address at which the person resides, and any other information that the Department of Justice deems relevant, but not the information excluded pursuant to subdivision (a).

(2) This subdivision shall apply to the following offenses:

(A) Subdivision (b) of Section 207.

(B) Subdivision (b) of Section 209, except kidnapping to commit robbery.

(C) Paragraph (2) or (6) of subdivision (a) of Section 261.

(D) Section 264.1.

(E) Section 269.

(F) Subdivision (c) or (d) of Section 286.

(G) Subdivision (a), (b), or (c) of Section 288, provided that the offense is a felony.

(H) Subdivision (c) or (d) of Section 288a.

(I) Section 288.5.

(J) Subdivision (a) or (j) of Section 289.

(3) This subdivision shall also apply to any person who has ever been adjudicated a sexually violent predator as defined in Section 6600 of the Welfare and Institutions Code.

(c) (1) On or before July 1, 2005, with respect to a person who has been convicted of the commission or the attempted commission of any of the offenses listed in paragraph (2) or the statutory predecessors of any of these offenses, or any offense which, if committed or attempted to be committed in this state, would have been punishable as one or more of the offenses listed in this subdivision, the Department of Justice shall make available to the public via the Internet Web site his or her names and known aliases, a photograph, a physical description, including gender and race, date of birth, criminal history, the community of residence and ZIP Code in which the person resides, and any other information that the Department of Justice deems relevant, but not the information excluded pursuant to subdivision (a). However, the address at which the person resides shall not be disclosed until a determination is made that the person is, by virtue of his or her additional prior or

subsequent conviction of an offense listed in paragraph (2) of subdivision (a) of Section 290, subject to this subdivision. On or before July 1, 2006, the Department of Justice shall determine whether any person convicted of an offense listed in paragraph (2) also has one or more prior or subsequent convictions of an offense listed in paragraph (2) of subdivision (a) of Section 290, and, for those persons, the Department of Justice shall make available to the public via the Internet Web site the address at which the person resides.

(2) This subdivision shall apply to the following offenses, provided that the person has one or more prior or subsequent convictions of an offense listed in paragraph (2) of subdivision (a) of Section 290:

(A) Section 220, except assault to commit mayhem.

(B) Paragraph (1), (3), or (4) of subdivision (a) of Section 261.

(C) Paragraph (2) of subdivision (b), or subdivision (f), (g), or (i), of Section 286.

(D) Paragraph (2) of subdivision (b), or subdivision (f), (g), or (i), of Section 288a.

(E) Subdivision (b), (d), (e), or (i) of Section 289.

(d) (1) On or before July 1, 2005, with respect to a person who has been convicted of the commission or the attempted commission of any of the offenses listed in this subdivision or the statutory predecessors of any of these offenses, or of any offense which, if committed or attempted to be committed in this state, would have been punishable as one or more of the offenses listed in this subdivision, the Department of Justice shall make available to the public via the Internet Web site his or her names and known aliases, a photograph, a physical description, including gender and race, date of birth, criminal history, the community of residence and ZIP Code in which the person resides, and any other information that the Department of Justice deems relevant, but not the information excluded pursuant to subdivision (a) or the address at which the person resides.

(2) This subdivision shall apply to the following offenses:

(A) Section 220, except assault to commit mayhem, with no prior or subsequent conviction of an offense listed in paragraph (2) of subdivision (a) of Section 290.

(B) Subdivision (a) of Section 243.4, provided that the offense is a felony.

(C) Paragraph (1), (3), or (4) of subdivision (a) of Section 261, with no prior or subsequent conviction of an offense listed in paragraph (2) of subdivision (a) of Section 290.

(D) Section 266, provided that the offense is a felony.

(E) Section 266c, provided that the offense is a felony.

(F) Section 266j.

(G) Section 267.

(H) Paragraph (2) of subdivision (b), or subdivision (f), (g), or (i), of Section 286, with no prior or subsequent conviction of an offense listed in paragraph (2) of subdivision (a) of Section 290.

(I) Subdivision (c) of Section 288, provided that the offense is a misdemeanor.

(J) Paragraph (2) of subdivision (b), or subdivision (f), (g), or (i), of Section 288a, with no prior or subsequent conviction of an offense listed in paragraph (2) of subdivision (a) of Section 290.

(K) Subdivision (b), (d), (e), or (i) of Section 289, with no prior or subsequent conviction of an offense listed in paragraph (2) of subdivision (a) of Section 290.

(L) Section 647.6.

(e) (1) If a person has been convicted of the commission or the attempted commission of any of the offenses listed in this subdivision or the statutory predecessors of any of these offenses, or of any offense which, if committed or attempted to be committed in this state, would have been punishable as one or more of the offenses listed in this subdivision, and he or she has been convicted of no other offense listed in subdivision (b), (c), or (d) other than those listed in this subdivision, that person may file an application for exclusion from the Internet Web site with the Department of Justice. If the department determines that the person meets the requirements of this subdivision, the department shall grant the exclusion and no information concerning him or her shall be made available via the Internet Web site described in this section. He or she bears the burden of proving the facts that make him or her eligible for exclusion from the Internet Web site. However, a person who has filed for or been granted an exclusion from the Internet Web site is not relieved of his or her duty to register as a sex offender pursuant to Section 290 nor from any otherwise applicable provision of law.

(2) This subdivision shall apply to the following offenses:

(A) A felony violation of subdivision (a) of Section 243.4.

(B) Section 647.6, provided the offense is a misdemeanor.

(C) An offense listed in subdivision (b), (c), or (d) if the offender is eligible for, granted, and successfully completes probation pursuant to Section 1203.066 of the Penal Code.

(f) The Department of Justice shall make a reasonable effort to provide notification to persons who have been convicted of the commission or attempted commission of an offense specified in subdivision (b), (c), or (d), that on or before July 1, 2005, the department is required to make information about him or her available to the public via an Internet Web site as specified in this section. The Department of Justice shall also make a reasonable effort to provide notice that he or she may be eligible for exclusion from the Internet Web site if he or she may

have been convicted of an offense for which exclusion is available pursuant to subdivision (e).

