STATUTES OF CALIFORNIA

1981–82

REGULAR SESSION

1981 CHAPTERS

CHAPTER 1

An act to amend Section 10950 of the Welfare and Institutions Code, relating to public social services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor December 4, 1980 Filed with Secretary of State December 4, 1980.]

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

SECTION 1. Section 10950 of the Welfare and Institutions Code is amended to read:

10950. If any applicant for or recipient of public social services is dissatisfied with any action of the county department relating to his application for or receipt of public social services, if his application is not acted upon with reasonable promptness, or if any person who desires to apply for public social services is refused the opportunity to submit a signed application therefor, and is dissatisfied with such refusal, he shall, in person or through an authorized representative, without the necessity of filing a claim with the board of supervisors, upon filing a request with the State Department of Social Services or the State Department of Health Services, whichever department administers the public social service, be accorded an opportunity for a fair hearing.

Notwithstanding any other provision of this code, there is no right to a state hearing when either (1) state or federal law requires automatic grant adjustments for classes of recipients unless the reason for an individual request is incorrect grant computation, or (2) the sole issue is a federal or state law requiring an automatic change in services or medical assistance which adversely affects some or all recipients.

For the purposes of administering health care services and medical assistance, the State Director of Health Services shall have those powers and duties conferred on the Director of Social Services by this chapter to conduct fair hearings in order to secure approval of a state plan under the provisions of applicable federal law.

The State Director of Health Services may contract with the State Department of Social Services for the provisions of fair hearings in accordance with this chapter.

As used in this chapter, "recipient" means an applicant for or recipient of public social services except aid exclusively financed by county funds or aid under Chapter 3 (commencing with Section 12000) of Part 3 of this division.

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 and shall go into immediate effect. The facts constituting such necessity are:

In order to avoid costly and unnecessary hearings when either state or federal law requires automatic grant adjustments for classes of recipients of public social services, it is necessary that this act take effect immediately.

CHAPTER 2

An act to amend Section 1824 of the Probate Code, relating to limited conservatorships, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 11, 1981. Filed with Secretary of State February 13, 1981.]

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

SECTION 1. Section 1824 of the Probate Code is amended to read:

1824. The citation and a copy of the petition shall be served on the proposed conservatee at least 15 days before the hearing. Service shall be made in the manner provided in Section 415.10 or 415.30 of the Code of Civil Procedure or in such manner as may be authorized by the court. If the proposed conservatee is outside this state, service may also be made in the manner provided in Section 415.40 of the Code of Civil Procedure.

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

In order to prevent the inappropriate dismissal of large numbers of Lanterman-Petris-Short Act petitions for appointment of conservator for mentally ill persons who are gravely disabled, it is necessary that this act take effect immediately.

CHAPTER 3

An act to repeal Section 14317 of the Government Code, relating to state contracts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 23, 1981 Filed with Secretary of State February 23, 1981]

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

SECTION 1. Section 14317 of the Government Code is repealed.

SEC. 2. The repeal of Section 14317 of the Government Code, as added by Chapter 506 of the Statutes of 1980, shall not apply to bids opened after the effective date of that section, and on or before the effective date of this act. Sales taxes to be paid by the bidder shall be disregarded in awarding contracts based on bids opened during such period.

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

Section 14317 of the Government Code, as added by Chapter 506 of the Statutes of 1980 will cause confusion and administrative difficulties in carrying out its provisions. In order to prevent these results, it is necessary that this act take effect immediately.

CHAPTER 4

An act to add and repeal Section 201.1 of the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 26, 1981. Filed with Secretary of State February 27, 1981.]

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

SECTION 1. Section 201.1 is added to the Revenue and Taxation Code, to read:

201.1. Property owned by a nonprofit entity, in which a transit development board has the sole ownership interest in the entity, shall be deemed to be property owned by the transit development board for purposes of this division. To the extent that the property is possessed, or a claim to or right to possession of the property exists, for other than public purposes, the interest shall be deemed a possessory interest as defined in Section 107.

It is the intent and purpose of this section to clarify Section 3 of Article XIII of the California Constitution and, therefore, this section does not constitute a change in, but is declaratory of, the existing law. Furthermore, this section shall not be construed to exempt, from ad valorem property taxation, property of any transit development board located outside of its boundaries.

The exemption provided by this section shall be in effect only during the 1981–82 assessment year.

This section shall remain in effect only until January 1, 1982, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1982, 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 this act may take effect prior to the lien date of March 1, 1981, so that property owned by a nonprofit entity that is solely owned by a transit development board would not be subject to property tax commencing with the 1981–82 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 5

An act making an appropriation for the acquisition of land for a new state office building in Van Nuys, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 2, 1981 Filed with Secretary of State March 2, 1981]

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

SECTION 1. The sum of six hundred nine thousand dollars ($609,000) is hereby transferred from the Special Account for Capital Outlay in the General Fund to the Controller for allocation to the Department of General Services for expenditure during the 1980–81, 1981–82, and 1982–83 fiscal years, except that appropriations for studies, planning, and working drawings, and minor capital outlay shall be available for expenditure only during the 1980–81 fiscal year. In addition, every appropriation made in this section for construction, or working drawings and construction, that has not been approved by the State Public Works Board on or before June 30, 1981, shall revert as of that date to the fund from which the appropriation was made.

For capital outlay, Department of General Services....	$609,000
Schedule:	
(a) Land Acquisition—New State Office Building, Van Nuys.....	$609,000

The appropriation contained in this section is in addition to any other amounts heretofore appropriated for this project and subject to all of the limitations applicable thereto.

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

In order for the benefits and savings which will result from this act to be maximized, it is necessary that this act become effective immediately.

CHAPTER 6

An act to amend Section 6571 of, and to add Section 6546.6 to, the Government Code, relating to joint exercise of powers, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 2, 1981. Filed with Secretary of State March 2, 1981]

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

SECTION 1. Section 6546.6 is added to the Government Code, to read:

6546.6. In addition to any other powers, any agency, commission, or board provided for by joint powers agreement entered into by cities pursuant to Article 1 (commencing with Section 6500) and created in a county of the fifth class, as determined by Section 28020, may issue revenue bonds pursuant to this article to pay all or part of the cost and expenses of acquiring, constructing, or improving, facilities for the collection, treatment or disposal of sewage, waste, or stormwater, provided that entity has the power to construct, maintain, or operate the facilities.

SEC. 2. Section 6571 of the Government Code is amended to read:

6571. The bonds shall be issued and sold as the governing body may determine and for not less than par and accrued interest to date of delivery, except that, in the case of a project for the generation or transmission of electric energy, a project for the disposal, treatment, or conversion of energy and reusable materials of solid waste, or a project for a purpose specified in Section 6546.6, or in the case of bonds of a fair and exhibition authority, the bonds may be sold at less than par if the governing body shall determine that such a sale will result in more favorable terms for the bonds. The sale shall be conducted in compliance with Chapter 10 (commencing with Section 5800) of Division 6 of Title 1, unless, in the case of a project for the generation or transmission of electric energy, a project for the disposal, treatment, or conversion of energy and reusable materials of solid waste, or in the case of bonds of a fair and exhibition authority, the governing body shall determine that a negotiated sale of the bonds is necessary, in which case the bonds shall be sold on such terms as shall be approved by the governing body.

The proceeds from the sale (except premium and accrued interest, which shall be paid into the bond service or other fund designated or established for the payment of the principal and interest of the bonds) shall be paid into the construction fund or other fund designated by the indenture authorizing the issuance of the bonds and shall be applied exclusively to the objects and purposes set forth in such indenture, including all expenses incidental thereto or in connection therewith, and also including the payment of interest on the bonds during the period of study and construction of the project and for a period not to exceed 12 months after completion of such construction.

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 enable construction of the urgently needed San Jose-Santa Clara Water Pollution Control Plant without delay, it is necessary that this act go into effect immediately.

CHAPTER 7

An act to amend Sections 73075, 73084, 73084.3, 73085, 73086, 73086.5, and 73095 of the Government Code, relating to courts.

[Approved by Governor March 25, 1981 Filed with Secretary of State March 25, 1981.]

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

SECTION 1. Section 73075 of the Government Code is amended to read:

73075. Each of the municipal court districts established in Alameda County shall have the number of judges set out below opposite the name of the judicial district over which such court has jurisdiction:

Alameda Judicial District	1
Berkeley-Albany Judicial District	4
Oakland-Piedmont-Emeryville Judicial District	14
San Leandro-Hayward Judicial District	7
Fremont-Newark-Union City Judicial District	3
Livermore-Pleasanton Judicial District	2

SEC. 2. Section 73084 of the Government Code is amended to read:

73084. (a) In each municipal court established in Alameda County one clerk who shall also be known as the court administrative officer shall be appointed by the judge or judges of each court.

(b) The clerk and administrative officers of the following districts shall receive a bi-weekly salary at the rate set forth for that classification in the ordinance established for municipal courts in Alameda County:

	Ordinance Class No.
Alameda Judicial District	1690M
Berkeley-Albany Judicial District	1691M
Fremont-Newark-Union City Judicial District	1692M
Livermore-Pleasanton Judicial District	1693M
Oakland-Piedmont-Emeryville Judicial District	1694M
San Leandro-Hayward Judicial District	1695M

SEC. 3. Section 73084.3 of the Government Code is amended to read:

73084.3. The clerk and administrative officer of the municipal court for the Oakland-Piedmont-Emeryville Judicial District may appoint the following deputy clerks:

(a) One chief deputy clerk.

(b) Three deputy clerks, division chiefs. The clerk and administrative officer may transfer such division chiefs from one division to another regardless of any resulting change in salary as set forth in subdivision (a) of Section 73086.

(c) One deputy clerk, administrative services officer II.
(d) Four deputy clerks, assistant division chiefs.
(e) One deputy clerk, calendar coordinator.
(f) Four deputy clerks, supervising municipal court clerk II.
(g) Fifteen deputy clerks, municipal courtroom clerk.
(h) Nine deputy clerks, supervising municipal court clerk I.
(i) Six deputy clerks, senior municipal court clerk.
(j) Forty-seven deputy clerks, municipal court clerk.
(k) Twenty-five deputy clerks, clerk II.
(*l*) One deputy clerk, supervising secretary II.
(m) Three deputy clerks, secretary I.
(n) Nine deputy clerks, data input clerk.
(o) One deputy clerk, supervising accountant I.
(p) One deputy clerk, information systems analyst.

Not more than eight such deputy clerks may be assigned as court interpreters at the additional percentage compensation provided for county employees required to possess bilingual capabilities.

SEC. 4. Section 73085 of the Government Code is amended to read:

73085. Chief deputy clerks of the following districts shall receive a bi-weekly salary at the rate set forth for that item number classification in the ordinance established for municipal courts:

	Ordinance Class No.
Oakland-Piedmont-Emeryville Judicial District	1675M
Hayward-San Leandro Judicial District	1676M
Fremont-Newark-Union City Judicial District	1677M
Berkeley-Albany Judicial District	1678M
Livermore-Pleasanton Judicial District	1679M

SEC. 5. Section 73086 of the Government Code is amended to read:

73086. Deputy clerks, division chiefs of the following districts shall receive a bi-weekly salary at the rate set forth for that item number classification in the ordinance established for municipal courts:

	Ordinance Class No.
Oakland-Piedmont-Emeryville Judicial District, criminal	1680M
Oakland-Piedmont-Emeryville Judicial District, civil	1681M
Oakland-Piedmont-Emeryville Judicial District, traffic	1682M
San Leandro-Hayward Judicial District, division chief	1684M
Berkeley-Albany Judicial District, division chief	1684M

SEC. 6. Section 73086.5 of the Government Code is amended to read:

73086.5. The following personnel of the Oakland-Piedmont-Emeryville Judicial District shall receive a

bi-weekly salary at the rate set forth for that item number classification in the ordinance established for municipal courts:

	Ordinance Class No.
Deputy clerks, assistant division chief	1667M
Deputy clerks, calendar coordinator	1668M

SEC. 7. Section 73095 of the Government Code is amended to read:

73095. The judges of the Oakland-Piedmont-Emeryville Municipal Court may appoint one official court interpreter. The individual appointed pursuant to this section shall hold office at the pleasure of the judges and shall receive an annual salary including additional compensation for bilingual skills, and all other benefits, in the same amount as are provided for the class of municipal court clerk of the Oakland-Piedmont Municipal Court.

CHAPTER 8

An act to amend Section 38303 of the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 31, 1981 Filed with Secretary of State March 31, 1981.]

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

SECTION 1. Section 38303 of the Revenue and Taxation Code is amended to read:

38303. During December 1978 and each December thereafter, to and including December 1981, the board, after public hearings, shall establish a timber reserve fund tax rate for the 12-month period beginning on the next following January 1. In establishing this rate the board shall estimate the amount of timber which will be harvested during the year for which the rate is to be established and the immediate harvest value of that timber and shall establish a rate which it estimates will produce an amount equal to the amount certified by the Controller pursuant to Section 38907, plus an amount equal to the board's estimate of any shortfall in annual yield tax revenue guarantee payments to taxing agencies which the board estimates may occur in the subsequent calendar year, less the amounts reimbursed pursuant to paragraph (2) of subdivision (a) and paragraph (2) of subdivision (b) of Section 38904 in the current calendar year. The board shall certify the rate established under this section to the Director of Finance and the Legislature.

SEC. 2. If this bill is chaptered and becomes effective on or before March 31, 1981, the provisions of Section 38303 of the Revenue and Taxation Code as amended by this act shall be operative with

respect to Timber Tax Reserve Fund rates for the 1981 and subsequent calendar years, in which case the State Board of Equalization shall recompute the 1981 Timber Tax Reserve Fund rate pursuant thereto. In the event that this bill is chaptered and becomes effective on or after April 1, 1981, the provisions of Section 38303 of said code as amended by this act shall be operative with respect to Timber Tax Reserve Fund rates for the 1981 and subsequent calendar years, except that for the 1981 calendar year, the State Board of Equalization shall recompute the 1981 Timber Tax Reserve Fund rate pursuant thereto only for those 1981 calendar quarters which have not expired as of such effective date or dates.

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

In order for this act to apply to the 1981 calendar year, it is necessary for this act to become effective immediately.

CHAPTER 9

An act to amend Sections 1461, 1461.5, 2700, and 2750 of, to add Chapter 9.5 (commencing with Section 2670) to Part 4 of Division 4 of, to add Section 3024 to, and to add Article 3 (commencing with Section 3080) to Chapter 2 of Part 6 of Division 4 of, and to repeal Section 2110 of, the Probate Code, relating to protective proceedings.

[Approved by Governor March 31, 1981. Filed with Secretary of State March 31, 1981]

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

SECTION 1. Section 1461 of the Probate Code is amended to read:

1461. (a) As used in this section, "director" means:

(1) The Director of Mental Health when the state hospital referred to in subdivision (b) is under the jurisdiction of the State Department of Mental Health.

(2) The Director of Developmental Services when the state hospital referred to in subdivision (b) is under the jurisdiction of the State Department of Developmental Services.

(b) Except where the petition, report, or account is filed by the director, notice of the time and place of hearing on the petition, report, or account, and a copy of the petition, report, or account, shall be mailed to the director at the director's office in Sacramento at least 15 days before the hearing if both of the following conditions exist:

(1) The ward or conservatee is or has been during the guardianship or conservatorship proceeding a patient in or on leave from a state hospital under the jurisdiction of the State Department

of Mental Health or the State Department of Developmental Services.

(2) The petition, report, or account is filed under any one or more of the following provisions: Section 1510, 1820, 1861, 2212, 2403, 2421, 2422, or 2423; Article 7 (commencing with Section 2540) of Chapter 6 of Part 4; Section 2580, 2592, or 2620; Chapter 9.5 (commencing with Section 2670) of Part 4; Section 3080 or 3088; or Chapter 3 (commencing with Section 3100) of Part 6.

(c) If the ward or conservatee has been discharged from the state hospital, the director, upon ascertaining the facts, may file with the court a certificate stating that the ward or conservatee is not indebted to the state and waive the giving of further notices under this section. Upon the filing of the certificate of the director, compliance with this section thereafter is not required unless the certificate is revoked by the director and notice of the revocation is filed with the court.

(d) The statute of limitations does not run against any claim of the State Department of Mental Health or the State Department of Developmental Services against the estate of the ward or conservatee for board, care, maintenance, or transportation with respect to an account that is settled without giving the notice required by this section.

SEC. 2. Section 1461.5 of the Probate Code is amended to read:

1461.5. Except for a petition filed by the Veterans Administration, notice of the time and place of hearing on a petition, report, or account, and a notice of the filing of an inventory, together with a copy of the petition, report, inventory, or account, shall be mailed to the office of the Veterans Administration having jurisdiction over the area in which the court is located at least 15 days before the hearing, or within 15 days after the inventory is filed, if both of the following conditions exist:

(a) The guardianship or conservatorship estate consists or will consist wholly or in part of any of the following:

(1) Money received from the Veterans Administration.

(2) Revenue or profit from such money or from property acquired wholly or in part from such money.

(3) Property acquired wholly or in part with such money or from such property.

(b) The petition, report, inventory, or account is filed under any one or more of the following provisions: Section 1510, 1601, 1820, 1861, 1874, 2422, or 2423; Article 7 (commencing with Section 2540) of Chapter 6 of Part 4; Section 2570, 2571, 2580, 2592, 2610, 2613, or 2620; Chapter 8 (commencing with Section 2640) of Part 4; Chapter 9.5 (commencing with Section 2670) of Part 4; Section 3080 or 3088; or Chapter 3 (commencing with Section 3100) of Part 6.

SEC. 3. Section 2110 of the Probate Code is repealed.

SEC. 4. Chapter 9.5 (commencing with Section 2670) is added to Part 4 of Division 4 of the Probate Code, to read:

CHAPTER 9.5. APPOINTMENT OF SUCCESSOR GUARDIAN OR CONSERVATOR

Article 1. Appointment of Successor Guardian

2670. When for any reason a vacancy occurs in the office of guardian, the court may appoint a successor guardian, after notice and hearing as in the case of an original appointment of a guardian.

Article 2. Appointment of Successor Conservator

2680. When for any reason a vacancy occurs in the office of conservator, the court may appoint a successor conservator in the manner provided in this article.

2681. A petition for appointment of a successor conservator may be filed by any of the following:

(a) The conservatee.

(b) The spouse of the conservatee.

(c) A relative of the conservatee.

(d) Any interested state or local entity or agency of this state or any interested public officer or employee of this state or of a local public entity of this state.

(e) Any other interested person or friend of the conservatee.

2682. (a) The petition shall request that a successor conservator be appointed for the person or estate, or both, and shall specify the name and address of the proposed successor conservator and the name and address of the conservatee.

(b) The petition shall set forth, so far as they are known to the petitioner, the names and addresses of the spouse and of the relatives of the conservatee within the second degree.

(c) If the petition is filed by one other than the conservatee, the petition shall state whether or not the petitioner is a creditor or debtor of the conservatee.

(d) If the conservatee is a patient in or on leave of absence from a state institution under the jurisdiction of the State Department of Mental Health or the State Department of Developmental Services and that fact is known to the petitioner, the petition shall state that fact and name the institution.

(e) The petition shall state, so far as is known to the petitioner, whether or not the conservatee is receiving or is entitled to receive benefits from the Veterans Administration and the estimated amount of the monthly benefit payable by the Veterans Administration for the conservatee.

(f) The petition shall state whether or not the conservatee will be present at the hearing.

2683. (a) At least 15 days before the hearing on the petition for appointment of a successor conservator, notice of the time and place of the hearing shall be given as provided in subdivisions (b), (c), and (d) of this section. The notice shall be accompanied by a copy of the petition.

(b) Notice shall be mailed to the following persons (other than the petitioner or persons joining in the petition):

(1) The conservatee at the address stated in the petition.

(2) The spouse, if any, of the conservatee at the address stated in the petition.

(3) The relatives named in the petition at their addresses stated in the petition.

(c) If notice is required by Section 1461 to be given to the Director of Mental Health or the Director of Developmental Services, notice shall be mailed as so required.

(d) If notice is required by Section 1461.5 to be given to the Veterans Administration, notice shall be mailed as so required.

2684. Unless the petition states that the conservatee will be present at the hearing, the court investigator shall do all of the following:

(a) Interview the conservatee personally.

(b) Inform the conservatee of the nature of the proceeding to appoint a successor conservator, the name of the person proposed as successor conservator, and the conservatee's right to appear personally at the hearing, to object to the person proposed as successor conservator, to nominate a person to be appointed as successor conservator, to be represented by legal counsel if the conservatee so chooses, and to have legal counsel appointed by the court if unable to retain legal counsel.

(c) Determine whether the conservatee objects to the person proposed as successor conservator or prefers another person to be appointed.

(d) If the conservatee is not represented by legal counsel, determine whether the conservatee wishes to be represented by legal counsel and, if so, determine the name of an attorney the conservatee wishes to retain or whether the conservatee desires the court to appoint legal counsel.

(e) Determine whether the appointment of legal counsel would be helpful to the resolution of the matter or is necessary to protect the interests of the conservatee in any case where the conservatee does not plan to retain legal counsel and has not requested the appointment of legal counsel by the court.

(f) Report to the court in writing, at least five days before the hearing, concerning all of the foregoing, including the conservatee's express communications concerning representation by legal counsel and whether the conservatee objects to the person proposed as successor conservator or prefers that some other person be appointed.

(g) Mail, at least five days before the hearing, a copy of the report referred to in subdivision (f) to all of the following:

(1) The attorney, if any, for the petitioner.

(2) The attorney, if any, for the conservatee.

(3) Such other persons as the court orders.

2685. If the conservatee is present at the hearing, prior to making an order appointing a successor conservator the court shall do all of the following:

(a) Inform the conservatee of the nature and purpose of the proceeding.

(b) Inform the conservatee that the conservatee has the right to object to the person proposed as successor conservator, to nominate a person to be appointed as successor conservator, and, if not represented by legal counsel, to be represented by legal counsel if the conservatee so chooses and to have legal counsel appointed by the court if unable to retain legal counsel.

(c) After the court so informs the conservatee, the court shall consult the conservatee to determine the conservatee's opinion concerning the question of who should be appointed as successor conservator.

2686. If the petition states that the conservatee will be present at the hearing and the conservatee fails to appear at the hearing, the court shall continue the hearing and direct the court investigator to perform the duties set forth in Section 2684.

2687. The conservatee, the spouse or any relative or friend of the conservatee, or any other interested person may appear at the hearing to support or oppose the petition.

2688. (a) The court shall determine the question of who should be appointed as successor conservator according to the provisions of Article 2 (commencing with Section 1810) of Chapter 1 of Part 3.

(b) The order appointing the successor conservator shall contain, among other things, the names, addresses and telephone numbers of the successor conservator, the conservatee's attorney, if any, and the court investigator, if any.

2689. If the conservatee is an "absentee" as defined in Section 1403:

(a) The petition for appointment of a successor conservator shall contain the matters required by Section 1841 in addition to the matters required by Section 2682.

(b) Notice of the hearing shall be given as provided by Section 1842 in addition to the requirements of Section 2683, except that notice need not be given to the conservatee.

(c) An interview and report by the court investigator is not required.

SEC. 5. Section 2700 of the Probate Code is amended to read:

2700. (a) At any time after the issuance of letters of guardianship or conservatorship, the ward if over 14 years of age or the conservatee, the spouse or any relative or creditor of the ward or conservatee, or any other interested person, in person or by attorney, may file with the clerk of the court a written request for special notice of the filing or commencing of any one or more or all of the following:

(1) Petitions to direct, authorize, approve, or confirm the sale, lease, encumbrance, conveyance, or exchange of property.

(2) Petitions for transfer of the proceeding to another county.

(3) Inventory and appraisement of the estate, including any supplemental inventory and appraisement.

(4) Accounts of the guardian or conservator.

(5) Petitions for the authorization to commence an action for the partition of property.

(6) Petitions for allowances of any nature payable from the estate of the ward or conservatee.

(7) Petitions for the investment of funds of the estate or for the purchase of real property.

(8) Petitions for the resignation, removal, suspension, or discharge of the guardian or conservator.

(9) Proceedings for the final termination of the guardianship or conservatorship proceeding.

(10) Petitions to direct or allow payment of a debt or claim or to fix, direct, authorize, or allow payment of an attorney's fee.

(11) Petitions to fix, direct, authorize, or allow payment of the compensation or expenses of a guardian or conservator.

(12) Petitions to direct, authorize, approve, or modify payments for the support, maintenance, or education of the ward or conservatee or a person legally entitled to support, maintenance, or education from the ward or conservatee.

(13) Petitions filed pursuant to Section 2423 (payment of surplus income to relatives of conservatee) or Article 10 (commencing with Section 2580) of Chapter 6 (substituted judgment).

(14) Petitions filed pursuant to Section 2359 or Section 2403 (authorization and instruction or approval and confirmation by court).

(15) Petitions filed pursuant to Article 11 (commencing with Section 2590) of Chapter 6 (independent exercise of powers).

(16) Petitions filed under Section 2520 (conveyance or transfer of property claimed to belong to ward or conservatee or other person).

(17) Petitions filed pursuant to Article 5 (commencing with Section 2500) of Chapter 6 (compromise of claims and actions or extension, renewal, or modification of obligations).

(18) Petitions to fix the residence of the ward or conservatee at a place not within this state.

(19) Petitions to remove property to another jurisdiction.

(20) Petitions filed pursuant to Chapter 4 (commencing with Section 1870) of Part 3 (legal capacity of conservatee).

(21) Petitions filed pursuant to Chapter 9.5 (commencing with Section 2670) (appointment of successor guardian or conservator).

(22) Petitions filed pursuant to Article 3 (commencing with Section 3080) of Chapter 2 of Part 6 (enforcement of support of spouse who has conservator).

(b) The request for special notice shall be so entitled and shall set forth the name of the person and the address to which notices shall be sent. If the request is for all of the matters referred to in subdivision (a), the request may refer generally to the provisions of this section. If the request is for less than all of the matters set forth in subdivision (a), the request shall state specifically each of the matters of which special notice is requested.

(c) A copy of the request shall be served on the guardian or conservator or on the attorney for the guardian or conservator.

(d) The original of the request when filed with the clerk shall be accompanied by a written admission or proof of service.

SEC. 6. Section 2750 of the Probate Code is amended to read:

2750. An appeal may be taken from the making of, or the refusal to make, a judgment, order, or decree doing any of the following:

(a) Granting or revoking letters of guardianship or conservatorship except letters of temporary guardianship or temporary conservatorship.

(b) Directing, authorizing, approving, or confirming the sale, lease, encumbrance, conveyance, or exchange of property.

(c) Adjudicating the merits of any claim under Article 5 (commencing with Section 2500) (compromise of claim or action or extension, renewal, or modification of obligation) or Article 6 (commencing with Section 2520) (conveyance or transfer of property claimed to belong to ward or conservatee or other person) of Chapter 6.

(d) Settling an account of a guardian or conservator.

(e) Authorizing and instructing a guardian or conservator or approving and confirming acts of a guardian or conservator.

(f) Granting permission to the guardian or conservator to fix the residence of the ward or conservatee at a place not within this state.

(g) Directing or allowing payment of a debt or claim or fixing, directing, authorizing, or allowing payment of an attorney's fee.

(h) Fixing, directing, authorizing, or allowing payment of the compensation or expenses of a guardian or conservator.

(i) Directing, authorizing, approving, or modifying payments for the support, maintenance, or education of the ward or conservatee or a person legally entitled to support, maintenance, or education from the ward or conservatee.

(j) Granting or denying a petition under Section 2423 (payment of surplus income to relatives of conservatee) or under Article 10 (commencing with Section 2580) of Chapter 6 (substituted judgment).

(k) Transferring the assets of the guardianship or conservatorship estate to a guardian, conservator, committee, or comparable fiduciary in another jurisdiction.

(*l*) Affecting the legal capacity of the conservatee pursuant to Chapter 4 (commencing with Section 1870) of Part 3.