(g) Notwithstanding Section 6254.5 of the Government Code, disclosure of information pursuant to this section is not a waiver of exemptions under Chapter 3.5 (commencing with Section 6250) of Title 1 of Division 7 of the Government Code and does not affect other statutory restrictions on disclosure in other situations.

(h) (1) Any person who uses information disclosed pursuant to the Internet Web site to commit a misdemeanor shall be subject to, in addition to any other penalty or fine imposed, a fine of not less than ten thousand dollars ($10,000) and not more than fifty thousand dollars ($50,000).

(2) Any person who uses information disclosed pursuant to the Internet Web site to commit a felony shall be punished, in addition and consecutive to any other punishment, by a five-year term of imprisonment in the state prison.

(i) Any person who is required to register pursuant to Section 290 who enters the Web site is punishable by a fine not exceeding one thousand dollars ($1,000), imprisonment in a county jail for a period not to exceed six months, or by both that fine and imprisonment.

(j) (1) A person is authorized to use information disclosed pursuant to this section only to protect a person at risk.

(2) Except as authorized under paragraph (1) or any other provision of law, use of any information that is disclosed pursuant to this section for purposes relating to any of the following is prohibited:

(A) Health insurance.

(B) Insurance.

(C) Loans.

(D) Credit.

(E) Employment.

(F) Education, scholarships, or fellowships.

(G) Housing or accommodations.

(H) Benefits, privileges, or services provided by any business establishment.

(3) This section shall not affect authorized access to, or use of, information pursuant to, among other provisions, Sections 11105 and 11105.3, Section 8808 of the Family Code, Sections 777.5 and 14409.2 of the Financial Code, Sections 1522.01 and 1596.871 of the Health and Safety Code, and Section 432.7 of the Labor Code.

(4) (A) Any use of information disclosed pursuant to this section for purposes other than those provided by paragraph (1) or in violation of paragraph (2) shall make the user liable for the actual damages, and any amount that may be determined by a jury or a court sitting without a jury, not exceeding three times the amount of actual damage, and not less than

two hundred fifty dollars ($250), and attorney's fees, exemplary damages, or a civil penalty not exceeding twenty-five thousand dollars ($25,000).

(B) Whenever there is reasonable cause to believe that any person or group of persons is engaged in a pattern or practice of misuse of the information available via the Internet Web site in violation of paragraph (2), the Attorney General, any district attorney, or city attorney, or any person aggrieved by the misuse is authorized to bring a civil action in the appropriate court requesting preventive relief, including an application for a permanent or temporary injunction, restraining order, or other order against the person or group of persons responsible for the pattern or practice of misuse. The foregoing remedies shall be independent of any other remedies or procedures that may be available to an aggrieved party under other provisions of law, including Part 2 (commencing with Section 43) of Division 1 of the Civil Code.

(k) On or before July 1, 2006, and every year thereafter, the Department of Justice shall make a report to the Legislature concerning the operation of this section.

(*l*) The Department of Justice and its employees shall be immune from liability for good faith conduct under this section.

SEC. 2. It is the intent of the Legislature that the Department of Justice continue to maximize all available resources to ensure the highest degree of accuracy in the sex registration database, and that the department assist local agencies in developing strategies to achieve that goal.

SEC. 3. The sum of six hundred fifty thousand dollars ($650,000) is hereby appropriated from the General Fund to the Department of Justice for the purpose of implementing this act.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

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

In order to ensure that members of the public have adequate information about the identities and locations of sex offenders who may

put them and their families at risk, it is necessary that this act take effect immediately.

CHAPTER 746

An act to amend Sections 30301, 30301.2, 30301.5, 30310, 30512, and 30514.1 of, and to repeal Section 30512.1 of, the Public Resources Code, relating to the California Coastal Commission.

[Approved by Governor September 24, 2004. Filed with Secretary of State September 24, 2004.]

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

SECTION 1. Section 30301 of the Public Resources Code is amended to read:

30301. The commission shall consist of the following 15 members:

(a) The Secretary of the Resources Agency.

(b) The Secretary of Business, Transportation and Housing.

(c) The Chairperson of the State Lands Commission.

(d) Six representatives of the public from the state at large. The Governor, the Senate Committee on Rules, and the Speaker of the Assembly shall each appoint two of these members.

(e) Six representatives selected from six coastal regions. The Governor shall select one member from the north coast region and one member from the south central coast region. The Speaker of the Assembly shall select one member from the central coast region and one member from the San Diego coast region. The Senate Committee on Rules shall select one member from the north central coast region and one member from the south coast region. For purposes of this division, these regions are defined as follows:

(1) The north coast region consists of the Counties of Del Norte, Humboldt, and Mendocino.

(2) The north central coast region consists of the Counties of Sonoma and Marin and the City and County of San Francisco.

(3) The central coast region consists of the Counties of San Mateo, Santa Cruz, and Monterey.

(4) The south central coast region consists of the Counties of San Luis Obispo, Santa Barbara, and Ventura.

(5) The south coast region consists of the Counties of Los Angeles and Orange.

(6) The San Diego coast region consists of the County of San Diego.

SEC. 2. Section 30301.2 of the Public Resources Code is amended to read:

30301.2. (a) The appointments of the Governor, the Senate Committee on Rules, and the Speaker of the Assembly, pursuant to subdivision (e) of Section 30301, shall be made as prescribed in this section. Within 45 days from the date of receipt of a request for nominations by the appointing authority, the board of supervisors and city selection committee of each county within the region shall nominate supervisors or city council members who reside in the region from which the Governor, the Senate Committee on Rules, or the Speaker of the Assembly shall appoint a replacement. In regions composed of three counties, the board of supervisors and the city selection committee in each county within the region shall each nominate one or more supervisors and one or more city council members. In regions composed of two counties, the board of supervisors and the city selection committee in each county within the region shall each nominate not less than two supervisors and not less than two city council members. In regions composed of one county, the board of supervisors and the city selection committee in the county shall each nominate not less than three supervisors and not less than three city council members. Immediately upon selecting the nominees, the board of supervisors and the city selection committee shall send the names of the nominees to either the Governor, the Senate Committee on Rules, or the Speaker of the Assembly, whoever will appoint the replacement.

(b) Within 30 days from the date of receipt of the names of the nominees pursuant to subdivision (a), the Governor, the Speaker of the Assembly, or the Senate Committee on Rules, whoever will appoint the replacement, shall either appoint one of the nominees or notify the boards of supervisors and city selection committees within the region that none of the nominees are acceptable and request the boards of supervisors and city selection committees to make additional nominations. Within 45 days from the date of receipt of a notice rejecting all of the nominees, the boards of supervisors and city selection committees within the region shall nominate and send to the appointing authority the names of additional nominees in accordance with subdivision (a). Upon receipt of the names of those additional nominees, the appointing authority shall appoint one of the nominees.

SEC. 3. Section 30301.5 of the Public Resources Code is amended to read:

30301.5. A member of the commission serving pursuant to subdivision (a), (b), or (c) of Section 30301 shall be a nonvoting member and may appoint a designee to serve at his or her pleasure who shall have all the powers and duties of the member pursuant to this division.

SEC. 4. Section 30310 of the Public Resources Code is amended to read:

30310. In making their appointments pursuant to this division, the Governor, the Senate Rules Committee, and the Speaker of the Assembly shall make good faith efforts to assure that their appointments, as a whole, reflect, to the greatest extent feasible, the economic, social, and geographic diversity of the state.

SEC. 5. Section 30512 of the Public Resources Code is amended to read:

30512. (a) The land use plan of a proposed local coastal program shall be submitted to the commission. The commission shall, within 90 days after the submittal, after public hearing, either certify or refuse certification, in whole or in part, of the land use plan pursuant to the following procedure:

(1) No later than 60 days after a land use plan has been submitted to it, the commission shall, after public hearing and by majority vote of those members present, determine whether the land use plan, or a portion thereof applicable to an identifiable geographic area, raises no substantial issue as to conformity with the policies of Chapter 3 (commencing with Section 30200).

If the commission determines that no substantial issue is raised, the land use plan, or portion thereof applicable to an identifiable area, which raises no substantial issue, shall be deemed certified as submitted. The commission shall adopt findings to support its action.

(2) Where the commission determines pursuant to paragraph (1) that one or more portions of a land use plan applicable to one or more identifiable geographic areas raise no substantial issue as to conformity with the policies of Chapter 3 (commencing with Section 30200), the remainder of that land use plan applicable to other identifiable geographic areas shall be deemed to raise one or more substantial issues as to conformity with the policies of Chapter 3 (commencing with Section 30200). The commission shall identify each substantial issue for each geographic area.

(3) The commission shall hold at least one public hearing on the matter or matters that have been identified as substantial issues pursuant to paragraph (2). No later than 90 days after the submittal of the land use plan, the commission shall determine whether or not to certify the land use plan, in whole or in part. If the commission fails to act within the required 90-day period, the land use plan, or portion thereof, shall be deemed certified by the commission.

(b) If the commission determines not to certify a land use plan, in whole or in part, the commission shall provide a written explanation and may suggest modifications, which, if adopted and transmitted to the commission by the local government, shall cause the land use plan to be

deemed certified upon confirmation of the executive director. The local government may elect to meet the commission's refusal of certification in a manner other than as suggested by the commission and may then resubmit its revised land use plan to the commission. If a local government requests that the commission not recommend or suggest modifications which, if made, will result in certification, the commission shall refuse certification with the required findings.

(c) The commission shall certify a land use plan, or any amendments thereto, if it finds that a land use plan meets the requirements of, and is in conformity with, the policies of Chapter 3 (commencing with Section 30200). Except as provided in paragraph (1) of subdivision (a), a decision to certify shall require a majority vote of the appointed membership of the commission.

SEC. 6. Section 30512.1 of the Public Resources Code is repealed.

SEC. 7. Section 30514.1 of the Public Resources Code is amended to read:

30514.1. The commission shall adopt the findings or provide a written explanation or written notice, as appropriate, required by Sections 30512, 30512.2, and 30513 to support its action no later than 60 days after the date on which action was taken.

CHAPTER 747

An act to amend Section 1170 of the Penal Code, relating to crime.

[Approved by Governor September 24, 2004. Filed with Secretary of State September 24, 2004.]

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

SECTION 1. Section 1170 of the Penal Code is amended to read:

1170. (a) (1) The Legislature finds and declares that the purpose of imprisonment for crime is punishment. This purpose is best served by terms proportionate to the seriousness of the offense with provision for uniformity in the sentences of offenders committing the same offense under similar circumstances. The Legislature further finds and declares that the elimination of disparity and the provision of uniformity of sentences can best be achieved by determinate sentences fixed by statute in proportion to the seriousness of the offense as determined by the Legislature to be imposed by the court with specified discretion.

(2) Notwithstanding paragraph (1), the Legislature further finds and declares that programs should be available for inmates, including, but not limited to, educational programs, that are designed to prepare

nonviolent felony offenders for successful reentry into the community. The Legislature encourages the development of policies and programs designed to educate and rehabilitate nonviolent felony offenders. In implementing this section, the Department of Corrections is encouraged to give priority enrollment in programs to promote successful return to the community to an inmate with a short remaining term of commitment and a release date that would allow him or her adequate time to complete the program.

(3) In any case in which the punishment prescribed by statute for a person convicted of a public offense is a term of imprisonment in the state prison of any specification of three time periods, the court shall sentence the defendant to one of the terms of imprisonment specified unless the convicted person is given any other disposition provided by law, including a fine, jail, probation, or the suspension of imposition or execution of sentence or is sentenced pursuant to subdivision (b) of Section 1168 because he or she had committed his or her crime prior to July 1, 1977. In sentencing the convicted person, the court shall apply the sentencing rules of the Judicial Council. The court, unless it determines that there are circumstances in mitigation of the punishment prescribed, shall also impose any other term that it is required by law to impose as an additional term. Nothing in this article shall affect any provision of law that imposes the death penalty, that authorizes or restricts the granting of probation or suspending the execution or imposition of sentence, or expressly provides for imprisonment in the state prison for life. In any case in which the amount of preimprisonment credit under Section 2900.5 or any other provision of law is equal to or exceeds any sentence imposed pursuant to this chapter, the entire sentence shall be deemed to have been served and the defendant shall not be actually delivered to the custody of the Director of Corrections. The court shall advise the defendant that he or she shall serve a period of parole and order the defendant to report to the parole office closest to the defendant's last legal residence, unless the in-custody credits equal the total sentence, including both confinement time and the period of parole. The sentence shall be deemed a separate prior prison term under Section 667.5, and a copy of the judgment and other necessary documentation shall be forwarded to the Director of Corrections.