(m) Allowing or denying a petition of the guardian or conservator to resign.

(n) Removing or discharging the guardian or conservator.

(o) Discharging a surety on the bond of a guardian or conservator.

(p) Appointing a successor guardian or conservator.

SEC. 7. Section 3024 is added to the Probate Code, to read:

3024. Appeals may be taken from orders and judgments under this part as in a civil action.

SEC. 8. Article 3 (commencing with Section 3080) is added to Chapter 2 of Part 6 of Division 4 of the Probate Code, to read:

Article 3. Enforcement of Support of Spouse Who Has Conservator

3080. If one spouse has a conservator and the other spouse has the management or control of community property, the conservator or conservatee, a relative or friend of the conservatee, or any interested person may file a petition under this article in the court in which the conservatorship proceeding is pending for an order requiring 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 as ordered by the court.

3081. (a) Notice of the hearing on the petition shall be given for the period and in the manner provided in Chapter 3 (commencing with Section 1460) of Part 1.

(b) If the spouse who has the management or control of community property is not the conservator, the petitioner shall also cause notice of the hearing and a copy of the petition to be served on that spouse in accordance with Title 5 (commencing with Section 410.10) of Part 2 of the Code of Civil Procedure.

3082. (a) Upon the filing of a petition under this article, the court may cite the spouse who has the management or control of community property to appear before the court, and the court and the petitioner may examine the spouse under oath concerning the community property and other matters relevant to the petition filed under this article. If the person so cited refuses to appear and submit to an examination, the court may proceed against the person as provided in Section 614. Upon such examination, the court may make an order requiring the person cited to disclose his or her knowledge of the community property and other matters relevant to the petition filed under this article, and if the order is not complied with the court may proceed against the person as provided in Section 614.

3083. In any proceeding under this article, the court may, after notice and hearing, order that the spouse who has the management or control of community property to pay from the community property such amount as the court determines is necessary to the support and maintenance of the conservatee spouse pending the determination of the petition under this article. An order made pursuant to this section shall not prejudice the rights of the spouses or other interested parties with respect to any subsequent order which may be made under this article. Any order made under this section may be modified or revoked at any time except as to any amount that may have accrued prior to the date of filing of the petition to modify or revoke the order.

3084. When a petition is filed under this article, the spouse having the management or control of community property shall serve and file a current income and expense declaration and a current property declaration on the forms prescribed by the Judicial Council for use in family law proceedings.

3085. During the pendency of any proceeding under this article, the court, upon the application of the petitioner, may issue ex parte orders:

(a) Restraining the spouse having the management or control of community property from transferring, encumbering, hypothecating, concealing, or in any way disposing of any property, real or personal, whether community, quasi-community, or separate, except in the usual course of business or for the necessities of life.

(b) Requiring the spouse having the management or control of the community property to notify the petitioner of any proposed extraordinary expenditures and to account to the court for all such extraordinary expenditures.

3086. Any person interested in the proceeding under this article may request time for filing a response to the petition, for discovery proceedings, or for other preparation for the hearing, and the court shall grant a continuance for a reasonable time for any of such purposes.

3087. In a proceeding under this article, the court may hear and determine whether property is community property or the separate property of either spouse if that issue is raised in the proceeding.

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 such other person as is designated in the order. The court may order the spouse required to make the periodic payments to give reasonable security therefor.

(e) 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. Such order shall operate as an assignment and shall be binding upon any existing or future employer upon whom a copy of the order is served. The order shall be in the form for an order assigning salary or wages

prescribed by the Judicial Council for use in family law proceedings. The employer may deduct the sum of one dollar ($1) for each payment made pursuant to the order. Any such assignment made pursuant to court order shall have priority as against any execution or other assignment unless otherwise ordered by the court or unless the other assignment is made pursuant to Section 4701 of the Civil Code.

(f) The court shall retain 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 under Title 3 (commencing with Section 4500) of Part 5 of Division 4 of the Civil Code, 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 a proceeding under that title.

3089. If the spouse who has the management or control of the community property refuses to comply with any order made under this article or an order made in a separate action to provide support for the conservatee spouse, upon request of the petitioner or other interested person, the court may, in its discretion, divide the community property and the quasi-community property of the spouses, as it exists at the time of division, equally in the same manner as where a marriage is dissolved. If the property is so divided, the property awarded to each spouse shall be the separate property of that spouse and the court shall order that the property awarded to the conservatee spouse be transferred or paid over to the conservator of the estate of that spouse to be included in the conservatorship estate and be managed, controlled, and disposed of as a part of the conservatorship estate. The fact that property has been divided pursuant to this section has no effect on the nature of property thereafter acquired by the spouses, and the determination whether the thereafter-acquired property is community or separate property shall be made without regard to the fact that property has been divided pursuant to this section.

3090. Any order of the court made under this article may be enforced by the court by execution, the appointment of a receiver, contempt, or by such other order or orders as the court in its discretion may from time to time deem necessary.

3091. Notwithstanding any other provision of law, the Judicial

Council may provide by rule for the practice and procedure in proceedings under this article.

3092. Nothing in this article affects or limits the right of the conservator or any interested person to institute an action against any person to enforce the duty otherwise imposed by law to support the spouse having a conservator. This article is permissive and in addition to any other procedure otherwise available to enforce the obligation of support.

CHAPTER 10

An act to amend Section 4552 of, and to add Sections 4553, 4554, 4555, 4556, 4557, and 4558 to, the Unemployment Insurance Code, relating to unemployment insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 31, 1981. Filed with Secretary of State March 31, 1981]

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

SECTION 1. Section 4552 of the Unemployment Insurance Code is amended to read:

4552. An unemployed individual is eligible to receive federal-state extended benefits with respect to any week only if the director finds that:

(a) An extended compensation account has been established for him or her.

(b) The week is within an extended benefit period and his or her eligibility period.

(c) He or she meets the eligibility requirements of Part 1 (commencing with Section 100) of this division, except those excluded under subdivision (b) of Section 4002.

(d) He or she is not subject to disqualification for normal benefits under any provision of Part 1 (commencing with Section 100) of this division. If the individual has been subject to disqualification under subdivision (b) of Section 1257, he or she has satisfied subdivision (b) of Section 1260 and, during a week following the first week of disqualification, has done either of the following:

(1) Performed service in bona fide employment during a week on a full-time basis.

(2) Performed service in bona fide employment during a week from which service he or she earned remuneration at least equal to his or her weekly benefit amount.

SEC. 2. Section 4553 is added to the Unemployment Insurance Code, to read:

4553. An unemployed individual is disqualified for federal-state extended benefits if the individual, without good cause, refused to accept suitable work when offered to the individual, or failed to apply for suitable work when referred by a public employment office.

(a) For purposes of this section, the term "suitable work" means any work which is within the individual's capabilities. However, if the department determines that the individual's prospects for obtaining work in his or her customary occupation within a reasonably short period are good, the determination of whether any work is "suitable work" with respect to the individual shall be made in accordance with Sections 1258, 1258.5, and 1259.

(b) An individual shall not be disqualified under this section if any of the following apply:

(1) The gross average weekly remuneration payable to the individual for the position offered or to which referred, does not exceed the individual's weekly benefit amount plus the amount of any additional benefits (as defined in Section 501(c)(17)(D) of the Internal Revenue Code of 1954) payable to such individual for such week.

(2) The position was not offered to such individual in writing and was not listed with a public employment office.

(3) The provisions of subdivision (a), (b), or (c) of Section 1259 or the provisions of Article 1.5 (commencing with Section 1266) or Article 1.8 (commencing with Section 1274) of Chapter 5 of Part 1 apply.

(4) The position pays less than the federal or state minimum wage, whichever is higher.

(c) If the individual is not disqualified under this section, the individual is not relieved from the provisions of subdivision (b) of Section 1257 and subdivision (b) of Section 1260.

SEC. 3. Section 4554 is added to the Unemployment Insurance Code, to read:

4554. An individual is disqualified for federal-state extended benefits if the individual fails to actively engage in seeking work.

(a) For purposes of this section, an individual shall be treated as actively engaged in seeking work during any week if both of the following conditions are met:

(1) The individual has engaged in a systematic and sustained effort to obtain work during the week.

(2) The individual provides tangible evidence to the department that he or she has engaged in such an effort during the week.

(b) An individual shall not be disqualified under this section for any week in which the individual is in a training or retraining program under Article 1.5 (commencing with Section 1266) or Article 1.8 (commencing with Section 1274) of Chapter 5 of Part 1.

SEC. 4. Section 4555 is added to the Unemployment Insurance Code, to read:

4555. If an individual is disqualified for federal-state extended benefits under Section 4553 or 4554 pursuant to determination transmitted to him or her by the department, the individual shall be ineligible to receive federal-state extended benefits:

(a) Beginning with the week in which the disqualifying act occurs, and

(b) Continuing until the individual has, during at least four weeks subsequent to the week in which the disqualifying act occurred,

performed services in bona fide employment for which remuneration is earned equal to or in excess of four times the individual's weekly benefit amount.

SEC. 5. Section 4556 is added to the Unemployment Insurance Code, to read:

4556. When the department refers individuals who have applied for federal-state extended benefits to work, the referrals shall include suitable work, as defined by subdivision (a) of Section 4553, to which any part of subdivision (b) of Section 4553 would not apply.

SEC. 6. Section 4557 is added to the Unemployment Insurance Code, to read:

4557. (a) Except as provided in subdivision (b), payment of federal-state extended compensation shall not be made to any individual for any week if both of the following apply:

(1) Extended compensation would, but for this section, have been payable for such week pursuant to an interstate claim filed in any state under the interstate benefit payment plan.

(2) An extended benefit period is not in effect for such week in such state.

(b) Subdivision (a) shall not apply with respect to the first two weeks for which extended compensation is payable as determined without regard to this section, pursuant to an interstate claim filed under the interstate benefit payment plan to the individual from the extended compensation account established with respect to the benefit year.

SEC. 7. Section 4558 is added to the Unemployment Insurance Code, to read:

4558. Sections 4553 to 4557, inclusive, and the amendments made to Section 4552 by legislation enacted during the 1981 portion of the 1981–82 Regular Session of the Legislature shall be operative only during such time as Section 202 of the Federal-State Extended Unemployment Compensation Act of 1970 requires that state unemployment insurance laws contain such provisions as a condition of certification of state unemployment insurance laws by the Secretary of Labor.

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

The Congress in Public Laws 96-499 and 96-364 amended the Federal-State Extended Unemployment Compensation Act of 1970, effective April 1, 1981, and June 1, 1981, respectively. The amendments made to that act by these public laws include provisions which are required to be part of state law. California must enact the provisions of P.L. 96-499 by April 1, 1981, and the provisions of P.L. 96-364 by June 1, 1981, or risk being held out of conformity with federal law and losing substantial federal funding and the federal unemployment tax credit for California employers. In order for this act to take effect before these dates, it is necessary for this act to take effect immediately.

SEC. 9. Sections 1, 2, 3, 4, and 5 of this act shall only apply to the

payment of federal-state extended benefits for weeks of unemployment beginning after March 31, 1981. If this act is chaptered after March 31, 1981, Sections 1, 2, 3, 4, and 5 of this act shall only apply to weeks of unemployment beginning after the date it is chaptered.

SEC. 10. Section 6 of this act shall only apply to the payment of federal-state extended benefits for weeks of unemployment beginning after May 31, 1981. If this act is chaptered after May 31, 1981, Section 6 of this act shall only apply to weeks of unemployment beginning after the date it is chaptered.

CHAPTER 11

An act to amend Section 12940 of the Government Code, relating to discrimination.

[Approved by Governor April 8, 1981 Filed with Secretary of State April 8, 1981]

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

SECTION 1. Section 12940 of the Government Code is amended to read:

12940. It shall be an unlawful employment practice, unless based upon a bona fide occupational qualification, or, except where based upon applicable security regulations established by the United States or the State of California:

(a) For an employer, because of the race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex of any person, to refuse to hire or employ the person or to refuse to select the person for a training program leading to employment, or to bar or to discharge such person from employment or from a training program leading to employment, or to discriminate against such person in compensation or in terms, conditions or privileges of employment.

(1) Nothing in this part shall prohibit an employer from refusing to hire or discharging a physically handicapped employee, or subject an employer to any legal liability resulting from the refusal to employ or the discharge of a physically handicapped employee, where the employee, because of his or her physical handicap, is unable to perform his or her duties, or cannot perform such duties in a manner which would not endanger his or her health or safety or the health and safety of others.

(2) Nothing in this part shall prohibit an employer from refusing to hire or discharging an employee who, because of the employee's medical condition, is unable to perform his or her duties, or cannot perform such duties in a manner which would not endanger the employee's health or safety or the health or safety of others. Nothing in this part shall subject an employer to any legal liability resulting from the refusal to employ or the discharge of an employee who,

because of the employee's medical condition, is unable to perform his or her duties, or cannot perform such duties in a manner which would not endanger the employee's health or safety or the health or safety of others.

(3) Nothing in this part relating to discrimination on account of marital status shall either (i) affect the right of an employer to reasonably regulate, for reasons of supervision, safety, security, or morale, the working of spouses in the same department, division, or facility, consistent with the rules and regulations adopted by the commission, or (ii) prohibit bona fide health plans from providing additional or greater benefits to employees with dependents than to those employees without or with fewer dependents.

(4) Nothing in this part relating to discrimination on account of sex shall affect the right of an employer to provide preferences for veterans and their surviving spouses.

(b) For a labor organization, because of the race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex of any person, to exclude, expel or restrict from its membership such person, or to provide only second-class or segregated membership or to discriminate against any person because of the race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex of such person in the election of officers of the labor organization or in the selection of the labor organization's staff or to discriminate in any way against any of its members or against any employer or against any person employed by an employer.

(c) For any person to discriminate against any person in the selection or training of that person in any apprenticeship training program or any other training program leading to employment because of the race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex of the person discriminated against.

(d) For any employer or employment agency, unless specifically acting in accordance with federal equal employment opportunity guidelines and regulations approved by the commission, to print or circulate or cause to be printed or circulated any publication, or to make any non-job-related inquiry, either verbal or through use of an application form, which expresses, directly or indirectly, any limitation, specification, or discrimination as to race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex, or any intent to make any such limitation, specification or discrimination. Nothing in this subdivision shall prohibit any employer from making, in connection with prospective employment, an inquiry as to, or a request for information regarding, the physical fitness, medical condition, physical condition or medical history of applicants if that inquiry or request for information is directly related and pertinent to the position the applicant is applying for or directly related to a determination of whether the applicant would endanger his or her health or safety or the health or safety of others.

(e) For any employer, labor organization or employment agency to discharge, expel or otherwise discriminate against any person because the person has opposed any practices forbidden under this part or because the person has filed a complaint, testified or assisted in any proceeding under this part.

(f) For any person to aid, abet, incite, compel, or coerce the doing of any of the acts forbidden under this part, or to attempt to do so.

(g) For the governing board of a school district to violate Section 44066 or 87402 of the Education Code.

SEC. 2. No state funds shall be used to challenge the provisions of this act in the courts.

CHAPTER 12

An act to amend Section 1646.4 of, and to add Section 1646.10 to, the Business and Professions Code, relating to dentistry, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 8, 1981 Filed with Secretary of State April 8, 1981.]

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

SECTION 1. Section 1646.4 of the Business and Professions Code is amended to read:

1646.4. On or before January 1, 1982, each dentist who has been using general anesthesia prior to the enactment of this chapter, shall make a permit application to the board if such dentist desires to continue to use general anesthesia.

The board shall issue the permit to such dentist and may only refuse if, at the board's discretion, an onsite inspection and evaluation of facilities, equipment, personnel, the licentiate, and the procedures utilized by such licentiate indicates that a permit should not be issued.

SEC. 2. Section 1646.10 is added to the Business and Professions Code, to read:

1646.10. Nothing in this chapter shall be construed to authorize a dentist to administer or directly supervise the administration of general anesthesia for reasons other than dental treatment, as defined in Section 1625.

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:

Regulations specifying the requirements for the use of anesthesia by licensed dentists have not been adopted and since compliance with any regulations which may be adopted would be impractical due to the short period of time which would be alloted for compliance, it is necessary that this act go into immediate effect.

CHAPTER 13

An act to amend Section 11 of the Kings River Conservation District Act (Chapter 931 of the Statutes of 1951), relating to the Kings River Conservation District.

[Approved by Governor April 8, 1981 Filed with Secretary of State April 8, 1981.]

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

SECTION 1. Section 11 of the Kings River Conservation District Act (Chapter 931 of the Statutes of 1951) is amended to read:

Sec. 11. The board shall act only by ordinance, resolution or motion, and, except where action shall be taken by the unanimous vote of all directors present and voting, the ayes and noes taken upon the passage of all ordinances, resolutions and motions shall be entered upon the minutes of the board. No ordinance, resolution or motion shall be passed or become effective without the affirmative vote of at least a majority of the members of the board. The enacting clause of all ordinances passed by the board shall be in these words: "Be it ordained by the Board of Directors of Kings River Conservation District as follows:". All ordinances shall be signed by the president and attested by the secretary.

The compensation received by each director for sitting on the board shall be determined pursuant to Section 21166 of the Water Code.

CHAPTER 14

An act making an appropriation relating to the eradication of the Mediterranean fruit fly, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 13, 1981. Filed with Secretary of State April 14, 1981.]

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

SECTION 1. The Legislature hereby finds and declares that:

(a) The Mediterranean fruit fly (Ceratitis capitata) is a tenacious pest which breeds on more than 200 varieties of fruits and vegetables, causing major economic loss.

(b) An infestation of this fly has been found in California and threatens to spread throughout the state's agricultural regions.

(c) The spread of this pest would be detrimental to the state, causing serious domestic and commercial crop damage and raising the threat of an interstate and foreign embargo of California's produce.

(d) Unless eradicated soon and effectively, the Mediterranean

fruit fly will likely spread rapidly and undermine this state's agriculture.

Thus, the Legislature intends to undertake the efforts necessary to eradicate soon and effectively the Mediterranean fruit fly. The Director of Food and Agriculture is hereby directed, in cooperation with federal, city, county, city and county, and other state agencies, to take steps which are prudent, necessary, legal, and appropriate to protect the health and safety of the people of California in order to accomplish the eradication of this pest.

SEC. 2. Notwithstanding Sections 26400 and 26403 of the Public Resources Code, the sum of thirteen million two hundred sixty-three thousand three hundred five dollars ($13,263,305) is hereby appropriated from the Energy and Resources Fund for reimbursement of activities required to carry out Section 1 of this act in accordance with the following schedule:

(a) For allocation and disbursement to local agencies pursuant to Section 2231 of the Revenue and Taxation Code to reimburse these agencies for actual costs, as determined by the Department of Finance, incurred by them pursuant to this act, Controller	$ 477,000
(b) For allocation to state agencies to defray actual costs incurred by them pursuant to this act to, and including, March 31, 1981, Department of Finance	9,057,910
(c) For allocation to the Department of Food and Agriculture for costs incurred by them pursuant to this act from April 1, 1981 to June 30, 1981, Department of Finance	3,728,395

With respect to the allocation of any funds under this subdivision, these funds may not be allocated any sooner than 30 days after written notification of the intent to allocate is provided to the Chairman of the Joint Legislative Budget Committee by the Controller, or not sooner than such lesser time after written notification as the chairman, or his designee, may in each instance determine.

Provided further, that the Director of Food and Agriculture shall make every reasonable effort to obtain federal funds to help defray the costs of the activities specified in Section 1 of this act.

Provided further, that the funds appropriated by this section shall be reduced by the amount of any federal funds received by the state to assist in carrying out Section 1 of this act.

SEC. 3. The Legislature recognizes the extraordinary effort made by the state under the leadership of the Department of Food and Agriculture to eradicate the Mediterranean fruit fly and acknowledges the serious cash-flow problems the department is now experiencing as a result. However, according to the Office of the Legislative Analyst, documentation sufficient to warrant payment of the costs associated with the project has not yet been presented by the Department of Food and Agriculture and the Department of Transportation. Therefore, the Legislature intends that the appropriation in subdivision (b) of Section 2 of this act cover the state's estimated costs through March 31, 1981, only. Subsequent costs shall be payable through the appropriation in subdivision (c) of Section 2 of this act or shall be claimed in the general deficiency bill submitted at the end of the fiscal year but shall not be paid unless and until the Department of Food and Agriculture and the Department of Transportation present to the Joint Legislative Budget Committee adequate documentation of all costs associated with the emergency eradication project including itemization of overhead costs and savings incurred as a result of normal departmental activities which were not able to be performed.

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

The Mediterranean fruit fly is a serious pest which threatens the agriculture industry and the availability of food for the general public. In order to prevent economic loss to the industry and food loss to the public, it is necessary that the provisions of this act go into immediate effect.

CHAPTER 15

An act to add Section 7902.1 to the Government Code, relating to state and local government, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 13, 1981 Filed with Secretary of State April 14, 1981.]

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

SECTION 1. Section 7902.1 is added to the Government Code, to read:

7902.1. (a) If, in the 1980–81 or 1981–82 fiscal year, the proceeds of taxes of a school district, community college district, or county superintendent of schools, exceeds either its foundation program level or its appropriations limit for that fiscal year determined pursuant to Section 7902, the governing body of the school district or community college district, or the county superintendent of schools, may increase its 1978–79 fiscal year appropriations limit to an amount

equal to the local jurisdiction's revenue limit for that fiscal year as recalculated pursuant to Section 2558, 42237, or 84700 of the Education Code.

(b) Any increase in the 1978–79 fiscal year appropriations limit of a local jurisdiction in any fiscal year pursuant to subdivision (a) shall reduce the 1978–79 fiscal year appropriations limit of the state by an amount equal to that increase for that fiscal year.

(c) Any increase in the appropriations limit of a school district, county superintendent of schools, or community college, made pursuant to this section, for the 1980–81 or 1981–82 fiscal year, shall be permanent, and no new increase shall be allowed pursuant to this section after June 30, 1982, unless a later enacted statute revises that date.

SEC. 2. Subdivision (a) of Section 3 of Article XIII B of the California Constitution authorizes the adjustment of the appropriations limit of an entity of government for any fiscal year in the event that the financial responsibility of providing services is transferred, in whole or in part, from one entity of government to another, if the appropriations limit of the transferee entity and the transferor entity are adjusted accordingly as mutually agreed.

It is the intent of the Legislature to authorize the transfer of the financial responsibility of providing educational services from the state to school districts, community college districts, and county superintendents of schools, when the local tax revenues of those entities are such as to make the financial responsibility of providing the required educational services dependent primarily upon those local revenues.

SEC. 3. This act shall be deemed operative for the entire 1980–81 fiscal year as though it had been enacted into law and become operative on July 1, 1980. The Superintendent of Public Instruction, the Chancellor of the California Community Colleges, and other public officers may, for such purposes, take all necessary steps to effect the required adjustments, including the authority to adjust allowance computations, apportionments, and disbursements ordered from Sections A and B of the State School Fund.

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

In order that every school district, community college district, and county superintendent of schools be authorized to expend funds in an amount equal to its revenue limit in the 1980–81 and 1981–82 fiscal years, it is necessary that this act take effect immediately.

CHAPTER 16

An act to amend Section 7710 of, to add Section 7710.1 to, and to repeal Section 8233 of, the Fish and Game Code, relating to fish, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 13, 1981. Filed with Secretary of State April 14, 1981.]

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

SECTION 1. Section 7710 of the Fish and Game Code is amended to read:

7710. If the director determines, based on thorough and adequate scientific evidence and at least one public hearing in the area of the fishery, that any species or subspecies of fish is in danger of irreparable injury, he may order the closure of any waters or otherwise restrict the taking under a commercial fishing license in state waters of such species except as provided in Section 7710.1. Any such closure or restriction order shall be adopted by emergency regulation in accordance with Chapter 3.5 (commencing with Section 11340), Division 3, Title 2 of the Government Code.

The director shall bring to the attention of the Legislature within seven calendar days any regulations adopted pursuant to this section. Any such regulations shall be effective for only 30 days if the Legislature is not in joint recess during such 30-day period, or shall remain in effect only until 30 days after the end of the joint recess if the Legislature is in joint recess during such period.

Nothing in this section or Section 7710.5 shall in any way restrict any existing jurisdiction of the department with regard to the regulation of fisheries on the high seas.

SEC. 2. Section 7710.1 is added to the Fish and Game Code, to read:

7710.1. (a) If the director orders a closure or restriction under Section 7710, after the public hearing held pursuant to that section, an appeal of this decision may be made by persons authorized to take fish commercially and who are subject to the closure or restriction order. The appeal must be filed within 24 hours after the decision is announced by the director. The director shall consolidate appeals filed on the same closure or restriction order.

(b) In response to the appeal, the director shall convene an arbitration panel. The panel shall be established within 24 hours after the date on which the last appeal was made and shall be composed of one representative of the department, one representative of the persons who filed the appeal or appeals, and a third person agreed upon by the other two members, or if no agreement can be reached, the third person shall be appointed in the manner provided in subdivision (c). The third person shall act as panel chairman.

(c) In the event that an agreement on who the third member of the arbitration panel should be cannot be reached, the other two members shall petition the Superior Court of the County of Sacramento to appoint a neutral third person to complete the arbitration panel. The court shall act within 24 hours after receiving the petition filed under this subdivision. Court costs shall be apportioned and paid one-half by the department and one-half by the persons who filed the appeal.

(d) At its meeting, the arbitration panel shall review all evidence

presented to it by the department and the persons who filed the appeal or appeals.

Within 48 hours following the date of the last appeal, the arbitration panel shall determine whether or not the director's decision was adequately supported by scientific evidence that any species or subspecies of fish is in danger of irreparable injury and issue written findings to that effect. The panel shall delay its meeting when necessary to grant the persons who filed the appeal or appeals sufficient time to prepare or present evidence. If the arbitration panel finds that the evidence sustains the director's decision, the director's regulation shall remain in effect; however, if the arbitration panel finds that the evidence does not sustain the director's decision, then any emergency regulations adopted under Section 7710 shall cease to have effect.

(e) Expenses of the department representative on the panel shall be borne by the department, expenses of the panel representative of the persons who filed the appeal or appeals shall be borne by those persons, and the expenses of the panel chairman are to be paid one-half by each party.

(f) Nothing in this section shall prevent the director from reinitiating the closure process under Section 7710 if further evidence of irreparable injury to a species or subspecies of fish becomes available at a later date.

(g) The jurisdiction of the arbitration panel to determine whether or not the closure order will remain in effect shall not be affected if the deadlines established in this section are not met.

SEC. 3. Section 8233 of the Fish and Game Code is repealed.

SEC. 4. Any permits issued by the Department of Fish and Game to out-of-state fishermen pursuant to Section 8233 of the Fish and Game Code as added by Chapter 1096 of the Statutes of 1979 are revoked as of the effective date of this act.

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

In order to ensure that California salmon fishermen are able to enjoy a successful catch this year, and in order for the provisions of this bill to aid in managing and resolving any disputes which may arise prior to the start of the 1981 salmon season, it is necessary that this bill take effect before the salmon season begins in the spring of 1981. Thus, it is necessary that this act take effect immediately.

CHAPTER 17

An act to amend Section 21231 of the Government Code, relating to the Public Employees' Retirement System, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 13, 1981 Filed with Secretary of State April 14, 1981]

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

SECTION 1. Section 21231 of the Government Code is amended to read:

21231. (a) The board shall transfer an amount of the reserve for deficiencies retained in the retirement fund pursuant to Section 20203 which exceeds 2 percent of the total assets of the retirement fund into a special account which shall be used for the sole purpose of providing quarterly increases from October 1, 1980, through September 30, 1982, as specified by subdivision (d), in the monthly allowance of every retired person or survivor or beneficiary of a state or local member or retired person, who was eligible to receive any allowance on December 31, 1979, or who receives a benefit on account of a retired member who was eligible to receive an allowance on December 31, 1979, notwithstanding the limitations on such increases imposed by this article and in addition to any other adjustment made pursuant to this article.