(b) When a judgment of imprisonment is to be imposed and the statute specifies three possible terms, the court shall order imposition of the middle term, unless there are circumstances in aggravation or mitigation of the crime. At least four days prior to the time set for imposition of judgment, either party or the victim, or the family of the victim if the victim is deceased, may submit a statement in aggravation or mitigation to dispute facts in the record or the probation officer's report, or to present additional facts. In determining whether there are

circumstances that justify imposition of the upper or lower term, the court may consider the record in the case, the probation officer's report, other reports including reports received pursuant to Section 1203.03 and statements in aggravation or mitigation submitted by the prosecution, the defendant, or the victim, or the family of the victim if the victim is deceased, and any further evidence introduced at the sentencing hearing. The court shall set forth on the record the facts and reasons for imposing the upper or lower term. The court may not impose an upper term by using the fact of any enhancement upon which sentence is imposed under any provision of law. A term of imprisonment shall not be specified if imposition of sentence is suspended.

(c) The court shall state the reasons for its sentence choice on the record at the time of sentencing. The court shall also inform the defendant that as part of the sentence after expiration of the term he or she may be on parole for a period as provided in Section 3000.

(d) When a defendant subject to this section or subdivision (b) of Section 1168 has been sentenced to be imprisoned in the state prison and has been committed to the custody of the Director of Corrections, the court may, within 120 days of the date of commitment on its own motion, or at any time upon the recommendation of the Director of Corrections or the Board of Prison Terms, recall the sentence and commitment previously ordered and resentence the defendant in the same manner as if he or she had not previously been sentenced, provided the new sentence, if any, is no greater than the initial sentence. The resentence under this subdivision shall apply the sentencing rules of the Judicial Council so as to eliminate disparity of sentences and to promote uniformity of sentencing. Credit shall be given for time served.

(e) (1) Notwithstanding any other law and consistent with paragraph (1) of subdivision (a) of Section 1170, if the Director of Corrections or the Board of Prison Terms or both determine that a prisoner satisfies the criteria set forth in paragraph (2), the director or the board may recommend to the court that the prisoner's sentence be recalled.

(2) The court shall have the discretion to resentence or recall if the court finds both of the following:

(A) The prisoner is terminally ill with an incurable condition caused by an illness or disease that would produce death within six months, as determined by a physician employed by the department.

(B) The conditions under which the prisoner would be released or receive treatment do not pose a threat to public safety.

The Board of Prison Terms shall make findings pursuant to this subdivision before making a recommendation for resentence or recall to the court. This subdivision does not apply to a prisoner sentenced to death or a term of life without the possibility of parole.

(3) Within 10 days of receipt of a positive recommendation by the director or the board, the court shall hold a hearing to consider whether the prisoner's sentence should be recalled.

(4) The prisoner or his or her family member or designee may request consideration for recall and resentencing by contacting the chief medical officer at the prison or the Director of Corrections. Upon receipt of the request, if the director determines that the prisoner satisfies the criteria set forth in paragraph (2), the director or board may recommend to the court that the prisoner's sentence be recalled. The director shall submit a recommendation for release within 30 days in the case of inmates sentenced to determinate terms and, in the case of inmates sentenced to indeterminate terms, the director may make a recommendation to the Board of Prison Terms with respect to the inmates who have applied under this section. The board shall consider this information and make an independent judgment pursuant to paragraph (2) and make findings related thereto before rejecting the request or making a recommendation to the court. This action shall be taken at the next lawfully noticed board meeting.

(5) Any recommendation for recall submitted to the court by the Director of Corrections or the Board of Prison Terms shall include one or more medical evaluations, a postrelease plan, and findings pursuant to paragraph (2).

(6) If possible, the matter shall be heard before the same judge of the court who sentenced the prisoner.

(f) Any sentence imposed under this article shall be subject to the provisions of Sections 3000 and 3057 and any other applicable provisions of law.

(g) A sentence to state prison for a determinate term for which only one term is specified, is a sentence to state prison under this section.

SEC. 2. Section 1170 of the Penal Code is amended to read:

1170. (a) (1) The Legislature finds and declares that the purpose of imprisonment for crime is punishment. This purpose is best served by terms proportionate to the seriousness of the offense with provision for uniformity in the sentences of offenders committing the same offense under similar circumstances. The Legislature further finds and declares that the elimination of disparity and the provision of uniformity of sentences can best be achieved by determinate sentences fixed by statute in proportion to the seriousness of the offense as determined by the Legislature to be imposed by the court with specified discretion.

(2) Notwithstanding paragraph (1), the Legislature further finds and declares that programs should be available for inmates, including, but not limited to, educational programs, that are designed to prepare nonviolent felony offenders for successful reentry into the community. The Legislature encourages the development of policies and programs

designed to educate and rehabilitate nonviolent felony offenders. In implementing this section, the Department of Corrections is encouraged to give priority enrollment in programs to promote successful return to the community to an inmate with a short remaining term of commitment and a release date that would allow him or her adequate time to complete the program.

(3) In any case in which the punishment prescribed by statute for a person convicted of a public offense is a term of imprisonment in the state prison of any specification of three time periods, the court shall sentence the defendant to one of the terms of imprisonment specified unless the convicted person is given any other disposition provided by law, including a fine, jail, probation, or the suspension of imposition or execution of sentence or is sentenced pursuant to subdivision (b) of Section 1168 because he or she had committed his or her crime prior to July 1, 1977. In sentencing the convicted person, the court shall apply the sentencing rules of the Judicial Council. The court, unless it determines that there are circumstances in mitigation of the punishment prescribed, shall also impose any other term that it is required by law to impose as an additional term. Nothing in this article shall affect any provision of law that imposes the death penalty, that authorizes or restricts the granting of probation or suspending the execution or imposition of sentence, or expressly provides for imprisonment in the state prison for life. In any case in which the amount of preimprisonment credit under Section 2900.5 or any other provision of law is equal to or exceeds any sentence imposed pursuant to this chapter, the entire sentence shall be deemed to have been served and the defendant shall not be actually delivered to the custody of the Director of Corrections. The court shall advise the defendant that he or she shall serve a period of parole and order the defendant to report to the parole office closest to the defendant's last legal residence, unless the in-custody credits equal the total sentence, including both confinement time and the period of parole. The sentence shall be deemed a separate prior prison term under Section 667.5, and a copy of the judgment and other necessary documentation shall be forwarded to the Director of Corrections.

(b) When a judgment of imprisonment is to be imposed and the statute specifies three possible terms, the court shall order imposition of the middle term, unless there are circumstances in aggravation or mitigation of the crime. At least four days prior to the time set for imposition of judgment, either party or the victim, or the family of the victim if the victim is deceased, may submit a statement in aggravation or mitigation to dispute facts in the record or the probation officer's report, or to present additional facts. In determining whether there are circumstances that justify imposition of the upper or lower term, the court may consider the record in the case, the probation officer's report,

other reports including reports received pursuant to Section 1203.03 and statements in aggravation or mitigation submitted by the prosecution, the defendant, or the victim, or the family of the victim if the victim is deceased, and any further evidence introduced at the sentencing hearing. The court shall set forth on the record the facts and reasons for imposing the upper or lower term. The court may not impose an upper term by using the fact of any enhancement upon which sentence is imposed under any provision of law. A term of imprisonment shall not be specified if imposition of sentence is suspended.

(c) The court shall state the reasons for its sentence choice on the record at the time of sentencing. The court shall also inform the defendant that as part of the sentence after expiration of the term he or she may be on parole for a period as provided in Section 3000.

(d) When a defendant subject to this section or subdivision (b) of Section 1168 has been sentenced to be imprisoned in the state prison and has been committed to the custody of the Director of Corrections, the court may, within 120 days of the date of commitment on its own motion, or at any time upon the recommendation of the Director of Corrections or the Board of Prison Terms, recall the sentence and commitment previously ordered and resentence the defendant in the same manner as if he or she had not previously been sentenced, provided the new sentence, if any, is no greater than the initial sentence. The resentence under this subdivision shall apply the sentencing rules of the Judicial Council so as to eliminate disparity of sentences and to promote uniformity of sentencing. Credit shall be given for time served.

(e) (1) Notwithstanding any other law and consistent with paragraph (1) of subdivision (a) of Section 1170, if the Director of Corrections or the Board of Prison Terms or both determine that a prisoner satisfies the criteria set forth in paragraph (2), the director or the board may recommend to the court that the prisoner's sentence be recalled.

(2) The court shall have the discretion to resentence or recall if the court finds that the facts described in subparagraphs (A) and (B) or subparagraphs (B) and (C) exist:

(A) The prisoner is terminally ill with an incurable condition caused by an illness or disease that would produce death within six months, as determined by a physician employed by the department.

(B) The conditions under which the prisoner would be released or receive treatment do not pose a threat to public safety.

(C) The prisoner is medically incapacitated by a medical condition that renders him or her permanently unable to move without assistance, permanently unable to perform activities of daily living such as dressing, eating, ambulating, or maintaining personal hygiene without assistance, or permanently ventilator-dependent.

The Board of Prison Terms shall make findings pursuant to this subdivision before making a recommendation for resentence or recall to the court. This subdivision does not apply to a prisoner sentenced to death or a term of life without the possibility of parole.

(3) Within 10 days of receipt of a positive recommendation by the director or the board, the court shall hold a hearing to consider whether the prisoner's sentence should be recalled.

(4) Any physician employed by the department who determines that a prisoner meets the criteria of subparagraph (A) or (C) of paragraph (2) shall notify the chief medical officer of the prognosis. If the chief medical officer concurs with the prognosis, he or she shall notify the warden. Within 48 hours of receiving notification, the warden or the warden's representative shall notify the prisoner of the recall and resentencing procedures, and shall arrange for the prisoner to designate a family member or other outside agent to be notified as to the prisoner's medical condition and prognosis, and as to the recall and resentencing procedures. If the inmate is deemed mentally unfit, the warden or the warden's representative shall contact the inmate's emergency contact and provide the information described in paragraph (2).

(5) The warden or the warden's representative shall provide the prisoner and his or her family member, agent, or emergency contact, as described in paragraph (4), updated information throughout the recall and resentencing process with regard to the prisoner's medical condition and the status of the prisoner's recall and resentencing proceedings.

(6) Notwithstanding any other provisions of this section, the prisoner or his or her family member or designee may independently request consideration for recall and resentencing by contacting the chief medical officer at the prison or the Director of Corrections. Upon receipt of the request, the chief medical officer and the warden or the warden's representative shall follow the procedure described in paragraph (4). If the director determines that the prisoner satisfies the criteria set forth in paragraph (2), the director or board may recommend to the court that the prisoner's sentence be recalled. The director shall submit a recommendation for release within 30 days in the case of inmates sentenced to determinate terms and, in the case of inmates sentenced to indeterminate terms, the director shall make a recommendation to the Board of Prison Terms with respect to the inmates who have applied under this section. The board shall consider this information and make an independent judgment pursuant to paragraph (2) and make findings related thereto before rejecting the request or making a recommendation to the court. This action shall be taken at the next lawfully noticed board meeting.

(7) Any recommendation for recall submitted to the court by the Director of Corrections or the Board of Prison Terms shall include one

or more medical evaluations, a postrelease plan, and findings pursuant to paragraph (2).

(8) If possible, the matter shall be heard before the same judge of the court who sentenced the prisoner.

(9) If the court grants the recall and resentencing application, the prisoner shall be released by the department within 48 hours of receipt of the court's order, unless a longer time period is agreed to by the inmate. At the time of release, the warden or the warden's representative shall ensure that the prisoner has each of the following in his or her possession: a discharge medical summary, full medical records, state identification, parole medications, and all property belonging to the prisoner. After discharge, any additional records shall be sent to the prisoner's forwarding address.