(b) The amount specified in subdivision (a) is hereby appropriated to the board without regard to fiscal years. Whenever the board determines that there are sufficient funds in the special account created pursuant to subdivision (a), the board shall apply such funds to the increases authorized by this section. If the funds in the special account are not sufficient to pay the increases prescribed in subdivision (d), the board shall proportionately reduce all payments. All funds remaining in the special account on January 1, 1983, shall be transferred back to the reserve for deficiencies.

(c) The board shall inform each recipient of benefits under subdivision (a) that the increases are not cumulative and shall not be included in their base allowance and may be available for only a limited period of time.

(d) The total quarterly increases shall be 10 percent of the quarterly allowance payable to an annuitant or eligible survivor or beneficiary on October 1, 1980. The board, on October 1, 1980, and, upon the commencement of each quarter thereafter, shall pay the benefit provided by this section for the succeeding quarter.

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

In order for the benefits of the act to be implemented prior to the commencement of the 1981–82 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 18

An act to repeal and add Chapter 5 (commencing with Section 12500) of Part 8 of the Education Code, relating to interstate agreements.

[Approved by Governor April 15, 1981 Filed with Secretary of State April 16, 1981.]

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

SECTION 1. Chapter 5 (commencing with Section 12500) of Part 8 of the Education Code is repealed.

SEC. 2. Chapter 5 (commencing with Section 12500) is added to Part 8 of the Education Code, to read:

CHAPTER 5. INTERSTATE AGREEMENTS

Article 1. Interstate Agreement on Qualification of Educational Personnel

12500. The Interstate Agreement on Qualification of Educational Personnel is hereby entered into with all jurisdictions joining therein, in the form as follows:

Article I. Purpose, Findings, and Policy

1. The states party to this agreement, desiring by common action to improve their respective school systems by utilizing the teacher or other professional educational person wherever educated, declare that it is the policy of each of them, on the basis of cooperation with one another, to take advantage of the preparation and experience of such persons wherever gained, thereby serving the best interests of society, of education, and of the teaching profession. It is the purpose of this agreement to provide for the development and execution of such programs of cooperation as will facilitate the movement of teachers and other professional educational personnel among the states party to it, and to authorize specific interstate educational personnel contracts to achieve that end.

2. The party states find that included in the large movement of population among all sections of the nation are many qualified educational personnel who move for family and other personal reasons but who are hindered in using their professional skill and experience in their new locations. Variations from state to state in requirements for qualifying educational personnel discourage such personnel from taking the steps necessary to qualify in other states. As a consequence, a significant number of professionally prepared and experienced educators is lost to our school systems. Facilitating the employment of qualified educational personnel, without reference to their states of origin, can increase the available educational resources. Participation in this compact can increase the availability of educational manpower.

Article II. Definitions

As used in this agreement and contracts made pursuant to it, unless the context clearly requires otherwise:

1. "Educational personnel" means persons who must meet requirements pursuant to state law as a condition of employment in educational programs.

2. "Designated state official" means the education official of a state selected by that state to negotiate and enter into, on behalf of his state, contracts pursuant to this agreement.

3. "Accept," or any variant thereof, means to recognize and give effect to one or more determinations of another state relating to the qualifications of educational personnel in lieu of making or requiring a like determination that would otherwise be required by or pursuant to the laws of a receiving state.

4. "State" means a state, territory, or possession of the United States; the District of Columbia; or the Commonwealth of Puerto Rico.

5. "Originating state" means a state (and the subdivision thereof, if any) whose determination that certain educational personnel are qualified to be employed for specific duties in schools is acceptable in accordance with the terms of a contract made pursuant to Article III.

6. "Receiving state" means a state (and the subdivisions thereof) which accept educational personnel in accordance with the terms of a contract made pursuant to Article III.

Article III. Interstate Educational Personnel Contracts

1. The designated state official of a party state may make one or more contracts on behalf of his state with one or more other party states providing for the acceptance of educational personnel. Any such contract for the period of its duration shall be applicable to and binding on the states whose designated state officials enter into it, and the subdivisions of those states, with the same force and effect as if incorporated in this agreement. A designated state official may enter into a contract pursuant to this article only with states in which he finds that there are programs of education, certification standards or other acceptable qualifications that assure preparation or qualification of educational personnel on a basis sufficiently comparable, even though not identical to that prevailing in his own state.

2. Any such contract shall provide for:

(a) Its duration.

(b) The criteria to be applied by an originating state in qualifying educational personnel for acceptance by a receiving state.

(c) Such waivers, substitutions, and conditional acceptances as shall aid the practical effectuation of the contract without sacrifice of basic educational standards.

(d) Any other necessary matters.

3. No contract made pursuant to this agreement shall be for a term longer than five years but any such contract may be renewed for like or lesser periods.

4. Any contract dealing with acceptance of educational personnel on the basis of their having completed an educational program shall

specify the earliest date or dates on which originating state approval of the program or programs involved can have occurred. No contract made pursuant to this agreement shall require acceptance by a receiving state of any persons qualified because of successful completion of a program prior to January 1, 1954.

5. The certification or other acceptance of a person who has been accepted pursuant to the terms of a contract shall not be revoked or otherwise impaired because the contract has expired or been terminated. However, any certificate or other qualifying document may be revoked or suspended on any ground which would be sufficient for revocation or suspension of a certificate or other qualifying document initially granted or approved in the receiving state.

6. A contract committee composed of the designated state officials of the contracting states or their representatives shall keep the contract under continuous review, study means of improving its administration, and report no less frequently than once a year to the heads of the appropriate education agencies of the contracting states.

Article IV. Approved and Accepted Programs

1. Nothing in this agreement shall be construed to repeal or otherwise modify any law or regulation of a party state relating to the approval of programs of educational preparation having effect solely on the qualification of educational personnel within that state.

2. To the extent that contracts made pursuant to this agreement deal with the educational requirements for the proper qualification of educational personnel, acceptance of a program of educational preparation shall be in accordance with such procedures and requirements as may be provided in the applicable contract.

Article V. Interstate Cooperation

The party states agree that:

1. They will, so far as practicable, prefer the making of multilateral contracts pursuant to Article III of this agreement.

2. They will facilitate and strengthen cooperation in interstate certification and other elements of educational personnel qualification and for this purpose shall cooperate with agencies, organizations, and associations interested in certification and other elements of educational personnel qualification.

Article VI. Agreement Evaluation

The designated state officials of any party state may meet from time to time as a group to evaluate progress under the agreement, and to formulate recommendations for changes.

Article VII. Other Arrangements

Nothing in this agreement shall be construed to prevent or inhibit

other arrangements or practices of any party state or states to facilitate the interchange of educational personnel.

Article VIII. Effect and Withdrawal

1. This agreement shall become effective when enacted into law by two states. Thereafter it shall become effective as to any state upon its enactment of this agreement.

2. Any party state may withdraw from this agreement by enacting a statute repealing the same, but no such withdrawal shall take effect until one year after the governor of the withdrawing state has given notice in writing of the withdrawal to the governors of all other party states.

3. No withdrawal shall relieve the withdrawing state of any obligation imposed upon it by a contract to which it is a party. The duration of contracts and the methods and conditions of withdrawal therefrom shall be those specified in their terms.

Article IX. Construction and Severability

This agreement shall be liberally construed so as to effectuate the purposes thereof. The provisions of this agreement shall be severable and if any phrase, clause, sentence, or provision of this agreement is declared to be contrary to the Constitution of any state or of the United States, or the application thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this agreement and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this agreement shall be held contrary to the Constitution of any state participating therein, the agreement shall remain in full force and effect as to the state affected as to all severable matters.

12501. The "designated state official" for this state shall be the Superintendent of Public Instruction. He shall enter into contracts pursuant to Article III of the agreement only with the approval of the specific text thereof by the State Board of Education.

Article 2. Compact for Education

12510. The Compact for Education is hereby entered into with all jurisdictions joining therein, in the form as follows:

Article I. Purpose and Policy

(a) It is the purpose of this compact to:

1. Establish and maintain close cooperation and understanding among executive, legislative, professional educational and lay leadership on a nationwide basis at the state and local levels.

2. Provide a forum for the discussion, development, crystallization and recommendation of public policy alternatives in the field of education.

3. Provide a clearinghouse of information on matters relating to

educational problems and how they are being met in different places throughout the nation, so that the executive and legislative branches of state government and of local communities may have ready access to the experience and record of the entire country, and so that both lay and professional groups in the field of education may have additional avenues for the sharing of experience and the interchange of ideas in the formation of public policy in education.

4. Facilitate the improvement of state and local educational systems so that all of them will be able to meet adequate and desirable goals in a society which requires continuous qualitative and quantitative advance in educational opportunities, methods and facilities.

(b) It is the policy of this compact to encourage and promote local and state initiative in the development, maintenance, improvement and administration of educational systems and institutions in a manner which will accord with the needs and advantages of diversity among localities and states.

(c) The party states recognize that each of them has an interest in the quality and quantity of education furnished in each of the other states, as well as in the excellence of its own educational systems and institutions, because of the highly mobile character of individuals within the nation, and because the products and services contributing to the health, welfare and economic advancement of each state are supplied in significant part by persons educated in other states.

Article II. State Defined

As used in this compact, "state" means a state, territory or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

Article III. The Commission

(a) The Educational Commission of the States, hereinafter called "the commission," is hereby established. The commission shall consist of seven members representing each party state. One of such members shall be the governor, two shall be members of the state legislature selected by its respective houses and serving in such manner as the legislature may determine; and four shall be appointed by and serve at the pleasure of the governor, unless the laws of the state otherwise provide. If the laws of a state prevent legislators from serving on the commission, six members shall be appointed and serve at the pleasure of the governor, unless the laws of the state otherwise provide. In addition to any other principles or requirements which a state may establish for the appointment and service of its members of the commission, the guiding principle for the composition of the membership on the commission from each party state shall be that the members representing such state shall, by virtue of their training, experience, knowledge or affiliations be in a position collectively to reflect broadly the interests of the state

government, higher education, the state education system, local education, lay and professional, public and nonpublic educational leadership. Of those appointees, one shall be the head of a state agency or institution, designated by the governor, having responsibility for one or more programs of public education. In addition to the members of the commission representing the party states, there may be not to exceed 10 nonvoting commissioners selected by the steering committee for terms of one year. Such commissioners shall represent leading national organizations of professional educators or persons concerned with educational administration.

(b) The members of the commission shall be entitled to one vote each on the commission. No action of the commission shall be binding unless taken at a meeting at which a majority of the total number of votes on the commission are cast in favor thereof. Action of the commission shall be only at a meeting at which a majority of the commissioners are present. The commission shall meet at least once a year. In its bylaws, and subject to such directions and limitations as may be contained therein, the commission may delegate the exercise of any of its powers to the steering committee or the executive director, except for the power to approve budgets or requests for appropriations, the power to make policy recommendations pursuant to Article IV and adoption of the annual report pursuant to Article III(j).

(c) The commission shall have a seal.

(d) The commission shall elect annually, from among its members, a chairman, who shall be a governor, a vice chairman and a treasurer. The commission shall provide for the appointment of an executive director. Such executive director shall serve at the pleasure of the commission, and together with the treasurer and such other personnel as the commission may deem appropriate shall be bonded in such amount as the commission shall determine. The executive director shall be secretary.

(e) Irrespective of the civil service, personnel or other merit system laws of any of the party states, the executive director subject to the approval of the steering committee shall appoint, remove or discharge such personnel as may be necessary for the performance of the functions of the commission, and shall fix the duties and compensation of such personnel. The commission in its bylaws shall provide for the personnel policies and programs of the commission.

(f) The commission may borrow, accept or contract for the services of personnel from any party jurisdiction, the United States, or any subdivision or agency of the aforementioned governments, or from any agency of two or more of the party jurisdictions or their subdivisions.

(g) The commission may accept for any of its purposes and functions under this compact any and all donations, and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any state, the United States, or any other governmental agency, or from any person, firm, association, foundation, or corporation, and may receive, utilize and dispose of

the same. Any donation or grant accepted by the commission pursuant to this paragraph or services borrowed pursuant to paragraph (f) of this article shall be reported in the annual report of the commission. Such report shall include the nature, amount and conditions, if any, of the donation, grant, or services borrowed, and the identity of the donor or lender.

(h) The commission may establish and maintain such facilities as may be necessary for the transacting of its business. The commission may acquire, hold, and convey real and personal property and any interest therein.

(i) The commission shall adopt bylaws for the conduct of its business and shall have the power to amend and rescind these bylaws. The commission shall publish its bylaws in convenient form and shall file a copy thereof and a copy of any amendments thereto, with the appropriate agency or officer in each of the party states.

(j) The commission annually shall make to the governor and legislature of each party state a report covering the activities of the commission for the preceding year. The commission may make such additional reports as it may deem desirable.

Article IV. Powers

In addition to authority conferred on the commission by other provisions of the compact, the commission shall have authority to:

1. Collect, correlate, analyze and interpret information and data concerning educational needs and resources.

2. Encourage and foster research in all aspects of education, but with special reference to the desirable scope of instruction, organization, administration, and instructional methods and standards employed or suitable for employment in public educational systems.

3. Develop proposals for adequate financing of education as a whole and at each of its many levels.

4. Conduct or participate in research of the types referred to in this article in any instance where the commission finds that such research is necessary for the advancement of the purposes and policies of this compact, utilizing fully the resources of national associations, regional compact organizations for higher education, and other agencies and institutions, both public and private.

5. Formulate suggested policies and plans for the improvement of public education as a whole, or for any segment thereof, and make recommendations with respect thereto available to the appropriate governmental units, agencies and public officials.

6. Do such other things as may be necessary or incidental to the administration of any of its authority or functions pursuant to this compact.

Article V. Cooperation with Federal Government

(a) If the law of the United States specifically so provide, or if administrative provision is made therefor within the federal

government, the United States may be represented on the commission by not to exceed 10 representatives. Any such representative or representatives of the United States shall be appointed and serve in such manner as may be provided by or pursuant to federal law, and may be drawn from any one or more branches of the federal government, but no such representative shall have a vote on the commission.

(b) The commission may provide information and make recommendations to any executive or legislative agency or officer of the federal government concerning the common educational policies of the states, and may advise with any such agencies or officers concerning any matter of mutual interest.

Article VI. Committees

(a) To assist in the expeditious conduct of its business when the full commission is not meeting, the commission shall elect a steering committee of 32 members which, subject to the provisions of this compact and consistent with the policies of the commission, shall be constituted and function as provided in the bylaws of the commission. One-fourth of the voting membership of the steering committee shall consist of governors, one-fourth shall consist of legislators, and the remainder shall consist of other members of the commission. A federal representative on the commission may serve with the steering committee, but without vote. The voting members of the steering committee shall serve for terms of two years, except that members elected to the first steering committee of the commission shall be elected as follows: 16 for 1 year and 16 for 2 years. The chairman, vice chairman, and treasurer of the commission shall be members of the steering committee and, anything in this paragraph to the contrary notwithstanding, shall serve during their continuance in these offices. Vacancies in the steering committee shall not affect its authority to act, but the commission at its next regularly ensuing meeting following the occurrence of any vacancy shall fill it for the unexpired term. No person shall serve more than two terms as a member of the steering committee; provided that service for a partial term of one year or less shall not be counted toward the two-term limitation.

(b) The commission may establish advisory and technical committees composed of state, local, and federal officials, and private persons to advise it with respect to any one or more of its functions. Any advisory or technical committee may, on request of the states concerned, be established to consider any matter of special concern to two or more of the party states.

(c) The commission may establish such additional committees as its bylaws may provide.

Article VII. Finance

(a) The commission shall advise the governor or designated officer or officers of each party state of its budget and estimated

expenditures for such period as may be required by the laws of that party state. Each of the commission's budgets of estimated expenditures shall contain specific recommendations of the amount or amounts to be appropriated by each of the party states.

(b) The total amount of appropriation requests under any budget shall be apportioned among the party states. In making such apportionment, the commission shall devise and employ a formula that takes equitable account of the populations and per capita income levels of the party states.

(c) The commission shall not pledge the credit of any party states. The commission may meet any of its obligations in whole or in part with funds available to it pursuant to Article III(g) of this compact, provided that the commission takes specific action setting aside such funds prior to incurring an obligation to be met in whole or in part in such manner. Except where the commission makes use of funds available to it pursuant to Article III(g) thereof, the commission shall not incur any obligation prior to the allotment of funds by the party states adequate to meet the same.

(d) The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established by its bylaws. However, all receipts and disbursements of funds handled by the commission shall be audited yearly by a qualified public accountant, and the report of the audit shall be included in and become part of the annual reports of the commission.

(e) The accounts of the commission shall be open at any reasonable time for inspection by duly constituted officers of the party states and by any persons authorized by the commission.

(f) Nothing contained herein shall be construed to prevent commission compliance with laws relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the commission.

Article VIII. Eligible Parties; Entry Into and Withdrawal

(a) This compact shall have as eligible parties all states, territories, and possessions of the United States, the District of Columbia, and the Commonwealth of Puerto Rico. In respect of any such jurisdiction not having a governor, the term "governor," as used in this compact, shall mean the closest equivalent official of such jurisdiction.

(b) Any state or other eligible jurisdiction may enter into this compact and it shall become binding thereon when it has adopted the same; provided that in order to enter into initial effect, adoption by at least 10 eligible party jurisdictions shall be required.

(c) Adoption of the compact may be either by enactment thereof or by adherence thereto by the governor; provided that in the absence of enactment, adherence by the governor shall be sufficient to make his state a party only until December 31, 1967. During any period when a state is participating in this compact through gubernatorial action, the governor shall appoint those persons who,

in addition to himself, shall serve as the members of the commission from his state, and shall provide to the commission an equitable share of the financial support of the commission from any source available to him.

(d) Except for a withdrawal effective on December 31, 1967, in accordance with paragraph (c) of this article, any party state may withdraw from this compact by enacting a statute repealing the same, but no such withdrawal shall take effect until one year after the governor of the withdrawing state has given notice in writing of the withdrawal to the governors of all other party states. No withdrawal shall affect any liability already incurred by or chargeable to a party state prior to the time of such withdrawal.

Article IX. Construction and Severability

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the constitution of any state or of the United States, or the application thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state participating therein, the compact shall remain in full force and effect as to the state affected as to all severable matters.

12511. Pursuant to subdivision (i) of Article III of the compact, the commission shall file a copy of its bylaws and any amendment thereto with the Secretary of State.

12512. The Member of the Assembly who shall serve upon the Educational Commission of the States representing the State of California shall be selected by the Speaker of the Assembly, and the Member of the Senate who shall serve thereon shall be selected by the Senate Committee on Rules. Each legislative member shall serve at the pleasure of the appointing power. For the purposes of this chapter, such Members of the Legislature shall constitute a joint interim legislative committee on the subject of this chapter and shall have the powers and duties imposed upon such committees by the Joint Rules of the Senate and Assembly.

12513. At the same time as the report rendered to the governors and legislatures of the states is made available in California pursuant to subdivision (j) of Article III of the compact, the California delegation to the Educational Commission of the States shall submit to the Governor and to the Legislature of this state a summary of its views that differ from the recommendations submitted by the Educational Commission of the States.

12514. The members of the California delegation to the Educational Commission of the States shall receive no salary, but shall receive actual and necessary expenses incurred in fulfilling their duties.

12515. Notwithstanding any provisions of the Compact for

Education set out in Section 12510 to the contrary, the four persons to be appointed by the Governor of California to serve as members of the Educational Commission of the States, shall be the following:

(a) Either a member of the State Board of Education, or a member of a local school district governing board.

(b) Either the Superintendent of Public Instruction, or another individual representing the public school system of this state or private elementary and secondary schools of this state.

(c) An individual representing the public institutions of higher education in this state.

(d) An individual representing the private institutions of higher education in this state.

12515.5. For the 1981–82 fiscal year and each fiscal year thereafter, funding for the purpose of payment of annual dues for the support of the Educational Commission of the States shall be provided within the annual Budget Act appropriation to the State Department of Education.

SEC. 3. This act enacted at the 1981–82 Regular Session of the Legislature does not constitute a change in, but is declaratory of, the existing law.

CHAPTER 19

An act to amend Section 5011.5 of the Public Resources Code, relating to the state park system, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 15, 1981 Filed with Secretary of State April 16, 1981]

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

SECTION 1. Section 5011.5 of the Public Resources Code is amended to read:

5011.5. A veteran of any war in which the United States has been, or may be engaged, upon presentation to the department of proof of disability and of an honorable discharge from service, shall, upon application therefor and payment of three dollars and fifty cents ($3.50), be issued a pass entitling the bearer to the use of all facilities, including boat launching facilities, in units of the state park system.

As used in this section, "war" means that period of time commencing when Congress declares war or when the armed forces of the United States are engaged in active military operations against any foreign power, whether or not war has been formally declared, and ending upon the termination of hostilities as proclaimed by the President of the United States.

As used in this section, "veteran" means any member of the armed forces of the United States who has a 70 percent or greater service-connected disability or a service-connected disability rated at 100 percent for reasons of unemployability, as certified by the

Veterans' Administration, and who was honorably discharged from service.

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

In order that this act may become operative prior to the spring of 1981, thereby enabling certain disabled veterans to obtain passes to use state park system facilities during the peak recreation season, it is necessary that this act take effect immediately.

CHAPTER 20

An act to amend Section 8305.8 of the Fish and Game Code, relating to fishing.

[Approved by Governor April 15, 1981. Filed with Secretary of State April 16, 1981]

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

SECTION 1. Section 8305.8 of the Fish and Game Code is amended to read:

8305.8. Notwithstanding any other provision of law, in the mainland coastal waters from Palos Verdes Point in Los Angeles County to Dana Point in Orange County, it is unlawful to take abalone for commercial purposes.

This section shall remain in effect only until March 1, 1987, and as of that date is repealed, unless a later enacted statute, which is chaptered before March 1, 1987, deletes or extends such date.

SEC. 2. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 21

An act to amend Sections 53, 110, 111, 116, 3200, 3205.5, 3301, 3352, 3852, and 6101 of, and to add Section 3706.5 to, the Labor Code, relating to workers' compensation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 17, 1981. Filed with Secretary of State April 18, 1981.]

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

SECTION 1. Section 53 of the Labor Code is amended to read:

53. Whenever in Section 1001 or in Part 1 (commencing with Section 11000) of Division 3 of Title 2 of the Government Code, "head of the department," or similar designation occurs the same shall for the purposes of this code mean the director, except that in respect to matters which by the express provisions of this code are committed to or retained under the jurisdiction of the Division of Industrial Accidents, the State Compensation Insurance Fund, the Occupational Safety and Health Standards Board, the Occupational Safety and Health Appeals Board, or the Industrial Welfare Commission such designation shall mean the Division of Industrial Accidents, the Administrative Director of the Division of Industrial Accidents, the Workers' Compensation Appeals Board, the State Compensation Insurance Fund, the Occupational Safety and Health Standards Board, the Occupational Safety and Health Appeals Board, or the Industrial Welfare Commission as the case may be.

SEC. 2. Section 110 of the Labor Code is amended to read:

110. As used in this chapter:

(a) "Appeals board" means the Workers' Compensation Appeals Board. The title of a member of the board is "commissioner."

(b) "Administrative director" means the Administrative Director of the Division of Industrial Accidents.

(c) "Division" means the Division of Industrial Accidents.

SEC. 3. Section 111 of the Labor Code is amended to read:

111. The Workers' Compensation Appeals Board, consisting of seven members, shall exercise all judicial powers vested in it under this code. In all other respects, the Division of Industrial Accidents is under the control of the administrative director and, except as to those duties, powers, jurisdiction, responsibilities and purposes as are specifically vested in the appeals board, the administrative director shall exercise the powers of the head of a department within the meaning of Article 1 (commencing with Section 11150), Chapter 2, Part 1, Division 3, Title 2 of the Government Code with respect to the Division of Industrial Accidents which shall include supervision of and responsibility for personnel and the coordination of the work of the division, except personnel of the appeals board.

SEC. 4. Section 116 of the Labor Code is amended to read:

116. The seal of the appeals board bearing the inscription "Workers' Compensation Appeals Board, Seal" shall be affixed to all writs and authentications of copies of records and to such other instruments as the appeals board directs

SEC. 5. Section 3200 of the Labor Code is amended to read:

3200. The Legislature hereby declares its intent that the term "workmen's compensation" shall hereafter also be known as "workers' compensation, " and that the "Workmen's Compensation Appeals Board" shall hereafter be known as the "Workers' Compensation Appeals Board." In furtherance of this policy it is the

desire of the Legislature that references to the terms "workmen's compensation" and "Workmen's Compensation Appeals Board" in this code or elsewhere be changed to "workers' compensation" and "Workers' Compensation Appeals Board" when such laws are being amended for any purpose. This act is declaratory and not amendatory of existing law.

SEC. 6. Section 3205.5 of the Labor Code is amended to read:

3205.5. "Appeals board" means the Workers' Compensation Appeals Board of the Division of Industrial Accidents.

SEC. 7. Section 3301 of the Labor Code is amended to read:

3301. As used in this division, "employer" excludes the following:

(a) Any person while acting solely as the sponsor of a bowling team.

(b) Any private, nonprofit organization while acting solely as the sponsor of a person who, as a condition of sentencing by a superior or municipal court, is performing services for the organization.

The exclusions of this section do not exclude any person or organization from the application of this division which is otherwise an employer for the purposes of this division.

SEC. 8. Section 3352 of the Labor Code is amended to read:

3352. "Employee" excludes:

(a) Any person defined in subdivision (d) of Section 3351 who is employed by his parent, spouse, or child.

(b) Any person performing services in return for aid or sustenance only, received from any religious, charitable, or relief organization.

(c) Any person holding an appointment as deputy clerk, deputy sheriff, or deputy constable appointed for his own convenience, and who receives no compensation from the county or municipal corporation or from the citizens thereof for his services as such deputy. This exclusion is operative only as to employment by the county or municipal corporation and does not deprive any person so deputized from recourse against a private person employing him for injury occurring in the course of and arising out of such employment.

(d) Any person performing voluntary services at or for a recreational camp, hut or lodge operated by a nonprofit organization, exempt from federal income tax under Section 101(6) of the Internal Revenue Code, of which he or a member of his family is a member and who receives no compensation for such services other than meals, lodging or transportation.

(e) Any person performing voluntary service as a ski patrolman who receives no compensation for such services other than meals or lodging or the use of ski tow or ski lift facilities.

(f) Any person employed by a ski lift operator to work at a snow ski area who is relieved of and not performing any prescribed duties, while participating in recreational activities on his own initiative.

(g) Any person, other than a regular employee, participating in sports or athletics who receives no compensation for such participation other than the use of athletic equipment, uniforms,

transportation, travel, meals, lodgings, or other expenses incidental thereto.

(h) Any person defined in subdivision (d) of Section 3351 who was employed by the employer to be held liable for less than 52 hours during the 90 calendar days immediately preceding the date of the injury for injuries as defined in Section 5411 or during the 90 calendar days immediately preceding the date of the last employment in an occupation exposing the employee to the hazards of such disease or injury for injuries as defined in Section 5412, or who earned less than one hundred dollars ($100) in wages from such employer during the 90 calendar days immediately preceding the date of the injury for injuries as defined in Section 5411 or during the 90 calendar days immediately preceding the date of the last employment in an occupation exposing the employee to the hazards of such disease or injury for injuries as defined in Section 5412.

(i) Any person performing voluntary service for a public agency or a private, nonprofit organization who receives no remuneration for such services other than meals, transportation, lodging, or reimbursement for incidental expenses.

(j) Any person, other than a regular employee, performing officiating services relating to amateur sporting events sponsored by any public agency or private, nonprofit organization, who receives no remuneration for these services other than a stipend for each day of service no greater than the amount established by the State Board of Control as a per diem expense for employees or officers of the state pursuant to Section 13920 of the Government Code. The stipend shall be presumed to cover incidental expenses involved in officiating, including, but not limited to, meals, transportation, lodging, rule books and courses, uniforms, and appropriate equipment.