(10) The director shall issue a directive to medical and correctional staff employed by the department that details the guidelines and procedures for initiating a recall and resentencing procedure. The directive shall clearly state that any prisoner who meets the criteria of subparagraph (A) or (C) of paragraph (2) is eligible for recall and resentencing consideration, and that recall and resentencing procedures shall be initiated upon that prognosis.

(f) Any sentence imposed under this article shall be subject to the provisions of Sections 3000 and 3057 and any other applicable provisions of law.

(g) A sentence to state prison for a determinate term for which only one term is specified, is a sentence to state prison under this section.

SEC. 3. Section 1170 of the Penal Code is amended to read:

1170. (a) (1) The Legislature finds and declares that the purpose of imprisonment for crime is punishment. This purpose is best served by terms proportionate to the seriousness of the offense with provision for uniformity in the sentences of offenders committing the same offense under similar circumstances. The Legislature further finds and declares that the elimination of disparity and the provision of uniformity of sentences can best be achieved by determinate sentences fixed by statute in proportion to the seriousness of the offense as determined by the Legislature to be imposed by the court with specified discretion.

(2) Notwithstanding paragraph (1), the Legislature further finds and declares that programs should be available for inmates, including, but not limited to, educational programs, that are designed to prepare nonviolent felony offenders for successful reentry into the community. The Legislature encourages the development of policies and programs designed to educate and rehabilitate nonviolent felony offenders, particularly those who are sole custodial parents of minor dependent children. In implementing this section, the Department of Corrections is encouraged to give priority enrollment in programs to promote

successful return to the community to an inmate with a short remaining term of commitment and a release date that would allow him or her adequate time to complete the program.

(3) In any case in which the punishment prescribed by statute for a person convicted of a public offense is a term of imprisonment in the state prison of any specification of three time periods, the court shall sentence the defendant to one of the terms of imprisonment specified unless the convicted person is given any other disposition provided by law, including a fine, jail, probation, or the suspension of imposition or execution of sentence or is sentenced pursuant to subdivision (b) of Section 1168 because he or she had committed his or her crime prior to July 1, 1977. In sentencing the convicted person, the court shall apply the sentencing rules of the Judicial Council. The court, unless it determines that there are circumstances in mitigation of the punishment prescribed, shall also impose any other term that it is required by law to impose as an additional term. Nothing in this article shall affect any provision of law that imposes the death penalty, that authorizes or restricts the granting of probation or suspending the execution or imposition of sentence, or expressly provides for imprisonment in the state prison for life. In any case in which the amount of preimprisonment credit under Section 2900.5 or any other provision of law is equal to or exceeds any sentence imposed pursuant to this chapter, the entire sentence shall be deemed to have been served and the defendant shall not be actually delivered to the custody of the Director of Corrections. The court shall advise the defendant that he or she shall serve a period of parole and order the defendant to report to the parole office closest to the defendant's last legal residence, unless the in-custody credits equal the total sentence, including both confinement time and the period of parole. The sentence shall be deemed a separate prior prison term under Section 667.5, and a copy of the judgment and other necessary documentation shall be forwarded to the Director of Corrections.

(b) When a judgment of imprisonment is to be imposed and the statute specifies three possible terms, the court shall order imposition of the middle term, unless there are circumstances in aggravation or mitigation of the crime. At least four days prior to the time set for imposition of judgment, either party or the victim, or the family of the victim if the victim is deceased, may submit a statement in aggravation or mitigation to dispute facts in the record or the probation officer's report, or to present additional facts. In determining whether there are circumstances that justify imposition of the upper or lower term, the court may consider the record in the case, the probation officer's report, other reports including reports received pursuant to Section 1203.03 and statements in aggravation or mitigation submitted by the prosecution, the defendant, or the victim, or the family of the victim if the victim is

deceased, and any further evidence introduced at the sentencing hearing. The court shall set forth on the record the facts and reasons for imposing the upper or lower term. The court may not impose an upper term by using the fact of any enhancement upon which sentence is imposed under any provision of law. A term of imprisonment shall not be specified if imposition of sentence is suspended.

(c) The court shall state the reasons for its sentence choice on the record at the time of sentencing. The court shall also inform the defendant that as part of the sentence after expiration of the term he or she may be on parole for a period as provided in Section 3000.

(d) When a defendant subject to this section or subdivision (b) of Section 1168 has been sentenced to be imprisoned in the state prison and has been committed to the custody of the Director of Corrections, the court may, within 120 days of the date of commitment on its own motion, or at any time upon the recommendation of the Director of Corrections or the Board of Prison Terms, recall the sentence and commitment previously ordered and resentence the defendant in the same manner as if he or she had not previously been sentenced, provided the new sentence, if any, is no greater than the initial sentence. The resentence under this subdivision shall apply the sentencing rules of the Judicial Council so as to eliminate disparity of sentences and to promote uniformity of sentencing. Credit shall be given for time served.

(e) (1) Notwithstanding any other law and consistent with paragraph (1) of subdivision (a) of Section 1170, if the Director of Corrections or the Board of Prison Terms or both determine that a prisoner satisfies the criteria set forth in paragraph (2), the director or the board may recommend to the court that the prisoner's sentence be recalled.

(2) The court shall have the discretion to resentence or recall if the court finds both of the following:

(A) The prisoner is terminally ill with an incurable condition caused by an illness or disease that would produce death within six months, as determined by a physician employed by the department.

(B) The conditions under which the prisoner would be released or receive treatment do not pose a threat to public safety.

The Board of Prison Terms shall make findings pursuant to this subdivision before making a recommendation for resentence or recall to the court. This subdivision does not apply to a prisoner sentenced to death or a term of life without the possibility of parole.

(3) Within 10 days of receipt of a positive recommendation by the director or the board, the court shall hold a hearing to consider whether the prisoner's sentence should be recalled.