(k) Any student participating as an athlete in amateur sporting events sponsored by any public agency, public or private nonprofit college, university or school, who receives no remuneration for such participation other than the use of athletic equipment, uniforms, transportation, travel, meals, lodgings, scholarships, grants-in-aid, or other expenses incidental thereto.

SEC. 9. Section 3706.5 is added to the Labor Code, to read:

3706.5. The provisions of this article and Sections 4553, 4554, and 4555, and any other penalty provided by law for failure to secure the payment of compensation for employees, shall not apply to individual members of a board or governing body of a public agency or to members of a private, nonprofit organization, if the agency or organization performs officiating services relating to amateur sporting events and such members are excluded from the definition of "employee" pursuant to subdivision (j) of Section 3352.

SEC. 10. Section 3852 of the Labor Code is amended to read:

3852. The claim of an employee for compensation does not affect his claim or right of action for all damages proximately resulting from such injury or death against any person other than the employer. Any employer who pays, or becomes obligated to pay compensation, or

who pays, or becomes obligated to pay salary in lieu of compensation, or who pays or becomes obligated to pay an amount to the Department of Industrial Relations pursuant to Section 4706.5, may likewise make a claim or bring an action against such third person. In the latter event the employer may recover in the same suit, in addition to the total amount of compensation, damages for which he was liable including all salary, wage, pension, or other emolument paid to the employee or to his dependents.

SEC. 11. Section 6101 of the Labor Code is amended to read:

6101. Unless the context otherwise requires, as used in this division:

(a) "State agency" means any agency, department, division, commission, board, bureau, officer, or other authority of the State of California.

(b) "Fund" means State Compensation Insurance Fund.

(c) "Appeals board" means the Workers' Compensation Appeals Board.

SEC. 12. The Legislature finds and declares that the provisions of law set forth in Sections 8, 9, and 10 of this act, which respectively amend Sections 3352 and 3852 of the Labor Code and add Section 3706.5 to the Labor Code, do not constitute a change in, but are declaratory of, the existing law. These provisions shall apply to all claims filed for injuries occurring prior to the effective date of this act.

SEC. 13. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Recently threatened litigation demonstrates that several exemptions from the workers' compensation law are unclear. In order to clarify these exemptions and to avoid any further unnecessary litigation, it is necessary that this act take effect immediately.

CHAPTER 22

An act to amend Sections 74604, 74607, 74610, and 74611 of the Government Code, relating to courts.

[Became law without Governor's signature. Filed with Secretary of State April 20, 1981]

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

SECTION 1. Section 74604 of the Government Code is amended to read:

74604. There shall be one clerk of the court known as the clerk-administrator who shall be appointed by the presiding judge

and who shall hold office at his pleasure. He shall receive an annual salary of thirty-three thousand seven hundred eighty-eight dollars ($33,788). In addition to any other duties imposed upon him by law, at the direction of the presiding judge, the clerk-administrator shall have the following duties:

(a) To direct and coordinate the nonjudicial activities of the court.

(b) To coordinate the personnel practices in compliance with rules of the court.

(c) To prepare and administer the budget of the court.

(d) To coordinate with other county agencies the acquisition, utilization, maintenance and disposition of county facilities, equipment and supplies necessary for operation of the court.

(e) To initiate studies and prepare appropriate recommendations and reports to the presiding judge relating to the business of the court, including, but not limited to, such matters as standardization of forms, procedures, and classification and compensation of officers and employees.

(f) To collect, compare, and analyze statistical data on a continuing basis concerning the status of judicial and nonjudicial business of the court and to prepare periodic reports and recommendations based on such data.

(g) To serve as liaison for the court with other persons, committees, boards, groups, and associations as directed by the presiding judge.

SEC. 2. Section 74607 of the Government Code is amended to read:

74607. The presiding judge of the court may appoint:

(a) Five municipal court clerks IV, each of whom shall receive a monthly salary at a rate specified in range 0664.

(b) One accounting technician, who shall receive a monthly salary at a rate specified in range 0621.

(c) Four municipal court clerks III, each of whom shall receive a monthly salary at a rate specified in range 0609.

(d) One account clerk, who shall receive a monthly salary at a rate specified in range 0496.

(e) Eight municipal court clerks II, each of whom shall receive a monthly salary at a rate specified in range 0541.

(f) Sixteen municipal court clerks I, each of whom shall receive a monthly salary at a rate specified in range 0473.

(g) One assistant clerk-administrator, who shall receive a monthly salary at a rate specified in range 0963.

(h) Two data entry operators I, who shall receive a monthly salary specified in range 0501.

SEC. 3. Section 74610 of the Government Code is amended to read:

74610. (a) The positions enumerated in Sections 74604, 74606, and 74607 are deemed to be comparable in job and salary level to certain positions in the service of San Luis Obispo County. The following table sets forth the court classifications with the

comparable county classifications shown opposite thereto:

Court classification	County classification
Clerk-administrator	County clerk
Deputy marshal	Deputy sheriff
Municipal court clerk IV	Superior court clerk
Municipal court clerk III	Supervising administrative clerk I
Municipal court clerk II	Senior typist-clerk
Municipal court clerk I	Intermediate typist-clerk
Accounting technician	Accounting technician
Account clerk	Account clerk

In the event that the salary for any classification which is shown above is increased by the board of supervisors, a commensurate increase shall be made in the salary for the comparable court classification. Salary adjustments made pursuant to this section shall be effective the same date as the effective date of action of the board of supervisors applicable to the respective and comparable county classifications, but shall remain effective only until January 1 of the second year following the year in which such an adjustment in salary is made.

(b) Whenever the salary of the position of municipal court clerk IV is adjusted pursuant to subdivision (a), the salary of the position of assistant clerk-administrator shall be adjusted an equivalent number of ranges or steps on the salary schedule.

SEC. 4. Section 74611 of the Government Code is amended to read:

74611. Whenever reference to a numbered salary range is made in any section of this article, the range number is the hourly rate at the beginning of the assigned range with each range having five steps each step within the range being 5 percent greater than the previous step.

In the event the board of supervisors amends the resolution establishing salary ranges and monthly salary rates for the personnel of the County of San Luis Obispo effective on the date of this act, or passes a new resolution which provides for a change in compensation for ranges or steps, such changes shall be effective for court employees on the effective date of the action of the board of supervisors and shall remain effective only until January 1 of the second year following the year in which such a change is made.

SEC. 5. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act.

CHAPTER 23

An act to amend Section 25.5 of the Civil Code and Section 1607.5 of the Health and Safety Code, relating to blood donations by minors.

[Approved by Governor April 22, 1981. Filed with Secretary of State April 22, 1981]

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

SECTION 1. Section 25.5 of the Civil Code is amended to read:

25.5. (a) Notwithstanding any other provision of law, a minor who has attained the age of 17 may consent to the donation of his or her blood and to the penetration of tissue which is necessary to accomplish such donation. The consent shall not be subject to his or her disaffirmance because of minority.

(b) A minor who has attained the age of 15 may, with the written consent of his or her parents or a guardian, and the written authorization of a physician and surgeon, consent to the donation of his or her blood and to the penetration of tissue which is necessary to accomplish such donation. The consent shall not be subject to his or her disaffirmance because of minority.

(c) As used in this section "donation of blood" means a giving of blood in which the donor of the blood receives no payment therefor.

SEC. 2. Section 1607.5 of the Health and Safety Code is amended to read:

1607.5. (a) Notwithstanding any other provision of law, a person who has attained the age of 17 may consent to the donation of his or her blood and to the penetration of tissue which is necessary to accomplish such donation, and a blood bank may accept such donation.

(b) Notwithstanding any other provision of law, a person who has attained the age of 15 may consent to the donation of his or her blood and to the penetration of tissue which is necessary to accomplish such donation, and a blood bank may accept such donation, if he or she has the written consent of his or her parents or a guardian, and the written authorization of a physician and surgeon.

(c) As used in this section "donation of blood" means a giving of blood in which the donor of the blood receives no payment therefor.

CHAPTER 24

An act to amend Sections 19567, 19612.1, 19612.2, 19617, and 19619 of the Business and Professions Code, relating to horseracing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 22, 1981 Filed with Secretary of State April 22, 1981]

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

SECTION 1. Section 19567 of the Business and Professions Code is amended to read:

19567. Since the purpose of this chapter is to encourage agriculture and the breeding of horses in this state, a sum equal to 10 percent of the first money of every purse won by a California-bred horse at a horserace meeting shall be paid by the licensee conducting the meeting to the breeder of the animal. This section shall apply to any California-bred standardbred horse that is foaled on or after the first day of November 1977 for all races, except the California Standardbred Sires Stakes races. However, with respect to California-bred standardbred awards only, the award paid shall be a sum equal to 10 percent of the first money of every purse, exclusive of nomination, sustaining, entry, and starter fees.

SEC. 2. Section 19612.1 of the Business and Professions Code is amended to read:

19612.1. (a) In addition to the amounts otherwise deducted pursuant to this chapter, every association with an average daily handle of more than six hundred fifty thousand dollars ($650,000), which conducts a harness, quarter, or Appaloosa horse meeting may deduct from the total amount handled in daily double, quinella, exacta, and other multiple wagering pools approved by the board up to 3 percent thereof to be distributed as additional commissions and purses in the following percentage ratio: to the association as additional commission, 59.5 percent; to the horsemen as additional purses, 40.5 percent.

(b) From the amount deducted for quarter or Appaloosa horse purses under subdivision (a), a sum equal to 13.33 percent thereof shall be held by the association to be paid as owners' premiums for California breds winning at the meeting. The premiums shall be distributed within 30 days of the close of the meeting on a prorated percentage basis of first moneys earned to persons owning California-bred quarter horses and California-bred Appaloosa horses at the time of their wins at races having a total purse value in excess of the average purse value for races conducted during the previous year. Except for fair meetings, the maximum award made to an owner in any one race shall not exceed 10 percent of the total awards fund.

The board shall designate the officially recognized organizations representing quarter horse and Appaloosa horsemen to administer this subdivision and to distribute premiums. The organizations may, with the approval of the board, make a deduction for expenses not to exceed 5 percent of the total awards fund.

(c) At least 30 days prior to the commencement of its meeting, the association shall file with the board a statement of the additional

deduction to be made pursuant to subdivision (a). Except with the consent of the board, the amount of the deduction shall not be changed during the course of the meeting.

(d) In addition to the amounts otherwise deducted pursuant to this section, every harness racing association shall deduct an additional 2 percent of its exotic parimutuel pools to be distributed equally as commissions and purses.

SEC. 3. Section 19612.2 of the Business and Professions Code is amended to read:

19612.2. (a) In addition to the amounts otherwise deducted pursuant to this chapter, every association with an average daily handle of six hundred fifty thousand dollars ($650,000) or less, except an association subject to Section 19614.2, which conducts a harness, quarter, or Appaloosa horse meeting may deduct from the total amount handled in its daily exotic parimutuel pool up to 3 percent thereof to be distributed as additional commissions and purses as follows:

(1) For quarter horse meetings conducted other than pursuant to Section 19612.6 and for Appaloosa horse meetings, as agreed to by the association conducting the meeting and the organization representing the horsemen participating at the meeting.

(2) For harness and quarter horse meetings conducted pursuant to Section 19612.6, 50 percent as commissions and 50 percent as purses.

(b) From the amount deducted for quarter horse and Appaloosa horse purses under subdivision (a), a sum equal to 13.33 percent thereof shall be held by the association to be paid as owners' premiums for California breds winning at the meeting. The premiums shall be distributed within 30 days of the close of the meeting on a prorated percentage basis of first moneys earned to persons owning California-bred quarter horses and California-bred Appaloosa horses at the time of their wins at races having a total purse value in excess of the average purse value for races conducted during the previous year. Except for fair meetings, the maximum award made to an owner in any one race shall not exceed 10 percent of the total awards fund.

The board shall designate the officially recognized organizations representing quarter horse and Appaloosa horsemen to administer this subdivision and to distribute premiums. The organizations may, with the approval of the board, make a deduction for expenses not to exceed 5 percent of the total awards.

(c) At least 30 days prior to the commencement of its meeting, the association shall file with the board a statement of the additional deduction to be made pursuant to subdivision (a) and its distribution between commissions and purses. Except with the consent of the board, the amount of the deduction and its distribution shall not be changed during the course of the meeting.

(d) In addition to any deductions pursuant to this section, every harness racing association shall also deduct an additional 2 percent

of its daily exotic parimutuel pool to be distributed equally as commissions and purses.

SEC. 4. Section 19617 of the Business and Professions Code is amended to read:

19617. (a) Any association conducting a thoroughbred racing meeting shall at the end of such meeting deposit with the official registering agency of California-bred thoroughbred racehorses as designated by the board, in a depository approved by the board the amount of 0.34 percent of the amount so handled referred to in Section 19616.

(b) The official registering agency shall distribute such funds pursuant to Section 19567 to the breeders of California-bred thoroughbred horses becoming entitled thereto at such thoroughbred racing meeting, except that a breeder of a thoroughbred horse winning or placing second or third in a race in this state shall be paid a sum equal to 10 percent of the respective share of the purse, exclusive of nomination, entry, or starting fees. A breeder of a California-bred thoroughbred winning a graded stakes race outside the State of California shall be paid a sum equal to 10 percent of the winner's share of the purse, with a maximum award of seven thousand five hundred dollars ($7,500) for any one race.

(c) Following the close of each meeting the official registering agency shall pay an owners' premium award of up to 5 percent of the winner's share of the purse, exclusive of nomination, entry, or starting fees, to the owner of a California-bred thoroughbred horse winning a race, other than a claiming race, at a thoroughbred meeting in this state, or a claiming race at thoroughbred racing meetings in the central and southern zones when the total purse exceeds the daily average purse distributed at that meeting during the prior year, or a claiming race at thoroughbred racing meetings in the northern zone when the total purse exceeds 150 percent of the daily average purse distributed at that meeting during the prior year. This payment shall be supplemented by the funds paid pursuant to subdivision (b) of Section 19611.5, except that the combined owner's premium award shall not exceed 20 percent for any one race.

(d) At the end of the fiscal year, the balance of such fund shall be distributed by the official registering agency as stallion awards. Stallion awards shall be made on a prorated percentage based on the winner's share of the purse, exclusive of nomination, entry, or starting fees, to the owner of a sire of California-bred thoroughbred horses which win one or more races other than claiming races at a thoroughbred racing meeting, or a claiming race at thoroughbred racing meetings in the central or southern zone when the total purse exceeds the daily average purse distributed at that meeting during the prior year, or a claiming race at thoroughbred racing meetings in the northern zone when the total purse exceeds 150 percent of the daily average purse distributed at that meeting during the prior year, or any thoroughbred stakes race run at the California Exposition and State Fair, or at any county or district agricultural association fair,

and, in the case of such California-bred thoroughbreds winning a graded stakes race outside the State of California, a prorated award shall be made to the owner of the sire, with a maximum award of seven thousand five hundred dollars ($7,500) for any one race. Such awards shall not be made to the owner of a stallion which has been out of the state for breeding purposes during the calendar year.

(e) The maximum amount payable to the owner of a California stallion eligible for stallion awards for any one race shall be 3 percent of the total stallion awards fund for the year during which that race was run.

(f) The official registering agency shall make a deduction for expenses not to exceed 5 percent of the total awards fund, with such deductions having to be approved by the board, which shall report annually to the Governor and Legislature with respect to such distributions.

(g) In the event there are insufficient funds to make all of the distributions in this section, there shall be no additional assessments made against any associations to fund such deficiencies.

SEC. 5. Section 19619 of the Business and Professions Code is amended to read:

19619. (a) Since the purpose of this chapter is to encourage agriculture and the breeding of horses in this state, a California Standardbred Sires Stakes Program is hereby established for standardbred horses bred in the State of California.

(b) Horses eligible to race in the California Standardbred Sires Stakes Program shall be the offspring of any registered California standardbred stallion standing in California during an entire breeding season and shall be the foals of mares that remain in California from the time that they conceive until their foal is dropped and weaned.

(c) Responsibility for the California Standardbred Sires Stakes Program shall lie with the board. Administration of the California Standardbred Sires Stakes Program shall be mutually carried out by the harness horsemen's organization contracting with the associations with respect to the conduct of racing meetings and the organization responsible for the registration of California-bred harness horses. Administrative expenses in any given year shall not exceed 4 percent of that year's income to the California Standardbred Sires Stakes Program, and all expenses shall be approved by the board.

(d) The board is authorized to do all that is necessary to ensure that the California Standardbred Sires Stakes Program is appropriately administered and shall prepare, issue, and promulgate rules and regulations providing for the following:

(1) Classes and divisions of races, eligibility of horses and owners therefor, and prizes and awards to be awarded.

(2) Nominating, sustaining, and entry fees for horses and races.

(3) Registration and certification of California stallions, mares bred to those stallions, and foals produced thereby.

(4) Any other matter which is considered to be necessary and appropriate for the proper administration and implementation of the California Standardbred Sires Stakes Program.

(e) The funds for the California Standardbred Sires Stakes Program made available pursuant to Section 19491.7 and the nominating, sustaining, and entry fees provided for herein shall be deposited into a separate trust account in the State Treasury. All funds in the trust account are continuously appropriated to the board for expenditure for carrying out the purposes of the California Standardbred Sires Stakes Program. The board may expend funds from the trust account which are sufficient to meet the requirements of the Standardbred Sires Stakes Program, but in amounts not to exceed the total of funds deposited. All disbursements therefrom for the payment of purses and awards, cost of administration, and any other appropriate expenses shall be made by the chairman of the board or his designee. The board shall annually make a full report setting forth an itemization of all deposits to the trust account, an itemization of expenditures from the trust account, and an estimate on an annual basis for the following five-year period of income to the trust account and distribution from the trust account.

(f) Pursuant to Section 19491.7, the breakage used to fund the California Standardbred Sires Stakes Program and to increase purses shall be divided in accordance with the following criteria:

	California Standardbred Sires Stakes Program	Purses
1977	10%	90%
1978	20%	80%
1979	25%	75%
1980	50%	50%
January 1 to June 30, 1981	75%	25%
July 1, 1981, and thereafter	100%	0%

(g) An amount equal to 10 percent of the total purses raced for in the California Sires Stakes races, excluding amounts derived from nomination, sustaining, and entry fees, shall be awarded to the standardbred breeders of the horses that earned purse money in the California Standardbred Sires Stakes races in proportion to the amount of purse money earned by each horse.

(h) An amount equal to 2 percent of the total purses raced for in the California Sires Stakes races, excluding amounts derived from nomination, sustaining, and entry fees, shall be awarded to the owners of the registered California standardbred stallions that sired horses that earned purse money in the California Standardbred Sires Stakes races in proportion to the amount of purse money earned by each horse so sired.

(i) Notwithstanding subdivision (b), the board may establish a

series of races for two-year-old and three-year-old fillies that are wholly owned by a California resident on the first day of January of the year that they become two year olds and are wholly owned by a California resident on the day of the race.

(j) The balance remaining in the trust account, including nominating, sustaining, and entry fees, and after the expenditures described in subdivisions (e), (g), (h), and (i) have been made, shall be allocated to purses for races comprising the California Standardbred Sires Stakes Program.

(k) The schedule of races that shall comprise the California Standardbred Sires Stakes Program during each year shall be set by the board in accordance with the following criteria:

(1) California Standardbred Sires Stakes races shall be scheduled for two-year-old and three-year-old trotters and two-year-old and three-year-old pacers at each licensed harness meeting in California, except that no two-year-old races shall be held prior to the first day of June of any year. Races for four-year-old or aged trotters and four-year-old or aged pacers may also be scheduled.

(2) Two- and three-year-old races shall be divided into colt and filly divisions.

(3) Base purses for the foals of any given year at any race meeting, with the exception of championship races which may be scheduled and excluding purses derived from nomination, sustaining, and entry fees, shall be equal for all two-year-old and three-year-old races regardless of sex and gait, except that, if divisions are raced, the base purse for each division shall be no less than 75 percent of the original base purse and, if elimination heats are raced, the base purse for each elimination heat shall be no less than 30 percent of the original base purse.

(4) In each division of each race in the California Standardbred Sires Stake races, the purse shall be divided in the following manner:

(i) Five or more starters	
1st	50%
2nd	25%
3rd	12%
4th	8%
5th	5%
(ii) Four starters	
1st	55%
2nd	25%
3rd	12%
4th	8%
(iii) Three starters	
1st	55%
2nd	30%
3rd	15%
(iv) Two starters	
1st	65%

2nd 35%
(v) One starter
1st 100%

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

In order to prevent inequitable distribution of California-bred awards at racing meetings in California, it is necessary that this act take effect immediately.

CHAPTER 25

An act to amend Section 21200 of the Financial Code, relating to pawnbrokers, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 30, 1981 Filed with Secretary of State April 30, 1981]

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

SECTION 1. Section 21200 of the Financial Code is amended to read:

21200. Except as provided in Section 21200.5, no pawnbroker shall charge or receive compensation at a rate exceeding the sum of the following:

(a) Two and one-half percent (2½%) per month on that portion of the unpaid principal balance of any loan up to, including, but not in excess of two hundred twenty-five dollars ($225).

(b) Two percent (2%) per month on that portion of the unpaid principal balance of the loan in excess of two hundred twenty-five dollars ($225) up to, including, but not exceeding nine hundred dollars ($900).

(c) One and one-half percent (1½%) per month on that part of the unpaid principal balance in excess of nine hundred dollars ($900) up to and including, but not in excess of, one thousand six hundred fifty dollars ($1,650).

(d) One percent (1%) per month on any remainder of such unpaid principal balance in excess of one thousand six hundred fifty dollars ($1,650).

(e) A charge not exceeding one dollar ($1) a month on any loan when the monthly charge permitted by this section would otherwise be less than such minimum charge.

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

immediate effect. The facts constituting the necessity are:

In order to rectify an inadvertent error made in the amendment of Section 21200 of the Financial Code by Chapter 1228 of the Statutes of 1980, which error will, if not corrected, cause undue and unintended financial harm to pawnbrokers, it is necessary that this act go into immediate effect.

CHAPTER 26

An act to amend Sections 1810.2, 1810.6, and 1812.41 of the Civil Code, and to repeal Section 8 of Chapter 1381 of the Statutes of 1980, relating to retail installment accounts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 30, 1981 Filed with Secretary of State April 30, 1981.]

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

SECTION 1. Section 1810.2 of the Civil Code, as amended by Section 5 of Chapter 1381 of the Statutes of 1980, is amended to read:

1810.2. Subject to the other provisions of this article, the seller or holder of a retail installment account may charge, receive and collect the finance charge authorized by this chapter. The finance charge shall not exceed the following rates computed on the outstanding balances from month to month:

(a) On so much of the outstanding balance as does not exceed one thousand dollars ($1,000), 1.6 percent.

(b) If the outstanding balance is more than one thousand dollars ($1,000), 1 percent on the excess over one thousand dollars ($1,000) of the outstanding balance.

(c) If the finance charge so computed is less than one dollar ($1) for any month, one dollar ($1).

(d) The finance charge may be computed on a schedule of fixed amounts if as so computed it is applied to all amounts of outstanding balances equal to the fixed amounts minus a differential of not more than five dollars ($5), provided that it is also applied to all amounts of outstanding balances equal to the fixed amount plus at least the same differential.

(e) If a seller or holder of a retail installment account increases its finance charge rate, then the increased rate may only be applied to balances consisting of purchases or other charges incurred on or after the effective date of the increase. For purposes of determining the balances to which the increased rate applies, all payments and other credits may be deemed to be applied to the balance existing prior to the change in rate until that balance is paid in full.

This section shall remain in effect only until October 1, 1982, and as of that date is repealed.

SEC. 2. Section 1810.2 of the Civil Code, as added by Section 6 of Chapter 1381 of the Statutes of 1980, is amended to read:

1810.2. Subject to the other provisions of this article, the seller or holder of a retail installment account may charge, receive and collect the finance charge authorized by this chapter. The finance charge shall not exceed the following rates computed on the outstanding balances from month to month:

(a) On so much of the outstanding balance as does not exceed one thousand dollars ($1,000), 1½ percent.

(b) If the outstanding balance is more than one thousand dollars ($1,000), 1 percent on the excess over one thousand dollars ($1,000) of the outstanding balance.

(c) If the finance charge so computed is less than one dollar ($1) for any month, one dollar ($1).

(d) The finance charge may be computed on a schedule of fixed amounts if as so computed it is applied to all amounts of outstanding balances equal to the fixed amounts minus a differential of not more than five dollars ($5), provided that it is also applied to all amounts of outstanding balances equal to the fixed amount plus at least the same differential.

This section shall become operative on October 1, 1982.

SEC. 3. Section 1810.6 of the Civil Code is amended to read:

1810.6. Nothing in this article prohibits the execution of an agreement between a buyer and seller whereby the seller retains a security interest in goods sold to the buyer until full payment therefor has been made. For purposes of release of the security interests, in the case of goods or services purchased on different dates, the first purchased shall be deemed first paid for, and in the case of goods or services purchased on the same date, the lowest priced shall be deemed first paid for, and all amounts allocated to payment of these goods or services shall be applied to accomplish that result. However, any downpayment on a specific purchase shall be deemed to be allocated in its entirety to such purchase.

SEC. 4. Section 1812.41 of the Civil Code is amended to read:

1812.41. The committee shall have the following authority and duties:

(a) To investigate the costs of providing consumer credit to California customers:

(b) To obtain from the consumer credit industry for analysis records and information pertaining to such costs;

(c) To determine the desirability of maintaining rate ceilings in consumer credit transactions;

(d) To report to the Assembly Committee on Finance, Insurance and Commerce and to the Senate Committee on Banking and Commerce on December 31, 1981, on the results of this study.

SEC. 5. Section 8 of Chapter 1381 of the Statutes of 1980 is repealed.

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

Chapter 1381 of the Statutes of 1980 amended provisions relating to retail installment accounts to provide for an increase in the rate of permissible finance charges. In order to enable sellers and holders of retail installment accounts to avail themselves of these provisions with the least amount of difficulty in computing the appropriate charge to be imposed on purchases made before and after the effective date of the increase, it is necessary that this act take effect immediately.

CHAPTER 27

An act making an appropriation to meet the expenses of detecting the Mediterranean fruit fly, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 30, 1981. Filed with Secretary of State April 30, 1981]

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

SECTION 1. The Legislature hereby finds and declares that the early detection of incipient infestations of the Mediterranean fruit fly is essential for the successful eradication of this devastating pest, and that only through the cooperative efforts of state and local entities can California's economy, the agricultural industry and consumers be spared the terrible consequences which would result from the further spread of this pest.

SEC. 2. (a) The sum of one million one hundred thirty-four thousand two hundred twenty-eight dollars ($1,134,228) is hereby appropriated from the Energy and Resources Fund to the Department of Food and Agriculture for the 1980–81 fiscal year to carry out programs for the timely detection of incipient infestations of the Mediterranean fruit fly (Ceratitis capitata) including contracting with county agricultural commissioners to carry out these programs.

(b) The Director of Food and Agriculture may contract with county agricultural commissioners in those counties where the director determines the need exists for Mediterranean fruit fly detection activity.

(c) The Director of Food and Agriculture may promulgate emergency regulations pursuant to Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code to establish the criteria necessary to enter into contracts with county agricultural commissioners and to establish guidelines and procedures for carrying out Mediterranean fruit fly detection programs at the local level by the county agricultural commissioner

or by the director.

(d) The Director of Food and Agriculture shall make reimbursement to county agricultural commissioners for expanded Mediterranean fruit fly detection from March 1, 1981 forward in the amount determined by the director necessary to cover direct county costs. It is the intent of the Legislature that this appropriation constitute full reimbursement pursuant to Section 2231 of the Revenue and Taxation Code for expanded Mediterranean fruit fly detection.