(4) The prisoner or his or her family member or designee may request consideration for recall and resentencing by contacting the chief medical officer at the prison or the Director of Corrections. Upon receipt of the

request, if the director determines that the prisoner satisfies the criteria set forth in paragraph (2), the director or board may recommend to the court that the prisoner's sentence be recalled. The director shall submit a recommendation for release within 30 days in the case of inmates sentenced to determinate terms and, in the case of inmates sentenced to indeterminate terms, the director may make a recommendation to the Board of Prison Terms with respect to the inmates who have applied under this section. The board shall consider this information and make an independent judgment pursuant to paragraph (2) and make findings related thereto before rejecting the request or making a recommendation to the court. This action shall be taken at the next lawfully noticed board meeting.

(5) Any recommendation for recall submitted to the court by the Director of Corrections or the Board of Prison Terms shall include one or more medical evaluations, a postrelease plan, and findings pursuant to paragraph (2).

(6) If possible, the matter shall be heard before the same judge of the court who sentenced the prisoner.

(f) Any sentence imposed under this article shall be subject to the provisions of Sections 3000 and 3057 and any other applicable provisions of law.

(g) A sentence to state prison for a determinate term for which only one term is specified, is a sentence to state prison under this section.

SEC. 4. Section 1170 of the Penal Code is amended to read:

1170. (a) (1) The Legislature finds and declares that the purpose of imprisonment for crime is punishment. This purpose is best served by terms proportionate to the seriousness of the offense with provision for uniformity in the sentences of offenders committing the same offense under similar circumstances. The Legislature further finds and declares that the elimination of disparity and the provision of uniformity of sentences can best be achieved by determinate sentences fixed by statute in proportion to the seriousness of the offense as determined by the Legislature to be imposed by the court with specified discretion.

(2) Notwithstanding paragraph (1), the Legislature further finds and declares that programs should be available for inmates, including, but not limited to, educational programs, that are designed to prepare nonviolent felony offenders for successful reentry into the community. The Legislature encourages the development of policies and programs designed to educate and rehabilitate nonviolent felony offenders, particularly those who are sole custodial parents of minor dependent children. In implementing this section, the Department of Corrections is encouraged to give priority enrollment in programs to promote successful return to the community to an inmate with a short remaining

term of commitment and a release date that would allow him or her adequate time to complete the program.

(3) In any case in which the punishment prescribed by statute for a person convicted of a public offense is a term of imprisonment in the state prison of any specification of three time periods, the court shall sentence the defendant to one of the terms of imprisonment specified unless the convicted person is given any other disposition provided by law, including a fine, jail, probation, or the suspension of imposition or execution of sentence or is sentenced pursuant to subdivision (b) of Section 1168 because he or she had committed his or her crime prior to July 1, 1977. In sentencing the convicted person, the court shall apply the sentencing rules of the Judicial Council. The court, unless it determines that there are circumstances in mitigation of the punishment prescribed, shall also impose any other term that it is required by law to impose as an additional term. Nothing in this article shall affect any provision of law that imposes the death penalty, that authorizes or restricts the granting of probation or suspending the execution or imposition of sentence, or expressly provides for imprisonment in the state prison for life. In any case in which the amount of preimprisonment credit under Section 2900.5 or any other provision of law is equal to or exceeds any sentence imposed pursuant to this chapter, the entire sentence shall be deemed to have been served and the defendant shall not be actually delivered to the custody of the Director of Corrections. The court shall advise the defendant that he or she shall serve a period of parole and order the defendant to report to the parole office closest to the defendant's last legal residence, unless the in-custody credits equal the total sentence, including both confinement time and the period of parole. The sentence shall be deemed a separate prior prison term under Section 667.5, and a copy of the judgment and other necessary documentation shall be forwarded to the Director of Corrections.

(b) When a judgment of imprisonment is to be imposed and the statute specifies three possible terms, the court shall order imposition of the middle term, unless there are circumstances in aggravation or mitigation of the crime. At least four days prior to the time set for imposition of judgment, either party or the victim, or the family of the victim if the victim is deceased, may submit a statement in aggravation or mitigation to dispute facts in the record or the probation officer's report, or to present additional facts. In determining whether there are circumstances that justify imposition of the upper or lower term, the court may consider the record in the case, the probation officer's report, other reports including reports received pursuant to Section 1203.03 and statements in aggravation or mitigation submitted by the prosecution, the defendant, or the victim, or the family of the victim if the victim is deceased, and any further evidence introduced at the sentencing hearing.

The court shall set forth on the record the facts and reasons for imposing the upper or lower term. The court may not impose an upper term by using the fact of any enhancement upon which sentence is imposed under any provision of law. A term of imprisonment shall not be specified if imposition of sentence is suspended.

(c) The court shall state the reasons for its sentence choice on the record at the time of sentencing. The court shall also inform the defendant that as part of the sentence after expiration of the term he or she may be on parole for a period as provided in Section 3000.

(d) When a defendant subject to this section or subdivision (b) of Section 1168 has been sentenced to be imprisoned in the state prison and has been committed to the custody of the Director of Corrections, the court may, within 120 days of the date of commitment on its own motion, or at any time upon the recommendation of the Director of Corrections or the Board of Prison Terms, recall the sentence and commitment previously ordered and resentence the defendant in the same manner as if he or she had not previously been sentenced, provided the new sentence, if any, is no greater than the initial sentence. The resentence under this subdivision shall apply the sentencing rules of the Judicial Council so as to eliminate disparity of sentences and to promote uniformity of sentencing. Credit shall be given for time served.

(e) (1) Notwithstanding any other law and consistent with paragraph (1) of subdivision (a) of Section 1170, if the Director of Corrections or the Board of Prison Terms or both determine that a prisoner satisfies the criteria set forth in paragraph (2), the director or the board may recommend to the court that the prisoner's sentence be recalled.

(2) The court shall have the discretion to resentence or recall if the court finds that the facts described in subparagraphs (A) and (B) or subparagraphs (B) and (C) exist:

(A) The prisoner is terminally ill with an incurable condition caused by an illness or disease that would produce death within six months, as determined by a physician employed by the department.

(B) The conditions under which the prisoner would be released or receive treatment do not pose a threat to public safety.