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

In order to assure the counties will not delay out of financial concern in the immediate establishment and implementation of programs for the timely detection of incipient infestations of the Mediterranean fruit fly to the detriment of the state's agricultural industry, economy, and consumers, it is necessary that this act take effect immediately.

CHAPTER 28

An act to amend Sections 853.6, 853.6a, and 853.9 of the Penal Code, relating to prosecution of crimes, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 7, 1981 Filed with Secretary of State May 8, 1981]

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

SECTION 1. Section 853.6 of the Penal Code is amended to read:

853.6. (a) In any case in which a person is arrested for an offense declared to be a misdemeanor and does not demand to be taken before a magistrate, such person may, instead of being taken before a magistrate, be released according to the procedures set forth by this chapter. If the arresting officer or his or her superior determines that the person should be released, such officer or superior shall prepare in duplicate a written notice to appear in court, containing the name and address of such person, the offense charged, and the time and place where and when such person shall appear in court. If the person is not released prior to being booked and the officer in charge of the booking or his or her superior determines that the person should be released, such officer or superior shall prepare such written notice to appear in a court.

(b) Unless waived by the person, the time specified in the notice to appear must be at least 10 days after arrest if the duplicate notice is to be filed by the officer with the magistrate, and at least 30 days

after arrest if the duplicate notice is to be filed by the officer with the prosecuting attorney.

(c) The place specified in the notice shall be the court of the magistrate before whom the person would be taken if the requirement of taking an arrested person before a magistrate were complied with, or shall be an officer authorized by such court to receive a deposit of bail.

(d) The officer shall deliver one copy of the notice to appear to the arrested person, and the arrested person, in order to secure release, must give his or her written promise so to appear in court by signing the duplicate notice which shall be retained by the officer. Thereupon the arresting officer shall forthwith release the person arrested from custody.

(e) The officer shall, as soon as practicable, file the duplicate notice, as follows:

(1) It shall be filed with the magistrate if the offense charged is an infraction.

(2) It shall be filed with the magistrate if the prosecuting attorney has previously directed the officer to do so.

(3) The duplicate notice and underlying police reports in support of the charge or charges shall be filed with the prosecuting attorney in cases other than those specified in paragraphs (1) and (2).

If the duplicate notice is filed with the prosecuting attorney, he or she, within his or her discretion, may initiate prosecution by filing the notice or a formal complaint with the magistrate specified therein within 25 days from the time of arrest. If the prosecution is not to be initiated, the prosecutor shall send notice to the person arrested at the address on the notice to appear. The failure by the prosecutor to file the notice or formal complaint within 25 days of the time of arrest shall bar further prosecution of the misdemeanor charged in the notice to appear.

Upon the filing of the notice with the magistrate by the officer, or the filing of the notice or formal complaint by the prosecutor, the magistrate may fix the amount of bail which in his or her judgment, in accordance with the provisions of Section 1275 of the Penal Code, will be reasonable and sufficient for the appearance of the defendant and shall indorse upon the notice a statement signed by him or her in the form set forth in Section 815a of this code. The defendant may, prior to the date upon which he or she promised to appear in court, deposit with the magistrate the amount of bail thus set. Thereafter, at the time when the case is called for arraignment before the magistrate, if the defendant shall not appear, either in person or by counsel, the magistrate may declare the bail forfeited, and may in his or her discretion order that no further proceedings shall be had in such case, unless the defendant has been charged with violation of Section 374b or 374e of this code or of Section 11357, 11360, or 13002 of the Health and Safety Code, or a violation punishable under Section 5008.7 of the Public Resources Code, and he or she has previously been convicted of a violation of such section or punishable

under such section, except in cases where the magistrate finds that undue hardship will be imposed upon the defendant by requiring him or her to appear, the magistrate may declare the bail forfeited and order that no further proceedings shall be had in such case.

Upon the making of such order that no further proceedings be had, all sums deposited as bail shall forthwith be paid into the county treasury for distribution pursuant to Section 1463 of this code.

(f) No warrant shall issue on such charge for the arrest of a person who has given such written promise to appear in court, unless and until he or she has violated such promise or has failed to deposit bail, to appear for arraignment, trial or judgment, or to comply with the terms and provisions of the judgment, as required by law.

(g) The officer shall indicate on the notice to appear whether he or she desires the arrested person to be booked as defined in subdivision 21 of Section 7 of this code. In such event, the magistrate shall, before the proceedings are finally concluded, order the defendant to be booked by the arresting agency.

(h) A peace officer may use the written notice to appear procedure set forth in this section for any misdemeanor offense in which the officer has arrested a person pursuant to Section 836 or in which he or she has taken custody of a person pursuant to Section 847.

(i) If the arrested person is not released pursuant to the provisions of this chapter prior to being booked by the arresting agency, then at the time of booking the arresting officer, the officer in charge of such booking or his or her superior officer, or any other person designated by a city or county for this purpose shall make an immediate investigation into the background of the person to determine whether he or she should be released pursuant to the provisions of this chapter. Such investigation shall include, but need not be limited to, the person's name, address, length of residence at that address, length of residence within this state, marital and family status, employment, length of that employment, prior arrest record, and such other facts relating to the person's arrest which would bear on the question of his or her release pursuant to the provisions of this chapter.

(j) Whenever any person is arrested by a peace officer for a misdemeanor, other than an offense described in subdivision (b) of Section 11357 or subdivision (c) of Section 11360 of the Health and Safety Code, and is not released with a written notice to appear in court pursuant to this chapter, the arresting officer shall indicate, on a form to be established by his or her employing law enforcement agency, which of the following was a reason for such nonrelease:

(1) The person arrested was so intoxicated that he or she could have been a danger to himself or herself or to others.

(2) The person arrested required medical examination or medical care or was otherwise unable to care for his or her own safety.

(3) The person was arrested for one or more of the offenses listed in Section 40302 of the Vehicle Code.

(4) There were one or more outstanding arrest warrants for the person.

(5) The person could not provide satisfactory evidence of personal identification.

(6) The prosecution of the offense or offenses for which the person was arrested or the prosecution of any other offense or offenses would be jeopardized by immediate release of the person arrested.

(7) There was a reasonable likelihood that the offense or offenses would continue or resume, or that the safety of persons or property would be imminently endangered by release of the person arrested.

(8) The person arrested demanded to be taken before a magistrate or refused to sign the notice to appear.

(9) Any other reason, which shall be specifically stated on the form by the arresting officer.

Such form shall be filed with the arresting agency as soon as practicable and shall be made available to any party having custody of the arrested person, subsequent to the arresting officer, and to any person authorized by law to release him or her for custody before trial.

SEC. 2. Section 853.6a of the Penal Code is amended to read:

853.6a. If the person arrested appears to be under the age of 18 years, and the arrest is for a violation of the Fish and Game Code not declared to be a felony, or a violation of subdivision (m) of Section 602, the notice under Section 853.6 shall instead provide that such person shall appear before the juvenile court, a juvenile court referee, or a juvenile traffic hearing officer within the county in which the offense charged is alleged to have been committed, and the officer shall instead, as soon as practicable, file the duplicate notice with the prosecuting attorney unless the prosecuting attorney directs the officer to file the duplicate notice with the clerk of the juvenile court, the juvenile court referee, or the juvenile traffic hearing officer. If the notice is filed with the prosecuting attorney, within 48 hours before the date specified on the notice to appear, the prosecutor, within his or her discretion, may initiate proceedings by filing the notice or a formal petition with the clerk of the juvenile court, or the juvenile court referee or juvenile traffic hearing officer, before whom the person is required to appear by the notice.

SEC. 3. Section 853.9 of the Penal Code is amended to read:

853.9. (a) Whenever written notice to appear has been prepared, delivered, and filed by an officer or the prosecuting attorney with the court pursuant to the provisions of Section 853.6 of this code, an exact and legible duplicate copy of the notice when filed with the magistrate, in lieu of a verified complaint, shall constitute a complaint to which the defendant may plead "guilty" or "nolo contendere."

If, however, the defendant violates his or her promise to appear in court, or does not deposit lawful bail, or pleads other than "guilty" or "nolo contendere" to the offense charged, a complaint shall be

filed which shall conform to the provisions of this code and which shall be deemed to be an original complaint; and thereafter proceedings shall be had as provided by law, except that a defendant may, by an agreement in writing, subscribed by him or her and filed with the court, waive the filing of a verified complaint and elect that the prosecution may proceed upon a written notice to appear.

(b) Notwithstanding the provisions of subdivision (a) of this section, whenever the written notice to appear has been prepared on a form approved by the Judicial Council, an exact and legible duplicate copy of the notice when filed with the magistrate shall constitute a complaint to which the defendant may enter a plea and, if the notice to appear is verified, upon which a warrant may be issued. If the notice to appear is not verified, the defendant may, at the time of arraignment, request that a verified complaint be filed.

SEC. 4. Neither this bill nor Chapter 1094 of the 1980 Statutes is intended to affect procedures governing a written notice to appear which are set forth in the Vehicle Code.

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

Some counties are unable to comply with the provisions of Chapter 1094 of the Statutes of 1980 because of a lack of funding for staff.

CHAPTER 29

An act to amend Section 11165 of the Penal Code, relating to child abuse, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 7, 1981. Filed with Secretary of State May 8, 1981]

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

SECTION 1. Section 11165 of the Penal Code is amended to read:

11165. As used in this article:

(a) "Child" means a person under the age of 18 years.

(b) "Sexual assault" means conduct in violation of the following sections of the Penal Code: Sections 261 (rape), 264.1 (rape in concert), 285 (incest), 286 (sodomy), subdivisions (a) and (b) of Section 288 (lewd or lascivious acts upon a child under 14 years of age), and Sections 288a (oral copulation), 289 (penetration of a genital or anal opening by a foreign object), and 647a (child molestation).

(c) "Neglect" means the negligent failure of a person having the care or custody of any child to protect a child from severe malnutrition or medically diagnosed nonorganic failure to thrive. For the purposes of this chapter, a child receiving treatment by

spiritual means as provided in Section 16508 of the Welfare and Institutions Code shall not for that reason alone be considered a neglected child.

(d) "Willful cruelty or unjustifiable punishment of a child" means a situation where any person willfully causes or permits any child to suffer, or inflicts thereon, unjustifiable physical pain or mental suffering, or having the care or custody of any child, willfully causes or permits the person or health of such child to be placed in such situation that his or her person or health is endangered.

(e) "Corporal punishment or injury" means a situation where any person willfully inflicts upon any child any cruel or inhuman corporal punishment or injury resulting in a traumatic condition.

(f) "Abuse in out-of-home care" means situations of suspected physical injury on a child which is inflicted by other than accidental means, or of sexual abuse or neglect or the willful cruelty or unjustifiable punishment of a child, as defined in this article, where the person responsible for the child's welfare is a foster parent or the administrator or an employee of a public or private residential home, school, or other institution or agency.

(g) "Child abuse" means a physical injury which is inflicted by other than accidental means on a child by another person. "Child abuse" also means the sexual assault of a child or any act or omission proscribed by Section 273a (willful cruelty or unjustifiable punishment of a child) or 273d (corporal punishment or injury). "Child abuse" also means the neglect of a child or abuse in out-of-home care, as defined in this article.

(h) "Child care custodian" means a teacher, administrative officer, supervisor of child welfare and attendance, or certificated pupil personnel employee of any public or private school; an administrator of a public or private day camp; a licensed day care worker; an administrator of a community care facility licensed to care for children; headstart teacher; public assistance worker; employee of a child care institution including, but not limited to, foster parents, group home personnel and personnel of residential care facilities; a social worker or a probation officer.

(i) "Medical practitioner" means a physician and surgeon, psychiatrist, psychologist, dentist, resident, intern, podiatrist, chiropractor, licensed nurse, dental hygienist, or any other person who is currently licensed under Division 2 (commencing with Section 500) of the Business and Professions Code.

(j) "Nonmedical practitioner" means a state or county public health employee who treats a minor for venereal disease or any other condition; a coroner; a paramedic; a marriage, family, or child counselor; or a religious practitioner who diagnoses, examines, or treats children.

(k) "Child protective agency" means a police or sheriff's department, a county probation department, or a county welfare department.

SEC. 2. This act is an urgency statute necessary for the

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

The existing provisions of law are causing the overreporting of various acts unrelated to child abuse pursuant to Chapter 1071 of the Statutes of 1980, which is creating a detrimental impact upon the efforts of the Legislature to deal with the problem of child abuse. In order to remedy this situation as soon as possible, it is necessary that this act become effective immediately.

SEC. 3. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 30

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

[Approved by Governor May 13, 1981 Filed with Secretary of State May 14, 1981]

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

SECTION 1. Notwithstanding Section 39227 of the Education Code, the Governing Board of the San Ramon Valley Unified School District may use facilities known as Twin Creeks Elementary School. During the period of use authorized by this section, the building and related facilities shall not be subject to Article 3 (commencing with Section 39140) or Article 6 (commencing with Section 39210) of Chapter 2 of Part 23 of the Education Code.

The liability of the San Ramon Valley Unified School District and the members of its governing board for a dangerous condition in the Twin Creeks Elementary School during the period of use authorized by this section shall be determined by the provisions of Division 3.6 (commencing with Section 810) of Title 1 of the Government Code.

This section shall remain in effect only until June 30, 1983, and as of such date is repealed, unless a later enacted statute, which is chaptered before June 30, 1983, deletes or extends such date.

SEC. 2. The Legislature finds and declares that a general act cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution to the operation of the Twin Creeks Elementary School and that special legislation is necessary. The facts constituting the necessity are:

Twin Creeks Elementary School is a temporary facility including 21 portables housing grades kindergarten through 6th with an enrollment of 445 students.

The Board of Trustees of the San Ramon Valley Unified School District has pursued avenues for replacement of temporary facilities which do not conform to the structural standards of the so-called Field Act. Prior to the passage of Proposition 13, there were two general obligation bond elections to replace Twin Creeks Elementary School with a permanent site.

Because the Office of State Architecture is expected to find and declare these buildings in nonconformance with the so-called Field Act, it is necessary that the San Ramon Valley Unified School District be allowed to continue to use these facilities until some means of replacing them with a permanent structure is determined.

SEC. 3. Notwithstanding Section 81178 of the Education Code, the Governing Board of the Palo Verde Community College District may use the facility on East Hobsonway currently housing the Vocational Center in the Palo Verde Community College District and the facility at 150 South Main Street currently housing the Child Development Center in the Palo Verde Community College District. During the period of use authorized by this section, these facilities shall not be subject to Article 7 (commencing with Section 81130) or Article 8 (commencing with Section 81160) of Chapter 1 of Part 49 of the Education Code.

This section shall remain in effect only until June 30, 1983, and as of such date is repealed, unless a later enacted statute, which is chaptered before June 30, 1983, deletes or extends such date.

SEC. 4. The Legislature finds and declares that a general act cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution to the operation of the Vocational Center and the Child Development Center in the Palo Verde Community College District and that special legislation is necessary. The facts constituting the necessity are:

The Governing Board of the Palo Verde Community College District has been unable to find facilities suitable for replacing the facilities currently used for the Vocational Center and the Child Development Center.

Because the Office of State Architecture is expected to find and declare these buildings in nonconformance with the so-called Field Act, it is necessary that the Palo Verde Community College District be allowed to continue to use these facilities until some means of replacing them is determined.

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

In order that certain buildings and facilities which are essential to the operation of Twin Creeks Elementary School in the San Ramon Valley Unified School District, and the Vocational Center and Child

Development Center in the Palo Verde Community College District remain in operation, it is necessary that this act take effect immediately.

CHAPTER 31

An act to amend Sections 825 and 826 of the Elections Code, and to repeal Section 2 of Chapter 936 of the Statutes of 1980, relating to elections.

[Approved by Governor May 13, 1981 Filed with Secretary of State May 14, 1981.]

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

SECTION 1. Section 825 of the Elections Code is amended to read:

825. From moneys appropriated by the Legislature, the Controller shall reimburse counties for additional costs incurred by counties for purging voter registration files pursuant to Article 5 (commencing with Section 700) and Article 6 (commencing with Section 800). Reimbursement shall be made for costs incurred only in connection with purges for the direct primary election and the general election, as defined by Sections 20 and 23.

The amount reimbursable to each county shall be determined by multiplying the statewide average cost per registered voter by the number of registered voters in the county as determined by the Secretary of State under subdivisions (c) and (d) of Section 607. The statewide average cost per registered voter shall be determined by the Secretary of State based on the claims submitted for reimbursement for the 1978 purge of voter registration files, which cost shall not exceed ten cents ($0.10).

SEC. 2. Section 826 of the Elections Code is amended to read:

826. Any claim submitted to the Controller pursuant to this article shall state whether the purge was conducted pursuant to Article 5 (commencing with Section 700) or Article 6 (commencing with Section 800), that the county had reimbursable costs and the number of registered voters in the county as determined by the Secretary of State under subdivisions (c) and (d) of Section 607. The claims shall be made to the Controller by October 31 of the next even-numbered year in which a primary and general election are held.

SEC. 3. Section 2 of Chapter 936 of the Statutes of 1980 is repealed.

SEC. 4. Reimbursement claims for conducting the 1982 and 1984 purge of voter registration files shall be submitted to the Controller by October 31, 1982, and October 31, 1984, respectively, or the claims will not be paid.

CHAPTER 32

An act to amend Sections 830.31, 12027, and 12403.7 of the Penal Code, and to add Section 22659 to the Vehicle Code, relating to peace officers, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 13, 1981. Filed with Secretary of State May 14, 1981]

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

SECTION 1. Section 830.31 of the Penal Code is amended to read:

830.31. The following persons are peace officers whose authority extends to any place in the state for the purpose of performing their primary duty or when making an arrest pursuant to Section 836 as to any public offense with respect to which there is immediate danger to person or property, or of the escape of the perpetrator of such offense, or pursuant to Section 8597 or Section 8598 of the Government Code. Such peace officers may carry firearms only if authorized and under such terms and conditions as are specified by their employing agency.

(a) Members of an arson-investigating unit, regularly employed and paid as such, of a fire protection agency of the state, of a county, city, or district, and members of a fire department or fire protection agency of the state, or a county, city, or district regularly paid and employed as such, provided that the primary duty of arson investigators shall be the detection and apprehension of persons who have violated any fire law or committed insurance fraud, and the primary duty of fire department or fire protection agency members other than arson investigators when acting as peace officers shall be the enforcement of laws relating to fire prevention and fire suppression.

(b) Persons designated by a local agency as park rangers, and regularly employed and paid as such, provided that the primary duty of any such peace officer shall be the protection of park property and the preservation of the peace therein.

(c) Members of a community college police department appointed pursuant to Section 72330 of the Education Code, provided that the primary duty of any such peace officer shall be the enforcement of the law as prescribed in Section 72330 of the Education Code.

(d) A welfare fraud or child support investigator or inspector, regularly employed and paid as such by a county, provided that the primary duty of any such peace officer shall be the enforcement of the provisions of the Welfare and Institutions Code and Section 270 of this code.

(e) The coroner and deputy coroners, regularly employed and

paid as such, of a county, provided that the primary duty of any such peace officer are those duties set forth in Sections 27469 and 27491 to 27491.4, inclusive, of the Government Code.

(f) A member of the San Francisco Bay Area Rapid Transit District Police Department appointed pursuant to Section 28767.5 of the Public Utilities Code, provided that the primary duty of any such peace officer shall be the enforcement of the law in or about properties owned, operated, or administered by the district or when performing necessary duties with respect to patrons, employees, and properties of the district.

(g) Harbor or port police regularly employed and paid as such by a county, city or district other than peace officers authorized under Section 830.1, and the port warden and special officers of the Harbor Department of the City of Los Angeles, provided that the primary duty of any such peace officer shall be the enforcement of the law in or about the properties owned, operated, or administered by the harbor or port or when performing necessary duties with respect to patrons, employees, and properties of the harbor or port.

(h) Persons designated as a security officer by a municipal utility district pursuant to Section 12820 of the Public Utilities Code, provided that the primary duty of any such officer shall be the protection of the properties of the utility district and the protection of the persons thereon.

SEC. 2. Section 12027 of the Penal Code is amended to read:

12027. Section 12025 does not apply to or affect any of the following:

(a) Peace officers listed in Section 830.1 or 830.2 whether active or honorably retired, other duly appointed peace officers, full-time paid peace officers of other states and the federal government who are carrying out official duties while in California, or any person summoned by any such officers to assist in making arrests or preserving the peace while he is actually engaged in assisting such officer.

The agency from which a peace officer is honorably retired may, upon initial retirement of the peace officer, or at anytime subsequent thereto, deny or revoke, for good cause, the retired officer's privilege to carry a weapon as provided in this subdivision.

A retired peace officer who retired after January 1, 1981, shall petition the issuing agency for renewal of his or her privilege to carry a concealed firearm every five years. Any peace officer who has been honorably retired shall be issued an identification certificate containing an endorsement by the issuing agency indicating whether or not the retired peace officer has the privilege to carry a weapon pursuant to this subdivision and where the officer retired after January 1, 1981, the date when the endorsement is to be reviewed again.

(b) The possession or transportation by any merchant of unloaded firearms as merchandise.

(c) Members of the Army, Navy, or Marine Corps of the United

States, or the National Guard, when on duty, or organizations which are by law authorized to purchase or receive such weapons from the United States or this state.

(d) Duly authorized military or civil organizations while parading, or the members thereof when going to and from the places of meeting of their respective organizations.

(e) Guards or messengers of common carriers, banks, and other financial institutions while actually employed in and about the shipment, transportation, or delivery of any money, treasure, bullion, bonds, or other thing of value within this state.

(f) Members of any club or organization organized for the purpose of practicing shooting at targets upon established target ranges, whether public or private, while such members are using any of the firearms referred to in this chapter upon such target ranges, or while going to and from such ranges.

(g) Licensed hunters or fishermen while engaged in hunting or fishing, or while going to or returning from such hunting or fishing expedition.

(h) Members of any club or organization organized for the purpose of collecting and displaying antique or historical pistols, revolvers or other firearms, while such members are displaying such weapons at meetings of such clubs or organizations or while going to and from such meetings, or individuals who collect such firearms not designed to fire, or incapable of firing fixed cartridges or fixed shot shells, or other firearms of obsolete ignition type for which ammunition is not readily available and which are generally recognized as collector's items, provided such firearm is kept in the trunk. If the vehicle is not equipped with a trunk, such firearm shall be kept in a locked container in an area of the vehicle other than the utility or glove compartment.

SEC. 3. Section 12403.7 of the Penal Code is amended to read:

12403.7. (a) Notwithstanding any other provision of law, any person may purchase, possess or use tear gas and tear gas weapons for the projection or release of tear gas if such tear gas and tear gas weapons are approved by the Department of Justice and are used solely for self-defense purposes, subject to the following requirements:

(1) No person convicted of a felony or any crime involving an assault under the laws of the United States, of the State of California, or any other state, government, or country or convicted of misuse of tear gas under paragraph (8) shall purchase, possess, or use tear gas or tear gas weapons.

(2) No person who is addicted to any narcotic drug shall purchase, possess, or use tear gas or tear gas weapons.

(3) No person shall sell or furnish any tear gas or tear gas weapon to a minor

(4) No person who is a minor shall purchase, possess, or use tear gas or tear gas weapons.

(5) (A) No person shall purchase, possess or use any tear gas

weapon which expels a projectile, or which expels the tear gas by any method other than an aerosol spray, or which is of a type, or size of container, other than authorized by regulation of the Department of Justice.

(B) The department, with the cooperation of the State Department of Health Services, shall develop standards and promulgate regulations regarding the type of tear gas and tear gas weapons which may lawfully be purchased, possessed, and used pursuant to this section.

(C) The regulations of the department shall include a requirement that every tear gas container and tear gas weapon which may be lawfully purchased, possessed, and used pursuant to this section have a label which states: "WARNING: The use of this substance or device for any purpose other than self-defense is a felony under the law. The contents are dangerous—use with care."

(6) (A) No person shall purchase, possess, or use any tear gas or any tear gas weapon who has not completed a course certified by the Department of Justice in the use of tear gas and tear gas weapons pursuant to which a card is issued identifying the person who has completed such a course. Such a course shall be taken under the auspices of any institution approved by the Department of Justice to offer tear gas training. Such a training institution is authorized to charge a fee covering the actual cost of such training. The requirements of this paragraph shall not apply to a person who is a retired peace officer, as peace officer is defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2, if the person prior to retirement had satisfactorily completed a course of instruction approved by the Commission on Peace Officer Standards and Training in the use of tear gas and tear gas weapons.

(B) The Department of Justice, in cooperation with the Commission on Peace Officer Standards and Training, shall develop standards for a course in the use of tear gas and tear gas weapons.

(7) If the purchase of tear gas or any tear gas weapon is denied, the vendor denying such purchase shall inform the person in writing of the reason for such denial. The valid identification card specified in paragraph (6) shall be carried on the person when carrying tear gas or tear gas weapons and shall be presented for examination to the vendor from whom any tear gas or tear gas weapons are purchased. The sale of tear gas or tear gas weapons by a vendor to a person who fails to present a valid identification card specified in paragraph (6) is a violation of Section 12420.

(8) Any person who has a valid identification card as specified in paragraph (6), who uses tear gas or tear gas weapons except in self-defense or as authorized for training purposes by the department is guilty of a public offense and is punishable by imprisonment in a state prison for 16 months, or two or three years or in a county jail not to exceed one year or by fine not to exceed one thousand dollars ($1,000) or by both such fine and imprisonment.

(b) Such identification card as specified in paragraph (6) of

subdivision (a) shall be valid so long as the person meets the requirements in subdivision (a), and shall be nontransferable.

All forms, cards, and other documentation necessary to administer the provisions of this section shall be uniform throughout the state as prescribed by the Department of Justice.

The Department of Justice may adopt and promulgate such regulations concerning the purchase and disposal of self-defense tear gas weapons, the standards for tear gas training courses, and the approval of facilities at which such training shall occur as are necessary to insure the safe use and possession of such tear gas weapons.

(c) Any person who successfully completes training under this section for which the course and training facility must be approved by the Department of Justice is entitled to receive a certificate of completion issued by the Department of Justice. A fee shall be charged by the Department of Justice for the certificate. The fee shall be no more than is necessary to reimburse the Department of Justice for the costs of approving the courses, the facilities, maintaining control of the quality of the courses, and issuing the certificate of completion. The Department of Justice may provide by regulation the manner in which the fee is collected and paid.

SEC. 4. Section 22659 is added to the Vehicle Code, to read:

22659. Any officer of the California State Police or any person duly authorized by the state agency in possession of property owned by the state, or rented or leased from others by the state and any officer of the California State Police providing policing services to property of a district agricultural association may, subsequent to giving notice to the city police or county sheriff, whichever is appropriate, cause the removal of a vehicle from such property to the nearest public garage, under any of the following circumstances:

(a) When the vehicle is illegally parked in locations where signs are posted giving notice of violation and removal.

(b) When an officer arrests any person driving or in control of a vehicle for an alleged offense and the officer is by this code or other law required to take the person arrested before a magistrate without unnecessary delay.

(c) When any vehicle is found upon such property and report has previously been made that the vehicle has been stolen or complaint has been filed and a warrant thereon issued charging that the vehicle has been embezzled.

(d) When the person or persons in charge of a vehicle upon such property are by reason of physical injuries or illness incapacitated to such an extent as to be unable to provide for its custody or removal.

The person causing removal of such vehicle shall comply with the requirements of Sections 22852 and 22853 relating to notice.

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

The powers granted in this bill are essential to enable peace officers to perform their function of protecting public safety. It is therefore necessary that this act go into immediate effect.

CHAPTER 33

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

[Approved by Governor May 19, 1981. Filed with Secretary of State May 19, 1981.]

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

SECTION 1. The sum of two million two hundred fifty thousand dollars ($2,250,000) is hereby appropriated from the General Fund to the State Department of Health Services, to be used in augmentation of Item 293 of the Budget Act of 1980 (Chapter 510, Statutes of 1980) for purposes of meeting the increased costs of the program authorized by Article 2 (commencing with Section 248) of Chapter 2 of Part 1 of Division 1 of the Health and Safety Code.

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

The funds contained in this act are needed in order to avoid an anticipated deficiency in the funds which support the California Children Services Program and to enable the state and counties to continue to provide essential medical treatment services to handicapped children. If existing funds are not augmented, some counties will need to discontinue all California Children Services prior to the end of the 1980–81 fiscal year.

CHAPTER 34

An act to amend Sections 11629 and 11629.5 of the Insurance Code, relating to motor vehicle liability insurance.

[Approved by Governor May 19, 1981. Filed with Secretary of State May 19, 1981.]

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

SECTION 1. Section 11629 of the Insurance Code is amended to read:

11629. Each separate act of an insurer or its agent in violation of Sections 11628 or 11628.5 shall render the insurer liable in damages

in the amount of one hundred dollars ($100), plus a reasonable allowance for attorneys' fees incurred in connection with the prosecution of the action, which may be recovered in an action at law brought for that purpose by the person aggrieved by any such act.

SEC. 2. Section 11629.5 of the Insurance Code is amended to read:

11629.5. Any insurer which has refused to issue to an applicant a policy of insurance in violation of Sections 11628 or 11628.5 and which has been required to pay damages for the violation pursuant to Section 11629 shall pay as additional damages the amount by which the rates which the applicant found it necessary to pay to obtain other insurance exceed the rates of the insurer.

CHAPTER 35

An act to amend Section 6357.5 of the Revenue and Taxation Code, and to amend Sections 3 and 4 of Chapter 1077 of the Statutes of 1980, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 19, 1981 Filed with Secretary of State May 19, 1981]

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

SECTION 1. Section 6357.5 of the Revenue and Taxation Code is amended to read:

6357.5. (a) There are exempted from the taxes imposed by this part the gross receipts from the sale of and storage, use, or other consumption in this state of gasohol.

(b) This exemption shall not apply to that amount of gross receipts in excess of the amount of gross receipts, subject to sales or use tax, that would result in a sales or use tax of:

(1) Five cents ($0.05) per gallon of gasohol sold on and after January 1, 1981, until January 1, 1982; and

(2) Four cents ($0.04) per gallon of gasohol sold on and after January 1, 1982, until January 1, 1983; and

(3) Three cents ($0.03) per gallon of gasohol sold on and after January 1, 1983, until January 1, 1984.

(c) For purposes of this section:

(1) "Gasohol" means a motor vehicle fuel composed of a blend of motor gasoline and not less than 10 percent alcohol. The alcohol component may be methanol or ethanol.

(2) Commencing on and after January 1, 1981, the alcohol component in gasohol shall be distilled from agricultural commodities, renewable resources, or coal.

(3) Commencing on and after January 1, 1981, the alcohol in gasohol shall be rendered unsuitable for human consumption at the

time of its manufacture or immediately thereafter.

SEC. 2. Section 3 of Chapter 1077 of the Statutes of 1980 is amended to read:

Sec. 3. On or before May 10, 1981, and on or before each May 10 thereafter, the State Board of Equalization shall transmit to the Controller an estimate of the annual revenues which will be lost as a result of enactment of this act.

SEC. 3. Section 4 of Chapter 1077 of the Statutes of 1980 is amended to read:

Sec. 4. The sum estimated by the State Board of Equalization for the first year in which this act is in effect shall be transferred from the Energy and Resources Fund to the General Fund on or before May 15, 1981, to replace revenues which will be lost as a result of the enactment of this act.

This section shall become operative only if Assembly Bill No. 2973 of the 1979-80 Regular Session of the Legislature is enacted and creates the Energy and Resources Fund.

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

In order to eliminate, at the earliest possible time, the costly and unnecessary requirement involving the limited exemption from the sales and use taxes on the sale or use of gasohol, it is necessary that this act take effect immediately.

CHAPTER 36

An act to amend Sections 11580.1 and 11580.9 of the Insurance Code, relating to insurance.

[Approved by Governor May 21, 1981 Filed with Secretary of State May 21, 1981]

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

SECTION 1. Section 11580.1 of the Insurance Code is amended to read:

11580.1. (a) No policy of automobile liability insurance described in Section 16054 of the Vehicle Code covering liability arising out of the ownership, maintenance, or use of any motor vehicle shall be issued or delivered in this state on or after the effective date of this section unless it contains the provisions set forth in subdivision (b). However, none of the requirements of subdivision (b) shall apply to the insurance afforded under any such policy (1) to the extent that such insurance exceeds the limits specified in subdivision (a) of Section 16056 of the Vehicle Code, or (2) if such policy contains an underlying insurance requirement, or provides for

a retained limit of self-insurance, equal to or greater than the limits specified in subdivision (a) of Section 16056 of the Vehicle Code.

(b) Every policy of automobile liability insurance to which subdivision (a) applies shall contain all of the following provisions:

(1) Coverage limits not less than the limits specified in subdivision (a) of Section 16056 of the Vehicle Code.

(2) Designation by explicit description of, or appropriate reference to, the motor vehicles or class of motor vehicles to which coverage is specifically granted.

(3) Designation by explicit description of the purposes for which coverage for such motor vehicles is specifically excluded.

(4) Provision affording insurance to the named insured with respect to any motor vehicle covered by such policy, and to the same extent that insurance is afforded to the named insured, to any other person using, or legally responsible for the use of, such motor vehicle, provided such use is by the named insured or with his permission, express or implied, and within the scope of such permission, except that: (i) with regard to insurance afforded for the loading or unloading of any such motor vehicle, the insurance may be limited to apply only to the named insured, a relative of the named insured who is a resident of the named insured's household, a lessee or bailee of the motor vehicle, or an employee of any such person; and (ii) the insurance afforded to any person other than the named insured need not apply to: (A) any employee with respect to bodily injury sustained by a fellow employee injured in the scope and course of his employment, or (B) any person, or to any agent or employee thereof, employed or otherwise engaged in the business of selling, repairing, servicing, delivering, testing, road-testing, parking, or storing automobiles with respect to any accident arising out of the maintenance or use of a motor vehicle in connection therewith.

(c) In addition to any exclusion as provided in paragraph (3) of subdivision (b), the insurance afforded by any such policy of automobile liability insurance to which subdivision (a) applies may, by appropriate policy provision, be made inapplicable to any or all of the following:

(1) Liability assumed by the insured under contract.

(2) Liability for bodily injury or property damage caused intentionally by or at the direction of the insured.

(3) Liability imposed upon or assumed by the insured under any workers' compensation law.

(4) Liability for bodily injury to any employee of the insured arising out of and in the course of his employment.

(5) Liability for bodily injury to an insured.

(6) Liability for damage to property owned, rented to, transported by, or in charge of, an insured.

(7) Liability for any bodily injury or property damage with respect to which insurance is or can be afforded under a nuclear energy liability policy.

(8) Any motor vehicle or class of motor vehicles, as described or

designated in the policy, with respect to which coverage is explicitly excluded, in whole or in part.

The term "the insured" as used in paragraphs (1), (2), (3), and (4) shall mean only that insured under the policy against whom the particular claim is made or suit brought. The term "an insured" as used in paragraphs (5) and (6) shall mean any insured under the policy.

(d) Notwithstanding the provisions of paragraph (4) of subdivision (b), or the provisions of Article 2 (commencing with Section 16450) of Chapter 3 of Division 7, or Article 2 (commencing with Section 17150) of Chapter 1 of Division 9, of the Vehicle Code, the insurer and any named insured may, by the terms of any policy of automobile liability insurance to which subdivision (a) applies, or by a separate writing relating thereto, agree as to either or both of the following limitations, such agreement to be binding upon every insured to whom such policy applies and upon every third party claimant:

(1) That coverage and the insurer's obligation to defend under such policy shall not apply nor accrue to the benefit of any insured or any third party claimant while any insured motor vehicle is being used or operated by a natural person or persons designated by name. The insurer shall have an obligation to defend the named insured when all of the following apply to such designated natural person:

1. He or she is a resident of the same household as the named insured.

2. As a result of operating the insured motor vehicle of the named insured, he or she is jointly sued with the named insured.

3. He or she is an insured under a separate automobile liability insurance policy issued to him as a named insured, which policy does not provide a defense to the named insured.

Such agreement shall remain in force as long as the policy remains in force, and shall apply to any continuation, renewal, or replacement of such policy by the named insured, or reinstatement of such policy within 30 days of any lapse thereof.

(2) That with regard to any such policy issued to a named insured engaged in the business of leasing vehicles for those vehicles which are leased for a term in excess of six months, or selling, repairing, servicing, delivering, testing, road-testing, parking, or storing automobiles, coverage shall not apply to any person other than the named insured or his agent or employee, except to the extent that the limits of liability of any other valid and collectible insurance available to such person are not equal to the limits of liability specified in subdivision (a) of Section 16056 of the Vehicle Code. If the policy is issued to a named insured engaged in the business of leasing vehicles, which business includes the lease of vehicles for a term in excess of six months, the named insured shall incorporate a provision in each vehicle lease contract advising the lessee of the provisions of this subdivision and the fact that this limitation is applicable except as otherwise provided for by statute or federal law.

(e) Nothing in this section or in Section 16054 or 16450 of the Vehicle Code shall be construed to constitute a homeowner's policy, personal and residence liability policy, personal and farm liability policy, general liability policy, comprehensive personal liability policy, manufacturers' and contractors' policy, premises liability policy, special multiperil policy, or any policy or endorsement where automobile liability coverage is offered as incidental to some other basic coverage as an "automobile liability policy" within the meaning of Section 16054 of the Vehicle Code, or as a "motor vehicle liability policy" within the meaning of Section 16450 of the Vehicle Code, nor shall any provision of this section apply to a policy which provides insurance covering liability arising out of the ownership, maintenance, or use of any motor vehicle in the Republic of Mexico issued or delivered in this state by a nonadmitted Mexican insurer, notwithstanding that any such policy may provide automobile or motor vehicle liability coverage on insured premises or the ways immediately adjoining.

(f) On and after January 1, 1976, no policy of automobile liability insurance described in subdivision (a) shall be issued, amended, or renewed in this state if it contains any provision which expressly or impliedly excludes from coverage under such policy the operation or use of an insured motor vehicle by the named insured in the performance of volunteer services for a nonprofit charitable organization or governmental agency by providing social service transportation. This subdivision shall not apply in any case in which the named insured receives any remuneration of any kind other than reimbursement for actual mileage driven in the performance of such services at a rate not to exceed the following:

(1) For the 1980–81 fiscal year, the maximum rate authorized by the State Board of Control, which shall also be known as the "base rate."

(2) For each fiscal year thereafter, the greater of either (A) the maximum rate authorized by the State Board of Control or (B) the base rate as adjusted by the California Consumer Price Index.

No policy of insurance issued under this section may be canceled by an insurer solely for the reason that the named insured is performing volunteer services for a nonprofit charitable organization or governmental agency consisting of providing social service transportation.

For the purposes of this section, "social service transportation" means transportation services provided by private nonprofit organizations or individuals to either individuals who are senior citizens or individuals or groups of individuals who have special transportation needs because of physical or mental conditions and supported in whole or in part by funding from private or public agencies.

(g) Notwithstanding the provisions of paragraph (4) of subdivision (b) of this section, or the provisions of Article 2 (commencing with Section 16450) of Chapter 3 of Division 7 of, or

Article 2 (commencing with Section 17150) of Chapter 1 of Division 9 of, the Vehicle Code, a Mexican nonadmitted insurer and any named insured may, by the terms of any policy of automobile insurance for use solely in the Republic of Mexico to which subdivision (a) applies, or by a separate writing relating thereto, agree to the limitation that coverage under such policy shall not apply to any person riding in or occupying a vehicle owned by the insured or driven by another person with the permission of the insured. Such agreement shall be binding upon every insured to whom any such policy applies and upon any third party claimant.

(h) No policy of automobile insurance which provides insurance covering liability arising out of the ownership, maintenance or use of any motor vehicle solely in the Republic of Mexico issued by a nonadmitted Mexican insurance company, shall be subject to, or provide coverage for, those coverages provided in Section 11580.2.

SEC. 2. Section 11580.9 of the Insurance Code is amended to read:

11580.9. (a) Where two or more policies affording valid and collectible automobile liability insurance apply to the same motor vehicle in an occurrence out of which a liability loss shall arise, and one of such policies affords coverage to a named insured engaged in the business of selling, repairing, servicing, delivering, testing, road-testing, parking, or storing motor vehicles, then both of the following shall be conclusively presumed:

(1) If, at the time of loss, the motor vehicle is being operated by any person engaged in any of such businesses, or by his employee or agent, the insurance afforded by the policy issued to the person engaged in such business shall be primary, and the insurance afforded by any other policy shall be excess.

(2) If, at the time of loss, the motor vehicle is being operated by any person other than as described in paragraph (1), the insurance afforded by the policy issued to any person engaged in any of such businesses shall be excess over all other insurance available to such operator as a named insured or otherwise.

(b) Where two or more policies are applicable to the same loss, and one of such policies affords coverage to a named insured engaged in the business of renting or leasing commercial vehicles without operators, as the term "commercial vehicles" is used in Section 260 of the Vehicle Code, or the leasing of any other motor vehicle for six months or longer, it shall be conclusively presumed that the insurance afforded by such policy to a person other than the named insured or his agent or employee shall not be primary, but shall be excess over any other valid and collectible insurance applicable to the same loss covering such person as a named insured or as an additional insured under a policy with limits up to the financial responsibility requirements specified in Section 16056 of the Vehicle Code; and, in such event, the two or more policies shall not be construed as providing concurrent coverage, and only that policy which covers the liability of such person as a named insured, or as an

agent or employee of a named insured, shall be primary and the other policy or policies shall be excess.

(c) Where two or more policies are applicable to the same loss arising out of the loading or unloading of a motor vehicle, and one or more of the policies is issued to the owner, tenant, or lessee of the premises on which the loading or unloading occurs, it shall be conclusively presumed that the insurance afforded by the policy covering the motor vehicle shall not be primary, notwithstanding anything to the contrary in any endorsement required by law to be placed on such policy, but shall be excess over all other valid and collectible insurance applicable to the same loss with limits up to the financial responsibility requirements specified in Section 16056 of the Vehicle Code; and, in such event, the two or more policies shall not be construed as providing concurrent coverage, and only the insurance afforded by the policy or policies covering the premises on which the loading or unloading occurs shall be primary and such policy or policies shall cover as an additional insured with respect to the loading or unloading operations all employees of such owner, tenant, or lessee while acting in the course and scope of their employment.

(d) Except as provided in subdivisions (a), (b), and (c), where two or more policies affording valid and collectible liability insurance apply to the same motor vehicle in an occurrence out of which a liability loss shall arise, it shall be conclusively presumed that the insurance afforded by that policy in which such motor vehicle is described or rated as an owned automobile shall be primary and the insurance afforded by any other policy or policies shall be excess.

(e) Any insurance policy which, under the terms of subdivisions (a) to (d), inclusive, applies as excess coverage may provide with respect to any primary policy or to any loss to which primary insurance is not valid and collectible in whole or in part, that such excess policy shall apply only to the extent necessary to provide the insured with the coverage limits specified in Section 16056 of the Vehicle Code.

(f) The presumptions stated in subdivisions (a) to (d), inclusive, may be modified or amended only by written agreement signed by all insurers who have issued a policy or policies applicable to a loss described in such subdivisions and all named insureds under such policies.

(g) For purposes of this section, a certificate of self-insurance issued pursuant to Section 16053 of the Vehicle Code or a report filed pursuant to Section 16051 of the Vehicle Code shall be considered a policy of automobile liability insurance.

CHAPTER 37

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

[Approved by Governor May 21, 1981. Filed with Secretary of State May 21, 1981]

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

SECTION 1. There is hereby appropriated from the General Fund to the Controller the sum of three million seven hundred forty thousand seven hundred fifty-nine dollars ($3,740,759) for allocation and disbursement to the Department of Corrections, as follows:

(a) For court costs and county charges in Lassen County, payable under Sections 4700 and 4700.5 of the Penal Code, in connection with coroners' services and trials of inmates charged with commission of a crime or crimes while incarcerated in a state institution or prison under the Department of Corrections	$ 450,000
(b) For transportation of prisoners to and between state prisons, including the return of parole violators to prison and for the conveying of persons under provisions of Division 3 (commencing with Section 3000) of the Welfare and Institutions Code and the Western Interstate Corrections Compact (commencing with Section 11190 of the Penal Code), in accordance with the provisions of Section 26749 of the Government Code	169,305
(c) For expenses of returning fugitives from justice from outside the state, in accordance with the provisions of Sections 1389, 1549 and 1557 of the Penal Code	834,058
(d) For court costs and county charges, payable under Sections 4700 and 4700.5 of the Penal Code, in connection with coroners' services and trials of inmates charged with commission of a crime or crimes while incarcerated in a state institution or prison under the Department of Corrections	1,279,319
(e) For reimbursement to counties for the cost of detaining state parolees pursuant to Section 4016.5 of the Penal Code	1,008,077
Total	$3,740,759

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

In order to meet current fiscal year expenses for court costs in Lassen County, and various current fiscal year expenses of the Department of Corrections, it is necessary that this act take effect immediately.

CHAPTER 38

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

[Approved by Governor May 23, 1981 Filed with Secretary of State May 26, 1981.]

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

SECTION 1. The sum of sixty million nine hundred eighty-eight thousand one hundred forty dollars ($60,988,140) is hereby appropriated from the General Fund to the Department of Social Services in augmentation of, and subject to the same terms and conditions as, the following items contained in the Budget Act of 1980 (Ch. 510, Stats. 1980):

(a) For state supplementary payment program for aged, blind, and disabled, to be transferred to, and in augmentation of, Item 310	$44,682,719
(b) For the costs of the state's share of special adult programs, to be transferred to, and in augmentation of, Item 311	671,300
(c) For the costs incurred by counties, including but not limited to, the required matching funds, for in-home supportive services, to be transferred to, and in augmentation of, Item 312	6,888,621
(d) For the state's share of nonfederal costs of county administration, to be transferred to, and in augmentation of, Item 313	8,410,600
(e) For reimbursement of the costs of local mandates, to be transferred to, and in augmentation of, Item 314	334,900

SEC. 2. The sum of three hundred fifty thousand dollars ($350,000) is hereby appropriated from the General Fund to the Controller in augmentation of, and subject to the same terms and

conditions as, Item 477 of the Budget Act of 1980 (Ch. 510, Stats. 1980).

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 recipients of the state's special adult programs continue to receive their benefits and that the state continue its responsibility for reimbursement to the federal government for its share of the SSI/SSP program and to the counties for its share of county administration, local mandates, and support of IHSS provider payments, it is necessary that this act go into immediate effect.

CHAPTER 39

An act to amend Sections 21283, 21285, 21286, 21288, 21289, 21290.5, 21563, and 21563.5 of the Food and Agricultural Code, relating to cattle, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1981. Filed with Secretary of State May 26, 1981]

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

SECTION 1. Section 21283 of the Food and Agricultural Code is amended to read:

21283. Except as otherwise provided in this article, the fee shall be paid at the point of inspection and is forty-five cents ($0.45) for each animal which is inspected.

SEC. 2. Section 21285 of the Food and Agricultural Code is amended to read:

21285. The fee is forty-five cents ($0.45) for the inspection before sale of each animal at a public saleyard which is posted by the Secretary of Agriculture of the United States or at a public saleyard if the animal originated in another state and it was shipped to this state, consigned to such public stockyard or public saleyard.

SEC. 3. Section 21286 of the Food and Agricultural Code is amended to read:

21286. The fee is forty-five cents ($0.45) for the inspection of each animal which originated in another state and was shipped to this state for slaughter, if the animal is unloaded in an enclosure which is used exclusively by the slaughterer that is located within one mile of the slaughterhouse and the cattle are driven, not transported, from the enclosure to the slaughterhouse.

SEC. 4. Section 21288 of the Food and Agricultural Code is amended to read:

21288. The fee for the inspection of cattle, other than suckling

calves which are accompanying their mothers, is forty-two cents ($0.42) if the cattle are transported for purposes other than sale or slaughter and no change of ownership is involved. The fee which is prescribed by this section applies to pasture cattle which are transported out of a modified point-of-origin area or out of this state.

SEC. 5. Section 21289 of the Food and Agricultural Code is amended to read:

21289. The fee for the inspection of cattle is forty-nine cents ($0.49) for each animal which orginated in any county or geographical area where a full point-of-origin inspection is maintained pursuant to Article 4 (commencing with Section 21141) of this chapter. A fee shall not be charged for any suckling calves which are accompanying their mothers if they are not shipped for sale or slaughter and no change of ownership is involved.

SEC. 6. Section 21290.5 of the Food and Agricultural Code is amended to read:

21290.5. Any person who receives cattle from any cattle sale market, either public or private, including any public stockyard where sales of cattle are held, may, upon request and upon payment of a fee of forty-two cents ($0.42) per head before accepting delivery of any cattle from such market or stockyard, have a reinspection of such cattle.

SEC. 7. Section 21563 of the Food and Agricultural Code is amended to read:

21563. Except as otherwise provided in this article, the fee shall be paid at the point of inspection and is forty-five cents ($0.45) for each carcass or hide which is inspected.

SEC. 8. Section 21563.5 of the Food and Agricultural Code is amended to read:

21563.5. The fee for the inspection of each carcass or hide shall be forty-nine cents ($0.49) for each carcass and hide originating in those counties or geographical areas where a point-of-origin inspection is maintained pursuant to Article 4 (commencing with Section 21141) of Chapter 6 of Division 10.

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

The cattle inspection services provided by the Department of Food and Agriculture are funded by inspection fees. Due to the need for increased inspections, available funds are rapidly being exhausted. Thus, to continue offering inspection services, it is necessary that this act take effect immediately.

CHAPTER 40

An act to amend Section 28008 of the Government Code, relating to county salary disbursements.

[Approved by Governor May 27, 1981 Filed with Secretary of State May 28, 1981]

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

SECTION 1. Section 28008 of the Government Code is amended to read:

28008. The board of supervisors may designate one or more state or national banks, one or more state or federal savings and loan associations, or one or more state or federal credit unions, doing business in the county as disbursing agent for the auditor to pay the salaries of such persons whose salaries are paid from the county treasury as may from time to time elect by a written instrument delivered to the auditor, to receive their salaries from such disbursing agent. In lieu of drawing separate salary warrants for such persons as shall have elected to be paid their salaries by such disbursing agent, the auditor may deliver to such disbursing agent a single warrant for the total combined salaries of such persons on or before the designated payday, together with the information necessary to disburse such salaries. The board of supervisors may enter into written contracts with such state and national banks, state or federal savings and loan associations, or state and federal credit unions, for their services as such disbursing agents on such terms as the board deems appropriate.

CHAPTER 41

An act to amend Section 25210.77b of the Government Code, relating to counties.

[Approved by Governor May 28, 1981 Filed with Secretary of State May 28, 1981]

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

SECTION 1. Section 25210.77b of the Government Code is amended to read:

25210.77b. A county may fix, on or before the first day of July in each calendar year, a water or sewer standby or immediate availability charge on all land within a county service area to which water or sewers are made available for any purpose by the county whether the water or sewers are actually used or not, except that such charge shall not apply to lands permanently dedicated

exclusively to the public transportation of persons or property. The board of supervisors of the county which fixes such a water standby charge may establish schedules varying the charges in different months and in different localities within a county service area depending upon factors such as the uses to which the land is put, the cost of transporting the water to the land, the degree of availability or quantity of use of such water to the affected lands. The board may not, however, fix a charge in excess of ten dollars ($10) for each acre of land, or ten dollars ($10) for each parcel of land of less than one acre, for either water or sewer standby charges.

If a person for more than one year obtains substantially all of his water requirements for the contiguous parcels of land which he occupies from rainfall, springs, streams, lakes, rivers or wells, and if the person's primary economic activity on such land is the commercial extraction or processing of minerals, such land shall be exempt from any water standby or availability charges.

CHAPTER 42

An act to amend Section 16731 of the Government Code and to add Section 987.565 to the Military and Veterans Code, relating to state financing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 2, 1981 Filed with Secretary of State June 3, 1981.]

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

SECTION 1. Section 16731 of the Government Code is amended to read:

16731. Whenever the committee determines that the sale of all or any part of the bonds authorized to be issued is necessary or desirable, it shall adopt a resolution to that effect. The resolution shall authorize and direct the State Treasurer to arrange for the preparation of the requisite number of suitable bonds, either in coupon or registered form, and shall specify as to such bonds then to be sold:

(a) The aggregate number, aggregate par value, denominations and the date of the bonds to be then sold. Such denominations shall be in the sum of one thousand dollars ($1,000), or multiples thereof. The date appearing on said bonds shall be deemed to be the date of issuance for all purposes of this chapter, irrespective of the actual date of delivery of such bonds and the payment of the purchase price thereof.

(b) The dates of maturity, and the amount of the bonds maturing at each date of maturity, which amounts need not be equal, but which dates shall be at annual or semiannual intervals, and the first

of which dates of maturity shall be not more than five years, and the last of which dates of maturity shall be not more than 45 years, after the date of the bonds.

(c) Whether or not the bonds are to be subject to redemption at the option of the board prior to maturity, and, if so, the provisions for such redemption, the manner of the call thereof, and the price or prices at which the bonds shall be subject to redemption.

(d) The annual rate, or rates, of interest which the bonds to be issued shall bear, which may be in multiples of one-eighth or one-twentieth of 1 percent, payable semiannually, but not in excess of 11 percent effective for three years after the effective date of the amendments to this section enacted in 1981 and thereafter not in excess of 9 percent, which rate or rates may be determined at the time of the sale of said bonds.

(e) The interest payment dates.

(f) The technical form and language of the bonds and any interest coupons to be attached thereto.

(g) Whether or not the right is reserved to make delivery in the form of temporary or interim bonds, certificates, or receipts, exchangeable for definitive bonds when executed and available for delivery, and if such right is reserved the denominations and form of such temporary securities.

(h) Whether the bonds are to be issued in coupon form or in fully registered form, or both, and whether or not any coupon bonds are to be subject to registration, and if so, whether such registration is to be as to principal only, or as to both principal and interest, or in either of such forms at the option of the holder, and the form and all of the terms and conditions of such registration. If such registration is provided for, coupon bonds may be interchanged for registered bonds and registered bonds for coupon bonds, and all of the provisions of this chapter with reference to the payment of bonds and interest coupons shall be subject to the terms and conditions of such registration with respect to the payment of registered bonds and the interest thereon.

(i) All other terms and conditions of the bonds and of the execution, issuance and sale thereof, which shall be consistent with all of the provisions of this chapter.

(j) Notwithstanding the provisions of subdivision (a), the provisions, if any, for the interexchange of coupon or registered bonds of different denominations and the issuance of coupon or registered bonds in lieu of or in exchange for bonds of a like aggregate principal amount but of different denominations and in either coupon or registered form, or partly in coupon and partly in registered form.

SEC. 2. Section 987.565 is added to the Military and Veterans Code, to read:

987.565. Notwithstanding the preferences set forth in Section 987.56, all veterans whose applications for benefits under this article were filed with the department on or before December 31, 1980, and

whose applications are subsequently approved, shall be entitled to commitments for funding prior to any veteran whose application is filed on or after January 1, 1981. Any action to this effect taken by the department prior to the effective date of this section is hereby confirmed and ratified, it having at all times been the intent of the Legislature in the amendment to subdivision (a) enacted by Chapter 89 of the Statutes of 1978 to assure that veterans who applied under the provisions thereof would be able to obtain their benefits.

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

The Department of Veterans Affairs has a substantial backlog of applications for benefits under the Veterans' Farm and Home Purchase Act of 1974 from veterans who applied therefor under the provisions of subdivision (a) of Section 987.57 of the Military and Veterans Code, as amended by Chapter 89 of the Statutes of 1978, some of which applications have been pending for many months, and the anticipated demand for benefits exceeds the foreseeable funding capabilities. In order to assure that these applications can be funded, and thereby fulfill the intent of the 1978 amendment, it is necessary that this act take effect immediately.