(C) The prisoner is medically incapacitated by a medical condition that renders him or her permanently unable to move without assistance, permanently unable to perform activities of daily living such as dressing, eating, ambulating, or maintaining personal hygiene without assistance, or permanently ventilator-dependent.

The Board of Prison Terms shall make findings pursuant to this subdivision before making a recommendation for resentence or recall to the court. This subdivision does not apply to a prisoner sentenced to death or a term of life without the possibility of parole.

(3) Within 10 days of receipt of a positive recommendation by the director or the board, the court shall hold a hearing to consider whether the prisoner's sentence should be recalled.

(4) Any physician employed by the department who determines that a prisoner meets the criteria of subparagraph (A) or (C) of paragraph (2) shall notify the chief medical officer of the prognosis. If the chief medical officer concurs with the prognosis, he or she shall notify the warden. Within 48 hours of receiving notification, the warden or the warden's representative shall notify the prisoner of the recall and resentencing procedures, and shall arrange for the prisoner to designate a family member or other outside agent to be notified as to the prisoner's medical condition and prognosis, and as to the recall and resentencing procedures. If the inmate is deemed mentally unfit, the warden or the warden's representative shall contact the inmate's emergency contact and provide the information described in paragraph (2).

(5) The warden or the warden's representative shall provide the prisoner and his or her family member, agent, or emergency contact, as described in paragraph (4), updated information throughout the recall and resentencing process with regard to the prisoner's medical condition and the status of the prisoner's recall and resentencing proceedings.

(6) Notwithstanding any other provisions of this section, the prisoner or his or her family member or designee may independently request consideration for recall and resentencing by contacting the chief medical officer at the prison or the Director of Corrections. Upon receipt of the request, the chief medical officer and the warden or the warden's representative shall follow the procedure described in paragraph (4). If the director determines that the prisoner satisfies the criteria set forth in paragraph (2), the director or board may recommend to the court that the prisoner's sentence be recalled. The director shall submit a recommendation for release within 30 days in the case of inmates sentenced to determinate terms and, in the case of inmates sentenced to indeterminate terms, the director shall make a recommendation to the Board of Prison Terms with respect to the inmates who have applied under this section. The board shall consider this information and make an independent judgment pursuant to paragraph (2) and make findings related thereto before rejecting the request or making a recommendation to the court. This action shall be taken at the next lawfully noticed board meeting.

(7) Any recommendation for recall submitted to the court by the Director of Corrections or the Board of Prison Terms shall include one or more medical evaluations, a postrelease plan, and findings pursuant to paragraph (2).

(8) If possible, the matter shall be heard before the same judge of the court who sentenced the prisoner.

(9) If the court grants the recall and resentencing application, the prisoner shall be released by the department within 48 hours of receipt of the court's order, unless a longer time period is agreed to by the inmate. At the time of release, the warden or the warden's representative shall ensure that the prisoner has each of the following in his or her possession: a discharge medical summary, full medical records, state identification, parole medications, and all property belonging to the prisoner. After discharge, any additional records shall be sent to the prisoner's forwarding address.

(10) The director shall issue a directive to medical and correctional staff employed by the department that details the guidelines and procedures for initiating a recall and resentencing procedure. The directive shall clearly state that any prisoner who meets the criteria of subparagraph (A) or (C) of paragraph (2) is eligible for recall and resentencing consideration, and that recall and resentencing procedures shall be initiated upon that prognosis.

(f) Any sentence imposed under this article shall be subject to the provisions of Sections 3000 and 3057 and any other applicable provisions of law.

(g) A sentence to state prison for a determinate term for which only one term is specified, is a sentence to state prison under this section.

SEC. 5. (a) Section 2 of this bill incorporates amendments to Section 1170 of the Penal Code proposed by both this bill and AB 1946. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 1170 of the Penal Code, (3) AB 1941 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after AB 1946, in which case Sections 1, 3, and 4 of this bill shall not become operative.

(b) Section 3 of this bill incorporates amendments to Section 1170 of the Penal Code proposed by both this bill and AB 1941. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 1170 of the Penal Code, (3) AB 1946 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after AB 1941, in which case Sections 1, 2, and 4 of this bill shall not become operative.

(c) Section 4 of this bill incorporates amendments to Section 1170 of the Penal Code proposed by this bill, AB 1941, and AB 1946. It shall only become operative if (1) all three bills are enacted and become effective on or before January 1, 2005, (2) all three bills amend Section 1170 of the Penal Code, and (3) this bill is enacted after AB 1946, and AB 1941, in which case Sections 1, 2, and 3 of this bill shall not become operative.

———

CHAPTER 748

An act to add Section 5781 to the Welfare and Institutions Code, relating to Medi-Cal.

[Approved by Governor September 24, 2004. Filed with Secretary of State September 24, 2004.]

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

SECTION 1. The Legislature finds and declares that allowing hospitals to contract on behalf of health professionals providing mental health services to Medi-Cal beneficiaries helps increase access to an already strained Medi-Cal program and assists those health professionals in obtaining timely reimbursement for services provided to Medi-Cal beneficiaries. It is the intent of the Legislature, in enacting this act, to reaffirm the importance of Section 2400 of the Business and Professions Code.

SEC. 2. Section 5781 is added to the Welfare and Institutions Code, to read:

5781. (a) Notwithstanding any other provision of law, a mental health plan may enter into a contract for the provision of mental health services for Medi-Cal beneficiaries with a hospital that provides for a per diem reimbursement rate for services that include room and board, routine hospital services, and all hospital-based ancillary services and that provides separately for the attending mental health professional's daily visit fee. The payment of these negotiated reimbursement rates to the hospital by the mental health plan shall be considered payment in full for each day of inpatient psychiatric and hospital care rendered to a Medi-Cal beneficiary, subject to third-party liability and patient share of costs, if any.

(b) This section shall not be construed to allow a hospital to interfere with, control, or otherwise direct the professional judgment of a physician and surgeon in a manner prohibited by Section 2400 of the Business and Professions Code or any other provision of law.

(c) For purposes of this section, ''hospital'' means a hospital that submits reimbursement claims for Medi-Cal psychiatric inpatient hospital services through the Medi-Cal fiscal intermediary as permitted by subdivision (g) of Section 5778.