CHAPTER 43

An act relating to domestic water supply systems, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 2, 1981 Filed with Secretary of State June 3, 1981]

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

SECTION 1. A grant not to exceed the amount of four hundred thousand dollars ($400,000) is hereby authorized from the California Safe Drinking Water Fund pursuant to subdivision (d) of Section 13861 of the Water Code to the Winterhaven County Water District for the purpose of improving its domestic water supply system to meet, at a minimum, safe drinking water standards. The Department of Water Resources shall determine eligibility for the grant in accordance with the provisions of Chapter 10.6 (commencing with Section 13880) of Division 7 of the Water Code and may make a grant in accordance with those provisions.

SEC. 2. The Legislature hereby finds and declares that in order to meet the minimum safe drinking water standards there is a critical need within the Winterhaven County Water District to immediately undertake certain improvements necessary to enable the residents

of the district to have a dependable and potable water supply.

SEC. 3. The Legislature further finds and declares that the water system of the Winterhaven County Water District has critical deficiencies which pose a serious threat to the public health and welfare of all consumers within the district and that the district is only barely meeting the demand for water within the district.

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

In order to authorize a grant from the California Safe Drinking Water Fund to the Winterhaven County Water District to resolve the critical water supply problems of the district at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 44

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

[Approved by Governor June 2, 1981 Filed with Secretary of State June 3, 1981.]

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

SECTION 1. Notwithstanding Sections 26401 and 26403 of the Public Resources Code, the sum of five hundred thousand dollars ($500,000) is hereby appropriated from the Energy and Resources Fund. If the total funds necessary are not available in that fund, then the remaining funds needed shall be appropriated from the General Fund. These funds are appropriated to the Department of Food and Agriculture for payment to the federal government as this state's contribution toward the construction of a facility for the production of sterile Mediterranean fruit flies in the State of Hawaii.

Three million eight hundred thousand dollars ($3,800,000) for this project has been allocated by the federal government; however, construction is conditioned on an appropriation of five hundred thousand dollars ($500,000) from California and the conveyance of the necessary acreage valued at five hundred thousand dollars ($500,000) from the State of Hawaii.

The appropriation of five hundred thousand dollars ($500,000) from California is contingent on the allocation by the federal government of the three million eight hundred thousand dollars ($3,800,000) necessary for construction of the facility

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 construction of a sterile Mediterranean fruit fly production facility may be commenced and completed as soon as possible to ensure that California will be able to obtain a sufficient supply of sterile flies in the event that a future infestation of this pest occurs, it is necessary that this act take effect immediately.

CHAPTER 45

An act to amend Section 30507 of the Water Code, relating to county water districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 2, 1981 Filed with Secretary of State June 3, 1981]

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

SECTION 1. Section 30507 of the Water Code is amended to read:

30507. Each director may receive compensation in an amount not to exceed one hundred dollars ($100) per day for each day's attendance at meetings of the board or for each day's service rendered as a director by request of the board, not exceeding a total of six days in any calendar month, together with any expenses incurred in the performance of his duties required or authorized by the board.

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:

It is becoming increasingly financially prohibitive for directors of county water districts to take time from work to devote to the management of district water facilities to insure the protection of the public health and safety. In order, therefore, to permit the effective management of county water districts, it is necessary that this act take effect immediately.

CHAPTER 46

An act to add Section 24304.7 to the Government Code, relating to counties, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 2, 1981 Filed with Secretary of State June 3, 1981]

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

SECTION 1. Section 24304.7 is added to the Government Code, to read:

24304.7. Notwithstanding the provisions of Sections 24300 and 24304, in counties of the 42nd class, the board of supervisors by ordinance may consolidate the duties of the county offices of assessor and recorder.

SEC. 2. The Legislature finds that unique and special circumstances exist in Tuolumne County for which a general statute cannot be made applicable. In Tuolumne County there is a high level of interface between the offices of the county assessor and county recorder. Many of the documents filed with the county recorder in Tuolumne County have had a direct or indirect bearing on one or more functions of the county assessor in Tuolumne County. By consolidating the offices of the county assessor and county recorder in Tuolumne County, the county would be able to consolidate management, clerk, and keypunch positions as well as integrate record systems for a savings in operating costs.

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

In order that the County of Tuolumne may avail itself of the cost savings afforded by this act at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 47

An act to amend Section 7.2 of the Amador County Water Agency Act (Chapter 2137 of the Statutes of 1959), relating to the Amador County Water Agency.

[Approved by Governor June 2, 1981 Filed with Secretary of State June 3, 1981]

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

SECTION 1. Section 7.2 of the Amador County Water Agency Act (Chapter 2137 of the Statutes of 1959) is amended to read:

Sec 7.2. Within 30 days after the election prescribed in Section 7 and thereafter within 30 days after those who are elected at the succeeding elections take office, the directors shall meet and organize as a board. The board shall:

Elect one of its members president; provide for the time and place of holding its regular meetings; and provide for the manner of calling

special meetings. The board shall act only by ordinance, resolution, or motion and the enacting clause of all ordinances passed by the board shall be: "Be it ordained by the Board of Directors of the Amador County Water Agency as follows:". All ordinances shall be signed by the president and attested by the secretary and shall be adopted, recorded, and published in the same manner, except as herein otherwise expressly provided, as are ordinances of the county. A majority of the board shall constitute a quorum for the transaction of business, and the board may transact any business of the agency at its organization meeting.

The board shall establish rules for its proceedings and all legislative sessions of the board shall be public.

The board may authorize each director to receive compensation not exceeding fifty dollars ($50) per day for each day's attendance at meetings of the board, or committee thereof, or for each day's service rendered as a director by request of the board, not exceeding a total of six days in any calendar month, together with any expenses incurred in the performance of his duties required or authorized by the board.

CHAPTER 48

An act to amend Section 18531 of the Government Code, relating to state employees.

[Approved by Governor June 2, 1981 Filed with Secretary of State June 3, 1981]

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

SECTION 1. Section 18531 of the Government Code is amended to read:

18531. "Emergency employee" means an employee holding a position under emergency appointment. "Emergency appointment" means an appointment made for a period not to exceed 60 working days either during an actual emergency to prevent the stoppage of public business or because of the limited duration of the work.

CHAPTER 49

An act to amend Section 307 of the Metropolitan Water District Act (Chapter 209 of the Statutes of 1969), relating to metropolitan water districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 2, 1981 Filed with Secretary of State June 3, 1981.]

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

SECTION 1. Section 307 of the Metropolitan Water District Act (Chapter 209 of the Statutes of 1969) is amended to read:

Sec. 307. On or before the 20th day of August, the board shall, by resolution, determine the amount of money necessary to be raised by taxation during the fiscal year beginning the first day of July next preceding for all district purposes and shall fix rates of taxation designating the number of cents, upon each one hundred dollars ($100) assessed valuation of property taxable by the district in each county and shall levy a tax accordingly.

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

Effective with the 1981–82 fiscal year, the definition of "assessed value" in Section 135 of the Revenue and Taxation Code is defined to mean 100 percent of full value, rather than 25 percent of full value. The Attorney General of the State of California has construed the full cent requirement provision for tax rate fixing in Section 307 of the Metropolitan Water District Act as applying to any tax authorized to be levied under that act. Thus, if the full cent requirement is not deleted, the Metropolitan Water District of Southern California, which was formed under the Metropolitan Water District Act, will probably have to overlevy certain of its taxes, such as for general obligation bonds approved by its voters prior to July 1, 1978, in order to obtain at least the amount deemed necessary, such as for annual bond debt service requirements. Each full cent per one hundred dollars ($100) of "assessed valuation" under the 100 percent of full value definition, would aggregate over $25 million based on the district's total assessed valuations for fiscal year 1980–81, which exceed $66 billion. Under Section 307, the tax rate must be determined by the district on or before August 20 of each year. If the full cent requirement is not removed prior to that date, the tax rate will result in excessive payments from property taxpayers. It is necessary, therefore, that this act go into immediate effect.

CHAPTER 50

An act to amend Section 36101 of the Vehicle Code, relating to vehicles.

[Approved by Governor June 2, 1981 Filed with Secretary of State June 3, 1981]

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

SECTION 1. Section 36101 of the Vehicle Code is amended to read:

36101. The following farm vehicles are exempt from registration, provided they have and display an identification plate as specified in Section 36125, and the vehicles shall not be deemed to be implements of husbandry and they shall be subject to all equipment and device requirements as if registered:

(a) A motor vehicle of a size so as to require a permit under Section 35780 owned and operated by a farmer, designed and used exclusively for carrying or returning empty from carrying feed and seed products of farming, and used on a highway between one part of a farm to another part thereof or from one farm to another farm.

(b) A vehicle equipped with a water tank owned by a farmer and used exclusively to service his own implements of husbandry.

(c) A water tank truck which is used exclusively for sprinkling water on dirt roads providing access to agricultural fields and which is only incidentally operated or moved on a highway.

(d) A cotton module mover, as defined in Section 34500.5.

CHAPTER 51

An act to validate the organization, boundaries, acts, proceedings, and bonds of public bodies, as herein defined, and to provide limitations of time within which actions may be commenced in connection therewith, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 4, 1981 Filed with Secretary of State June 8, 1981]

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

SECTION 1. The following terms shall have the following meanings herein:

(a) The term "public body" means counties, cities and counties, cities, and the following districts, authorities, agencies, boards, commissions, and other entities:

Agencies, boards, commissions, or entities constituted or provided for under or pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code.

Air pollution control districts.

Air quality management districts.

Airport districts.

Assessment districts.

Bridge and highway districts.

Bridge, highway, and transportation districts.

California water district distribution districts.
California water district improvement districts.
California water districts.
Cemetery districts.
Citrus pest control districts.
City general improvement district improvement districts.
City general improvement districts.
City maintenance districts.
Community college districts.
Community facilities districts.
Community service district improvement districts.
Community service districts.
Conservancy districts.
County boards of education.
County drainage districts.
County fire protection districts.
County flood control and water districts.
County free library systems.
County maintenance districts.
County power pumping districts.
County sanitation district improvement districts.
County sanitation districts.
County service area improvement areas.
County service areas.
County sewage and water districts.
County water agencies.
County water authorities.
County water district improvement districts.
County water districts.
County waterworks districts.
Crossing guard maintenance districts.
Department of Water Resources and other agencies acting under and pursuant to Part 3 (commencing with Section 11100), Division 6 of the Water Code.
Drainage districts.
Fire protection districts.
Flood control and water conservation districts.
Flood control districts.
Garbage and refuse disposal districts.
Garbage disposal districts.
Harbor districts.
Harbor improvement districts.
Harbor, recreation, and conservation districts.
Highway districts.
Highway interchange districts.
Highway lighting districts.
Horticultural development districts.
Horticultural protection districts.
Housing authorities.

Irrigation district distribution districts.
Irrigation district improvement districts.
Irrigation districts.
Joint harbor improvement districts.
Joint highway districts.
Joint municipal sewage disposal districts.
Junior college districts.
Levee districts.
Library districts.
Local health districts.
Local hospital districts.
Metropolitan transit development boards.
Metropolitan water districts.
Mosquito abatement districts.
Mosquito abatement or vector control districts.
Municipal facilities districts.
Municipal improvement assessment districts.
Municipal improvement district improvement districts.
Municipal improvement districts.
Municipal port districts.
Municipal sewer districts.
Municipal utility districts.
Municipal water district improvement districts.
Municipal water districts of any kind.
Parking authorities.
Parking districts.
Park, recreation, and parkway districts.
Permanent road divisions.
Pest abatement districts.
Port districts.
Project areas of redevelopment agencies.
Protection districts.
Public cemetery districts.
Public utility district improvement districts.
Public utility districts.
Rapid transit authorities.
Rapid transit districts.
Reclamation districts.
Recreational harbor districts.
Recreation and park districts.
Recreation, park, and parkway districts.
Redevelopment agencies.
Regional open-space districts.
Regional park and open-space districts.
Regional park districts.
Regional planning districts.
Resort improvement districts.
Resource conservation districts.
River port districts.

Road districts.
Sanitary agencies.
Sanitary districts.
Sanitary districts annexed areas.
School districts of any kind or class.
Separation of grade districts.
Sewer maintenance districts.
Special transit service districts.
Storm water districts.
Transit districts.
Underground utility districts.
Unified air pollution control districts.
Unified port districts.
Urban renewal agencies.
Vehicle parking districts.
Veterans' memorial districts.
Water agencies.
Water authorities.
Water conservation districts.
Water districts.
Water replenishment districts.
Water storage district improvement districts.
Water storage districts.
Weed abatement districts.
Zones of community service districts.
Zones of county water agencies.
Zones of county water authorities.
Zones of county waterworks districts.
Zones of flood control districts.
Zones of flood control and water conservation districts.

The term "public body" and the plural thereof, as used in this act, shall include only those entities which are specifically enumerated in this section.

(b) The term "bonds" means all instruments evidencing an indebtedness of a public body incurred or to be incurred for any public purpose, and all instruments evidencing the borrowing of money in anticipation of taxes, revenues, or other income of such body, and all instruments payable from revenues or special funds of such public bodies, and all instruments funding or refunding any thereof or any indebtedness.

SEC. 2. All public bodies heretofore organized or existing under, or under color of, any law are hereby declared to have been legally organized and to be legally functioning as such public body. Every such public body shall have all the rights, powers, and privileges, and be subject to all the duties and obligations, of such a public body regularly formed pursuant to law.

SEC. 3. The boundaries of every public body as heretofore established, defined, or recorded, or as heretofore actually shown on maps or plats used by the assessor, are hereby confirmed, validated,

and declared legally established.

SEC. 4. All acts and proceedings heretofore taken by any public body or bodies under any law, or under color of any law, for the annexation or inclusion of territory into any such public body or for the annexation of any such public body to any other such public body or for the withdrawal or exclusion of territory from any such public body or for the consolidation, merger, or dissolution of any public bodies are hereby confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of any such public body and of any person, public officer, board, or agency heretofore done or taken upon the question of the annexation or inclusion or of the withdrawal or exclusion of such territory or the consolidation, merger, or dissolution of such public bodies.

SEC. 5. All acts and proceedings heretofore taken by or on behalf of any public body under any law, or under color of any law, for the authorization, issuance, sale, or exchange of bonds of any such public body for any public purpose are hereby confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of such public body and of any person, public officer, board, or agency heretofore done or taken upon the question of the authorization, issuance, sale, or exchange of such bonds.

All bonds of any public body heretofore issued shall be, in the form and manner in which issued and delivered, the legal, valid, and binding obligations of the public body. All bonds of any public body heretofore awarded and sold to a purchaser and hereafter issued and delivered in accordance with the contract of sale and other proceedings for the award and sale shall be the legal, valid, and binding obligations of the public body. All bonds of any public body heretofore authorized to be issued by ordinance, resolution, order, or other action adopted or taken by or on behalf of the public body and hereafter issued and delivered in accordance with such authorization shall be the legal, valid, and binding obligations of the public body. All bonds of any public body heretofore authorized to be issued at an election and hereafter issued and delivered in accordance with such authorization shall be the legal, valid, and binding obligations of the public body. Whenever an election has heretofore been called for the purpose of submitting to the voters of any public body the question of issuing bonds for any public purpose, such bonds, if hereafter authorized by the required vote and in accordance with the proceedings heretofore taken, and issued and delivered in accordance with such authorization, shall be the legal, valid, and binding obligations of the public body.

SEC. 6. (a) The foregoing provisions of this act shall operate to supply such legislative authorization as may be necessary to validate any such acts and proceedings heretofore taken which the Legislature could have supplied or provided for in the law under which such acts or proceedings were taken.

(b) The foregoing provisions of this act shall be limited to the

validation of acts and proceedings to the extent to which the same can be effectuated under the State and Federal Constitutions.

(c) The foregoing provisions of this act shall not operate to confirm, validate, or legalize any act, proceeding, or other matter the legality of which is being contested or inquired into in any legal proceeding now pending and undetermined or which may be pending and undetermined during the period of 30 days from and after the effective date of this act, and shall not operate to confirm, validate, or legalize any act, proceeding, or other matter which has heretofore been determined in any legal proceeding to be illegal, void, or ineffective.

(d) This act shall not operate to confirm, validate, or legalize a contract between any district and the United States.

SEC. 7. Any action or proceeding contesting the validity of any action or proceeding heretofore taken under any law, or under color of any law, for the formation, organization, or incorporation of any public body, or for any annexation thereto, exclusion therefrom, or other change of boundaries thereof, or for the consolidation, merger, or dissolution of any public bodies, or for the authorization, issuance, sale, or exchange of bonds thereof upon any ground involving an alleged defect or illegality not effectively validated by the prior provisions of this act and not otherwise barred by any statute of limitations or by laches must be commenced within six months of the effective date of this act; otherwise each and all of said matters shall be held to be valid and in every respect legal and incontestable. This section shall not extend the period in which any action may be brought beyond the period in which it would be barred by any presently existing valid statute of limitations.

SEC. 8. Nothing contained in this act shall be construed to render the creation of any city or district, or any change in the boundaries of any city or district, effective for purposes of assessment or taxation unless the statement, together with the map or plat, required to be filed under Sections 54900 to 54904, inclusive, of the Government Code, is filed within the time and substantially in the manner required by said sections.

SEC. 9. As used in this act, the word "now" means the date this act takes effect; the word "heretofore" means any time prior to such effective date; and the word "hereafter" means any time subsequent to such effective date.

SEC. 10. This act may be cited as the First Validating Act of 1981.

SEC. 11. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

To validate the organization, boundaries, acts, proceedings, and bonds of public bodies as soon as possible, it is necessary that this act take immediate effect.

CHAPTER 52

An act to amend Section 54784.1 of the Government Code, relating to local agencies.

[Approved by Governor June 8, 1981. Filed with Secretary of State June 8, 1981.]

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

SECTION 1. Section 54784.1 of the Government Code is amended to read:

54784.1. Each local agency formation commission may adopt rules and regulations with respect to disqualification of members from participating in the review of a proposal. In the absence, however, of any such rule or regulation, the provisions of Section 54784 or 54782.6 shall apply.

CHAPTER 53

An act to add Section 35012.1 to the Government Code, relating to Placer County.

[Approved by Governor June 8, 1981 Filed with Secretary of State June 8, 1981]

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

SECTION 1. Section 35012.1 is added to the Government Code, to read:

35012.1. Notwithstanding the provisions of Section 35011, upon approval of the commission a city may annex noncontiguous territory not exceeding 300 acres in area, which is located in the same county as that in which the city is situated, and which is owned by the city and is being used for municipal purposes at the time preliminary proceedings are initiated pursuant to Chapter 2 (commencing with Section 35100). If, after the completion of the annexation, the city sells such territory or any part thereof, all such territory which is no longer owned by the city shall cease to be a part of the city.

If territory is annexed pursuant to this section, the annexing city may not annex any territory not owned by it and not contiguous to it although such territory is contiguous to the territory annexed pursuant to this section.

If territory annexed to a city pursuant to this section becomes contiguous to such city, the limitations imposed by this section shall cease to apply.

This section shall apply only to an incorporated city within the County of Placer.

SEC. 2. Existing limitations on the amount of noncontiguous municipal property which may be annexed to a city have operated to prevent the City of Auburn in the County of Placer from annexing to the city property used for municipal purposes and comprising a municipally owned dump site, a city airport facility, and an industrial park. It would be advantageous to the city to annex these properties without affecting other unincorporated territory. Due to the uniqueness of this particular situation the Legislature finds and declares that it is neither desirable nor appropriate to enact a general statute within the meaning of Section 16 of Article IV of the California Constitution.

CHAPTER 54

An act to amend Section 35402 of the Vehicle Code, relating to vehicles.

[Approved by Governor June 8, 1981 Filed with Secretary of State June 8, 1981]

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

SECTION 1. Section 35402 of the Vehicle Code is amended to read:

35402. (a) Any extension or device, including any adjustable axle added to the front or rear of a vehicle, used to increase the carrying capacity of a vehicle shall be included in measuring the length of a vehicle, except that a drawbar shall not be included in measuring the length of a vehicle but shall be included in measuring the overall length of a combination of vehicles.

(b) Notwithstanding the provisions of subdivision (a), extensions of not more than 18 inches in length on each end of a vehicle or combination of vehicles used exclusively to transport vehicles shall not be included in measuring the length of a vehicle or combination of vehicles when the vehicles are loaded.

(c) Notwithstanding the provisions of subdivision (a), extensions of not more than 18 inches in length on the last vehicle in a combination of vehicles transporting loads shall not be included in measuring the length of a vehicle or combination of vehicles when the vehicles are loaded.

(d) Notwithstanding the provisions of subdivision (a), any extension or device which is not used to carry any load and which does not exceed three feet in length, added to the rear of a vehicle, and is used exclusively for pushing the vehicle or a combination of vehicles, which vehicle or combination of vehicles is designed and used exclusively to transport earth, sand, gravel, and similar materials, shall be included in measuring the length of the vehicle but shall not be included in measuring the overall length of the

combination of vehicles.

CHAPTER 55

An act to amend Sections 12374 and 12389 of, and to add Sections 12340.10 and 12340.11 to, the Insurance Code, relating to insurance.

[Approved by Governor June 8, 1981 Filed with Secretary of State June 8, 1981]

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

SECTION 1. Section 12340.10 is added to the Insurance Code, to read:

12340.10. "Abstract of title" is a written representation, provided pursuant to a contract, whether written or oral, intended to be relied upon by the person who has contracted for the receipt of such representation, listing all recorded conveyances, instruments or documents which, under the laws of this state, impart constructive notice with respect to the chain of title to the real property described therein. An abstract of title is not a title policy as defined in Section 12340.2.

SEC. 2. Section 12340.11 is added to the Insurance Code, to read:

12340.11. "Preliminary report", "commitment", or "binder" are reports furnished in connection with an application for title insurance and are offers to issue a title policy subject to the stated exceptions set forth in the reports and such other matters as may be incorporated by reference therein. The reports are not abstracts of title, nor are any of the rights, duties or responsibilities applicable to the preparation and issuance of an abstract of title applicable to the issuance of any report. Any such report shall not be construed as, nor constitute, a representation as to the condition of title to real property, but shall constitute a statement of the terms and conditions upon which the issuer is willing to issue its title policy, if such offer is accepted.

SEC. 3. Section 12374 of the Insurance Code is amended to read:

12374. Except as otherwise authorized by subdivision (g) of Section 1105, a title insurer shall not directly or indirectly make a loan from its assets to any of its officers, directors or employees, or to any member of the family of any officer or director. Any officer, director, agent, or employee of any such insurer who knowingly consents to any violation of this section is guilty of a misdemeanor.

SEC. 4 Section 12389 of the Insurance Code is amended to read:

12389. (a) An underwritten title company as defined in Section 12340.5, which shall be a stock corporation, may engage in the business of preparing title searches, title reports, title examinations, certificates or abstracts of title, upon the basis of which a title insurer writes title policies, provided that:

(1) Only domestic corporations may be licensed under this section and no underwritten title company, as defined in Section 12340.5, shall become licensed under this section, or change the name under which it is licensed or operates, unless it has first complied with the provisions of Section 881.

(2) Depending upon the county or counties in which the company is licensed to transact business, it shall maintain required minimum net worth as follows:

Aggregate number of documents recorded and documents filed in the offices of the county recorders in the preceding calendar year in all counties where the company is licensed to transact business	Amount of required minimum net worth
Less than 50,000	$75,000
50,000 to 100,000	120,000
100,000 to 500,000	200,000
500,000 to 1,000,000	300,000
1,000,000 or more	400,000

"Net worth" is defined as the excess of assets over all liabilities and required reserves. It may carry as an asset the actual cost of its title plant provided the value ascribed to such asset shall not exceed the aggregate value of all other assets.

Where a title plant of an underwritten title company is not being currently maintained, the asset value of such plant shall not exceed its asset value as determined in the preceding paragraph as of the date to which such plant is currently maintained, less $\frac{1}{10}$th thereof for each succeeding year or part thereof that such plant is not being currently maintained. For the purposes of this section, a title plant shall be deemed currently maintained so long as it is used in the normal conduct of the business of title insurance, and (1) the owner thereof continues regularly to obtain and index title record data to such plant or to a continuation thereof in a format other than that previously used, including, but not limited to, computerization of such data, or (2) the owner thereof is a participant, in an arrangement for joint use of a title plant system regularly maintained in any format, provided such owner is contractually entitled to receive a copy of the title record data contained in such jointly used title plant system during the period of such owner's participation therein, either periodically or upon termination of such participation, at a cost not to exceed the actual cost of duplication of such title record data.

An underwritten title company at all times shall maintain current assets of at least ten thousand dollars ($10,000) in excess of its current liabilities, as such current assets and liabilities may be defined

pursuant to regulations made by the commissioner. In making such regulations, the commissioner shall be guided by generally accepted accounting principles followed by certified public accountants in this state.

(3) Such an underwritten title company shall obtain from the commissioner a license to transact its business. Such license shall not be granted until the applicant conforms to the requirements of this section and all other provisions of this code specifically applicable to applicant. After issuance the holder shall continue to comply with the requirements as to its business set forth in this code, in the applicable rules and regulations of the commissioner and in the laws of this state.

Any underwritten title company who possesses, or is required to possess, a license pursuant to this section shall be subject as if an insurer to the provisions of Article 8 (commencing with Section 820) of Chapter 1 of Part 2 of Division 1 of this code and shall be deemed to be subject to authorization by the Insurance Commissioner within the meaning of subdivision (e) of Section 25100 of the Corporations Code.

Such license may be obtained by filing an application on a form prescribed by the commissioner accompanied by a filing fee of three hundred dollars ($300). Such license when issued shall be for an indefinite term and shall expire with the termination of the existence of the holder, subject to the annual renewal fee imposed under Sections 12415 and 12416.

An underwritten title company seeking to extend its license to an additional county shall pay a one hundred seventy-five dollar ($175) fee for each such additional county, and shall furnish to the commissioner evidence, at least sufficient to meet the minimum net worth requirements of paragraph (2), of its financial ability to expand its business operation to include such additional county or counties.

(4) Such an underwritten title company shall furnish an audit to the commissioner on the forms provided by the commissioner annually, either on a calendar year basis on or before March 31st or, if approved in writing by the commissioner in respect to any individual company, on a fiscal year basis on or before 90 days after the end of the fiscal year. The time for furnishing any such audit may be extended, for good cause shown, on written approval of the commissioner for a period, not to exceed 60 days. Failure to submit an audit on time, or within such extended time as the commissioner may grant, shall be grounds for an order by the commissioner to accept no new business pursuant to subdivision (d). Such audits shall be private, except that a synopsis of the balance sheet on a form prescribed by the commissioner may be made available to the public.

The audits shall be made in accordance with generally accepted auditing standards by an independent certified public accountant or independent licensed public accountant approved by the commissioner specifically for the particular company. Approval of an

auditor for a particular company shall not be deemed to be a licensing of the auditor nor approval of the auditor for any other company or any other purpose. Any such approval, or the renewal thereof, shall automatically expire on the first day of January in the fifth calendar year following the date of original or renewal approval. The fee for filing an application for such approval or the renewal thereof shall be seventeen dollars and fifty cents ($17.50). The fee for filing the audit shall be thirty-seven dollars and fifty cents ($37.50).

The commissioner may deny or revoke approval or renewal of approval of an auditor for any of the following reasons:

(i) Adverse result in any proceeding before the State Board of Accountancy affecting the auditor's license;

(ii) The auditor has an affiliation with the underwritten title company or any of its officers or directors which would prevent his reports on the company from being reasonably objective;

(iii) The auditor has suffered conviction of any misdemeanor or felony based on his activities as an accountant; or

(iv) Judgment adverse to the auditor in any civil action finding him guilty of fraud, deceit or misrepresentation in the practice of his profession.

Any company which fails to file any audit or other report on or before the date it is due shall pay to the commissioner a penalty fee of one hundred dollars ($100) and on failure to pay such or any other fee or file the audit required by this section shall forfeit the privilege of accepting new business until the delinquency is corrected.

(b) Such an underwritten title company may engage in the escrow business and act as escrow agent provided that:

(1) All funds deposited with the company in connection with any escrow shall be deposited in a bank or savings and loan association in a separate trust account, and such funds shall be the property of the person or persons entitled thereto under the provisions of the escrow and segregated escrow by escrow in the records of the company. Such funds shall not be subject to any debts of the company and shall be used only to fulfill the terms of the individual escrow under which the funds were accepted and none of such funds shall be used until all conditions of the escrow have been met.

Bona fide drafts executed by persons fully responsible financially may at the option of the company, be deemed the equivalent of funds already cleared into such bank or savings and loan association deposit unless another law of this state prohibits such persons from tendering such drafts to escrow holders for the purpose of closing escrows.

Any interest received on funds deposited with the company in connection with any escrow which are deposited in a bank or savings and loan association shall be paid over to the depositing party to the escrow and shall not be transferred to the account of the company.

(2) It shall maintain record of all receipts and disbursements of escrow funds.

(3) It shall deposit seven thousand five hundred dollars ($7,500)

for each county in which it transacts business in some form permitted by Section 12351 with the commissioner who shall forthwith make a special deposit thereof in the State Treasury and such deposit shall be subject to the provisions of Sections 12353, 12356, 12357, and 12358 and as long as there are no claims against the deposit all interest and dividends thereon shall be paid to the depositor. The deposit shall be for the security and protection of persons having lawful claims against the depositor growing out of escrow transactions with it. Such deposit shall be maintained until four years after all escrows handled by the depositor have been closed.

(A) The commissioner may release such deposits prior to the passage of such four-year period upon presentation of evidence satisfactory to the commissioner of either a statutory merger of the depositor into a licensee or certificate holder subject to the jurisdiction of the commissioner, or a valid assumption agreement under which all liability of the depositor stemming from escrow transactions handled by it is assumed by a licensee or certificate holder subject to the jurisdiction of the commissioner.

(B) With the foregoing exceptions, the deposit shall be returned to the depositor or lawful successor in interest following the four-year period, upon presentation of evidence satisfactory to the commissioner that there are no claims against the deposit stemming from escrow transactions handled by the depositor. If the commissioner has evidence of one or more claims against the depositor, and the depositor is not in conservatorship or liquidation, the commissioner may interplead the deposit by special endorsement to a court of competent jurisdiction for distribution on the basis that claims against the depositor stemming from escrow transactions handled by it have priority in such distribution over other claims against the depositor.

(c) The commissioner shall, whenever it appears necessary, examine the business and affairs of a company licensed under this section. All such examinations shall be at the expense of the company.

(d) At any time that the commissioner determines, after notice and hearing, that a company licensed under this section has willfully failed to comply with any of the provisions of this section, the commissioner shall make his order prohibiting the company from conducting its business for a period of not more than one year.

Any company violating such an order is subject to seizure under Article 14 (commencing with Section 1010) of Chapter 1 of Part 2 of Division 1 is guilty of a misdemeanor and may have its license revoked by the commissioner. Any person aiding and abetting any company in a violation of such an order is guilty of a misdemeanor.

The purpose of this section is to maintain the solvency of the companies subject to this section and to protect the public by preventing fraud and requiring fair dealing. In order to carry out such purposes the commissioner may make reasonable rules and regulations to govern the conduct of its business of companies subject

to this section.

The name under which each underwritten title company is licensed shall at all times be an approved name. Each such company shall be subject to the provisions of Article 14 (commencing with Section 1010) and Article 14.5 (commencing with Section 1065.1) of Chapter 1 of Part 2 of Division 1.

Such rules and regulations shall be adopted, amended or repealed in accordance with the procedure provided in Chapter 4.5 (commencing with Section 11371) of Part 1 of Division 3 of Title 2 of the Government Code.

CHAPTER 56

An act relating to the Department of Consumer Affairs, and making an appropriation therefor, to take effect immediately.

[Approved by Governor June 10, 1981 Filed with Secretary of State June 10, 1981]

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

SECTION 1. Notwithstanding the provisos contained in Item 492 of the Budget Act of 1980, the following sums of money, or so much thereof as may be necessary, are hereby appropriated from the unencumbered balances of the following funds to meet contingencies and emergencies during the 1980–81 fiscal year, as follows:

(a) From the Accountancy Fund, sixty-four thousand two hundred ninety-six dollars ($64,296) to the State Board of Accountancy in augmentation of Item 93 of the Budget Act of 1980 (Chapter 510, Statutes of 1980) in order to carry out the provisions of Chapter 1 (commencing with Section 5000) of Division 3 of the Business and Professions Code for the remainder of the 1980–81 fiscal year.

(b) From the California State Board of Architectural Examiners Fund, one hundred twenty-four thousand ninety-nine dollars ($124,099) to the State Board of Architectural Examiners in augmentation of Item 98 of the Budget Act of 1980 (Chapter 510, Statutes of 1980) in order to carry out the provisions of Chapter 3 (commencing with Section 5500) of Division 3 of the Business and Professions Code for the remainder of the 1980–81 fiscal year.

(c) From the Collection Agency Fund seventy-six thousand five hundred ninety-one dollars ($76,591) to the Bureau of Collection and Investigative Services in augmentation of Item 95 of the Budget Act of 1980 (Chapter 510, Statutes of 1980) in order to carry out the provisions of Chapter 8 (commencing with Section 6850) of Division 3 of the Business and Professions Code for the remainder of the 1980–81 fiscal year.

(d) From the General Fund, six thousand one hundred thirteen dollars ($6,113) to the State Board of Guide Dogs for the Blind in augmentation of Item 78 of the Budget Act of 1980 (Chapter 510, Statutes of 1980) in order to carry out the provisions of Chapter 915 (commencing with Section 7200) of Division 3 of the Business and Professions Code for the remainder of the 1980–81 fiscal year. The augmentation shall be made only if the two vacancies on the board are filled prior to the end of the 1980–81 fiscal year.

(e) From the Board of Registered Nursing Fund, two hundred eight thousand six hundred two dollars ($208,602) to the Board of Registered Nursing in augmentation of Item 88 of the Budget Act of 1980 (Chapter 510, Statutes of 1980) in order to carry out the provisions of Chapter 6 (commencing with Section 2700) of Division 2 of the Business and Professions Code for the remainder of the 1980–81 fiscal year.

(f) From the Structural Pest Control Fund, forty-one thousand two hundred six dollars ($41,206) to the Structural Pest Control Board in augmentation of Item 104 of the Budget Act of 1980 (Chapter 510, Statutes of 1980) in order to carry out the provisions of Chapter 14 (commencing with Section 8500) of Division 3 of the Business and Professions Code for the remainder of the 1980–81 fiscal year.

(g) From the Vocational Nurse and Psychiatric Technician Fund, forty-three thousand ninety dollars ($43,090) to the Board of Vocational Nurse and Psychiatric Technician Examiners in augmentation of Item 91 of the Budget Act of 1980 (Chapter 510, Statutes of 1980) in order to carry out the provisions of Chapter 6.5 (commencing with Section 2840) of Division 2 of the Business and Professions Code for the remainder of the 1980–81 fiscal year.

(h) From the California State Board of Landscape Architects Fund, eighty-six thousand two hundred twenty-two dollars ($86,222) to the California State Board of Landscape Architects in augmentation of Item 102 of the Budget Act of 1980 (Chapter 510, Statutes of 1980) in order to carry out the provisions of Chapter 3.5 (commencing with Section 5615) of Division 3 of the Business and Professions Code for the remainder of the 1980–81 fiscal year.

SEC. 2. This act makes an appropriation for the usual current expenses of the state within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 57

An act relating to the Tahoe Regional Planning Agency, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 10, 1981 Filed with Secretary of State June 10, 1981.]

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

SECTION 1. The Tahoe Regional Planning Compact provides for the creation of the bistate Tahoe Regional Planning Agency. The governing body of the agency is composed of 14 members appointed, as specified by the compact. Two of the members are appointed by the Governor of the State of California. One of the members is appointed by the Speaker of the Assembly of the State of California and one is appointed by the Rules Committee of the Senate of the State of California. Each of these four members is required to represent the public-at-large within the State of California. The members of the agency serve without compensation, but the expenses of each member are required to be met by the body which he or she represents in accordance with the law of that body. No provision of law presently provides for the payment of the expenses of the members of the Tahoe Regional Planning Agency who represent the public-at-large within the State of California. It is the intent of the Legislature in enacting this act to so provide.

SEC. 2. The members of the Tahoe Regional Planning Agency appointed pursuant to the provisions of paragraph (B), subdivision (1), Section (a), Article III of the Tahoe Regional Planning Compact (Sec. 2, Ch. 872, Stats. 1980) shall receive their actual and necessary expenses in connection with the performance of their official duties from funds appropriated therefor by the Legislature.

SEC. 3. The sum of six thousand dollars ($6,000) is hereby appropriated from the General Fund to the Resources Agency to pay the actual and necessary expenses incurred during the 1980–81 fiscal year by the members of the Tahoe Regional Planning Agency appointed pursuant to paragraph (B), Section (a), Article III of the Tahoe Regional Planning Compact. The Secretary of the Resources Agency shall pay the expenses of these members upon submission of claims for such payment made by the members in the manner provided by the secretary.

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 reimbursement at the earliest possible time of the expenses of members of the bistate Tahoe Regional Planning Agency who represent the interests of the public-at-large within the state and thereby ensure adequate representation for the state, it is necessary for this act to take immediate effect.

CHAPTER 58

An act to repeal Section 10196 of the Insurance Code, relating to Medicare supplemental health policies and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 10, 1981 Filed with Secretary of State June 10, 1981]

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

SECTION 1. Section 10196 of the Insurance Code is repealed

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

This bill makes a change inadvertently omitted from legislation last year. It is therefore necessary that this act take immediate effect.

CHAPTER 59

An act to amend Section 4650 of the Public Resources Code, relating to forests, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 10, 1981. Filed with Secretary of State June 10, 1981]

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

SECTION 1. Section 4650 of the Public Resources Code is amended to read:

4650. (a) With the approval of the Director of General Services, the director may make sales of forest products from state forests that do not exceed ten thousand dollars ($10,000) in value without advertising for bids. With the approval of the Director of General Services, the director may also make sales that do not exceed 100,000 board feet of dead, dying, downed, diseased, or defective trees, trees harvested in connection therewith for thinning purposes or other forest improvement work, or any combination thereof, without advertising for bids.

(b) Any sale of forest products in excess of ten thousand dollars ($10,000) in value, or in excess of 100,000 board feet with respect to dead, dying, downed, diseased, or defective trees, trees harvested in connection therewith for thinning purposes or other forest improvement work, or any combination thereof, shall be upon competitive bids. Advertising for bids shall be the same as is generally in use for the sale of state property.

SEC. 2. On February 2, 1981, the North Coast Regional Commission approved a sewage treatment facility for the McKinleyville Community Services District. The commission found that the proposed sewage treatment plant was consistent with the policies of Division 20 (commencing with Section 30000) of the Public Resources Code. Notwithstanding the limitation of uses specified in Section 30243 of the Public Resources Code relating to the conversion of commercial timberlands, the commission found that, in balancing the applicable policies of Division 20 and pursuant to express legislative direction set forth in Section 30007.5 of the Public Resources Code, the most protective policy is that which concentrates development to existing developed areas and therefore approved the necessary conversion of commercial timberlands. Therefore, notwithstanding any provision of Chapter 8 (commencing with Section 4511) of Part 2 of Division 4 of the Public Resources Code, the applicant, McKinleyville Community Services District, does not need to obtain a timberland conversion permit or to prepare a timber harvesting plan for the conversion of timberland that results from the development of its permitted sewage treatment facility.

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

In order that this act may apply to the 1981 timber harvesting season and to expedite the construction of an urgently needed sewage treatment facility by the McKinleyville Community Services District, it is necessary that this act take effect immediately.

CHAPTER 60

An act making an appropriation in augmentation of Item 470 of the Budget Act of 1980 to pay the settlement of claims, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 10, 1981 Filed with Secretary of State June 10, 1981]

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

SECTION 1. The sum of two hundred twenty thousand dollars ($220,000) is hereby appropriated from the Motor Vehicle Account in the State Transportation Fund in augmentation of Item 470 of the Budget Act of 1980 (Ch. 510, Stats. 1980) to pay the settlement of the claims of the plaintiff Angelina Brougham in the case entitled Angelina Brougham and Florence Mullins v. State of California et al. (No. 172658), brought in the Superior Court of the State of California for the County of Contra Costa.

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

In order to pay the settlement arising out of an action brought by the plaintiff and to end a hardship to that person as quickly as possible, it is necessary for this act to take effect immediately.

CHAPTER 61

An act making an appropriation to pay the settlement of the claims of Inez Breaux, et al., and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 13, 1981 Filed with Secretary of State June 14, 1981]

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

SECTION 1. The sum of seventy-five thousand dollars ($75,000) is hereby appropriated from the General Fund in augmentation of Item 470 of the 1980 Budget Act (Chapter 510, Statutes of 1980) to pay the settlement of the claims of the plaintiffs against the State of California in the action entitled Inez Breaux, Roger L. Cormier, and Kenny R. Breaux v. State of California, et al., No. 62607, brought in the Superior Court of the State of California for the County of Ventura for the wrongful death of Clarence Cormier, Jr. in Camarillo State Hospital.

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

In order to pay the settlement arising out of an action brought by the plaintiffs and ending a hardship to such persons as quickly as possible, it is necessary that this act take effect immediately.

CHAPTER 62

An act to add and repeal Section 53531.5 of the Government Code, and to amend, repeal, and add Section 25208 of the Water Code, relating to interest rates, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 13, 1981 Filed with Secretary of State June 14, 1981]

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

SECTION 1. Section 53531.5 is added to the Government Code, to read:

53531.5. (a) As used in this section, "water district" means any district or other political subdivision, other than a city or county, a primary function of which is the irrigation, reclamation, or drainage of land or the diversion, storage, or distribution of water primarily for domestic, municipal, agricultural, industrial, recreation, fish and wildlife enhancement, flood control, or power production purposes. "Water districts" include, but are not limited to, irrigation districts, county water districts, California water districts, water storage districts, reclamation districts, county waterworks districts, drainage districts, water replenishment districts, levee districts, municipal water districts, water conservation districts, metropolitan water districts, community services districts, and county water authorities.

(b) Any provision of law specifying the maximum interest rate on bonds to the contrary notwithstanding, including Sections 53532 and 53541, bonds of a water district may bear interest at a coupon rate or rates as determined by the legislative body of the water district in its discretion but not to exceed 12 percent per year payable as permitted by law, unless a higher rate is permitted by law.

(c) This section shall remain in effect only until January 1, 1984, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1984, deletes or extends that date.

SEC. 2. Section 25208 of the Water Code is amended to read:

25208. The bonds shall bear interest at a rate not to exceed 12 percent per year to be fixed by the board, except that, if, before the issuance of the bonds, the board determines, to the best of its knowledge and belief, that the interest on the bonds will be subject to federal income taxation under then existing law, the bonds may bear interest at a rate or rates not exceeding 15 percent per year to be fixed by the board.

This section shall remain in effect only until January 1, 1984, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1984, deletes or extends that date.

SEC. 3. Section 25208 is added to the Water Code, to read:

25208. The bonds shall bear interest at a rate not to exceed 8 percent per year to be fixed by the board, except that, if, before the issuance of the bonds, the board determines, to the best of its knowledge and belief, that the interest on the bonds will be subject to federal income taxation under then existing law, the bonds may bear interest at a rate or rates not exceeding 10 percent per year to be fixed by the board.

This section shall become operative on January 1, 1984.

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:

Bond market conditions make it impossible for water districts to market bonds within existing interest rate limitations. In order for water districts to undertake capital projects utilizing traditional financing sources whose present interest rates exceed the bond interest rates and discounts authorized by law and to undertake capital projects as soon as possible, it is necessary that this act go into immediate effect.

CHAPTER 63

An act to amend Sections 1388.2, 1389.3, 1389.4, and 1390.1 of, to add Sections 1388.3, 1389.5, and 1390.5 to, and to repeal and add Section 1386.2 of, the Civil Code, relating to powers of appointment.

[Approved by Governor June 13, 1981. Filed with Secretary of State June 14, 1981]

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

SECTION 1. Section 1386.2 of the Civil Code is repealed.

SEC. 2 Section 1386.2 is added to the Civil Code, to read:

1386.2. A general residuary clause in a will, or a will making general disposition of all of the testator's property, does not exercise a power of appointment held by the testator unless specific reference is made to the power or there is some other indication of intention to exercise the power.

SEC. 3. Section 1388.2 of the Civil Code is amended to read:

1388.2. (a) Unless the creating instrument otherwise provides, any general or special power of appointment that is a discretionary power, whether testamentary or otherwise, may be released, either with or without consideration, by written instrument signed by the donee and delivered as provided in subdivision (c).

(b) Any releasable power may be released with respect to the whole or any part of the appointive property and may also be released in such manner as to reduce or limit the permissible appointees. No partial release of a power shall be deemed to make imperative the remaining power that was not imperative before such release unless the instrument of release expressly so provides. No release of a power that is not presently exercisable is permissible where the donor designated persons or a class to take in default of the donee's exercise of the power unless the release serves to benefit all those so designated as provided by the donor.

(c) A release shall be delivered as provided in this subdivision:

(1) If the creating instrument specifies a person to whom a release is to be delivered, the release shall be delivered to that person but delivery need not be made as provided in this paragraph if such person cannot with due diligence be found.

(2) In any case where the property to which the power relates is

held by a trustee, the release shall be delivered to such trustee.

(3) In a case not covered by paragraph (1) or (2), the release may be delivered to any of the following:

(i) Any person, other than the donee, who could be adversely affected by the exercise of the power.

(ii) The county recorder of the county in which the donee resides or in which the deed, will, or other instrument creating the power is filed.

(d) A release of a power of appointment which affects real property or obligations secured by real property shall be acknowledged and proved, and may be certified and recorded, in like manner and with like effect as grants of real property, and all statutory provisions relating to the recordation or nonrecordation of conveyances of real property and to the effect thereof shall apply to such release with like effect, without regard to the date when the release was delivered, if at all, pursuant to subdivision (c). Failure to deliver, pursuant to subdivision (c), a release which is recorded pursuant to this subdivision shall not affect the validity of any transaction with respect to such real property or obligation secured thereby, and the general laws of this state on recording and its effect shall govern any such transaction.

(e) This section does not impair the validity of any release made prior to July 1, 1970.

SEC. 4. Section 1388.3 is added to the Civil Code, to read:

1388.3. (a) A release on behalf of a minor donee shall be made by the guardian of the estate of the minor pursuant to an order of court obtained under this section.

(b) The guardian or other interested person may file a petition with the court in which the guardianship of the estate proceeding is pending for an order of the court authorizing or requiring the guardian to release the ward's powers as a donee of a power of appointment in whole or in part.

(c) Notice of the hearing on the petition shall be given for the period and in the manner provided in Chapter 3 (commencing with Section 1460) of Part 1 of Division 4 of the Probate Code to all of the following (other than the petitioner or persons joining in the petition):

(1) The persons required to be given notice under Chapter 3 (commencing with Section 1460) of Part 1 of Division 4 of the Probate Code.

(2) The donor of the power if alive.

(3) The trustee if the property to which the power relates is held by a trustee.

(4) Such other persons as the court may order.

(d) After hearing, the court in its discretion may make an order authorizing or requiring the guardian to release on behalf of the ward any general or special power of appointment as permitted under Section 1388.2 if the court determines, taking into consideration all the relevant circumstances, that the ward as a

prudent person would make the release of the power of appointment if the ward had the capacity to do so.

(e) Nothing in this section imposes any duty on the guardian to file any petition under this section, and the guardian is not liable for failure to file a petition under this section.

SEC. 5. Section 1389.3 of the Civil Code is amended to read:

1389.3. (a) Except as provided in subdivision (b), when the donee of a discretionary power of appointment fails to appoint the property, releases the entire power, or makes an ineffective appointment, in whole or in part, the appointive property not effectively appointed passes to the person or persons named by the donor as takers in default or, if there are none, reverts to the donor.

(b) When the donee of a general power of appointment makes an ineffective appointment, an implied alternative appointment to the donee's estate may be found if the donee has manifested an intent that the appointive property be disposed of as property of the donee rather than as in default of appointment.

SEC. 6. Section 1389.4 of the Civil Code is amended to read:

1389.4. (a) Except as provided in subdivision (b), if an appointment by will or by instrument effective only at the death of the donee is ineffective because of the death of an appointee before the appointment becomes effective and the appointee leaves issue surviving the donee, the surviving issue of such appointee shall take the appointed property, per stirpes and not per capita, in the same manner as the appointee would have taken had the appointee survived the donee except that the property shall pass only to persons who are permissible appointees, including those permitted under Section 1389.5.

(b) This section does not apply if either the donor or donee mainfests an intent that some other disposition of the appointive property shall be made.

SEC. 7. Section 1389.5 is added to the Civil Code, to read:

1389.5. Unless the creating instrument expressly otherwise provides, if a permissible appointee dies before the exercise of a special power of appointment, the donee has the power to appoint to the issue of the deceased permissible appointee, whether or not such issue was included within the description of the permissible appointees, if the deceased permissible appointee was alive at the time of the execution of the creating instrument or was born thereafter. This section applies whether the special power of appointment is exercisable by inter vivos instrument, by will, or otherwise.

SEC. 8. Section 1390.1 of the Civil Code is amended to read:

1390.1. The donor of a power of appointment cannot nullify or alter the rights given creditors of the donee by Sections 1390.3, 1390.4, and 1390.5 by any language in the instrument creating the power.

SEC. 9. Section 1390.5 is added to the Civil Code, to read:

1390.5. For the purposes of Sections 1390.3 and 1390.4, a person to

whom the donee owes an obligation of support shall be considered a creditor of the donee to the extent that a legal obligation exists for the donee to provide such support.

SEC. 10. (a) Sections 1389.3 and 1389.4 of the Civil Code as amended by this act apply to any case where the donee dies on or after the operative date of this act.

(b) The amendment of Section 1388.2 of the Civil Code made by this act applies to any release made on or after the operative date of this act, but does not impair the validity of any release made prior to that date.

(c) Section 1389.5 which is added to the Civil Code by this act applies to any case where the power of appointment is exercised on or after the operative date of this act, but does not affect the validity of any exercise of a power of appointment made prior to that date.

(d) The repeal and addition of Section 1386.2 of the Civil Code as made by this act applies to any case where the donee dies on or after the operative date of this act.

SEC. 11. This act shall become operative on July 1, 1982.

CHAPTER 64

An act to amend Section 8321 of the Streets and Highways Code, relating to streets and highways.

[Approved by Governor June 13, 1981 Filed with Secretary of State June 14, 1981]

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

SECTION 1. Section 8321 of the Streets and Highways Code is amended to read:

8321. (a) Ten or more freeholders may petition the board of supervisors to vacate a street or highway under this chapter. At least two of the petitioners shall be residents of the road district in which some part of the street or highway proposed to be vacated is situated and shall be taxable therein for street or highway purposes.

(b) Five or more freeholders may petition the board of supervisors to vacate a public service easement under this chapter. At least one of the petitioners shall be a resident of the township in which the public service easement proposed to be vacated is situated.

(c) The residence address of each petitioner shall be set forth in the petition.

(d) The board of supervisors may require the payment of a fee for filing a petition to defray the expenses of investigations, mailings, publications, and postings under this chapter.

(e) Upon the filing of a petition and the making of the deposit, if any, required under this section, the board of supervisors, by order,

shall fix the date, hour, and place of the hearing on the petition. At least two weeks before the day set for the hearing, the clerk of the board shall mail a notice of the date, hour, and place of the hearing to each of the petitioners at the address set forth in the petition.

(f) Nothing in this section shall affect the right of a legislative body to initiate a proceeding under this chapter upon its own initiative, or upon petition or request of an interested person, or prevent the board of supervisors from vacating a street, highway, or public service easement without charging costs if the board determines it is in the public interest to do so.

CHAPTER 65

An act to add Section 116.5 to the Code of Civil Procedure, relating to small claims court.

[Approved by Governor June 13, 1981 Filed with Secretary of State June 14, 1981.]

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

SECTION 1 Section 116.5 is added to the Code of Civil Procedure, to read:

116.5. A plaintiff which is a public entity, as defined in Section 811.2 of the Government Code, and which is filing more than 10 claims at one time may request a date for the appearance of the defendant later than that specified in Sections 116.4 and 117.3, and the judge or clerk may order the hearing to take place at that later date, not in excess of the following limits:

(a) Where all defendants reside in the county, the date for appearance shall not be more than 70 days from the date of the order.

(b) In other cases, the date for appearance shall not be more than 90 days from the date of the order.

CHAPTER 66

An act to add Section 1092.5 to the Government Code, relating to public officers and employees.

[Approved by Governor June 13, 1981. Filed with Secretary of State June 14, 1981.]

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

SECTION 1. Section 1092.5 is added to the Government Code, to read:

1092.5. Notwithstanding Section 1092, no lease or purchase of, or

encumbrance on, real property may be avoided, under the terms of Section 1092, in derogation of the interest of a good faith lessee, purchaser, or encumbrancer where the lessee, purchaser, or encumbrancer paid value and acquired the interest without actual knowledge of a violation of any of the provisions of Section 1090.

CHAPTER 67

An act to amend Section 9 of the Civil Code, to amend Section 3123 of the Commercial Code, to amend Section 1503 of, the heading of Chapter 14 (commencing with Section 1750) of Division 1 of, Sections 1800, 1803, 1804, 1805, 1819, 1823, 1826, 1854, 1854.1, 1900, 3100, 3360, 3370, 12100, and 33100 of, to add Section 114 and Chapter 13.5 (commencing with Section 1700) to Division 1 of, and to repeal Section 276, Article 1 (commencing with Section 1750) of Chapter 14, Article 2 (commencing with Section 1780) of Chapter 14, and the heading of Article 3 (commencing with Section 1800) of Chapter 14, of Division 1 of, the Financial Code, and to amend Sections 16500.5 and 53635.5 of the Government Code, relating to financial institutions, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 16, 1981 Filed with Secretary of State June 16, 1981]

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

SECTION 1. Section 9 of the Civil Code is amended to read:

9. All other days than those mentioned in Section 7 are to be deemed business days for all purposes; provided, that as to any act appointed by law or contract, or in any other way, to be performed by, at, or through any bank organized under the laws of or doing business in this state, Saturday is a holiday and not a business day; and provided, that any act appointed by law or contract, or in any other way, to be performed on any day which is an optional bank holiday as defined in Section 3123 of the Commercial Code, by, at, or through any bank or branch or office thereof, whether acting in its own behalf or in any other capacity whatsoever, may be performed on such optional bank holiday if the bank or branch or office thereof by, at, or through which such act is to be performed is open for the transaction of business on such optional bank holiday, or, at the option of the person obligated to perform the act, it may be performed on the next succeeding business day which is not a Saturday.

SEC. 1.4. Section 3123 of the Commercial Code is amended to read·

3123. Every instrument is payable at the time fixed therein without grace. When the day of maturity falls upon Sunday, Saturday

or a holiday, the instrument is payable on the next succeeding business day which is not a Saturday. Where the day of maturity of the instrument falls on an optional bank holiday or the instrument would except for the foregoing provision be payable on an optional bank holiday and it is payable by or at a banking house or any branch or separate office thereof, and the particular banking house or branch or separate office thereof by or at which the instrument is payable is open for the transaction of business on such optional bank holiday, the holder of the instrument may at his option present the instrument for payment at the banking house or branch or separate office thereof by or at which the instrument is payable on the optional bank holiday or on the next succeeding business day which is not a Saturday. An instrument payable on demand is not to be presented for payment on Sunday, Saturday, or a holiday but is to be presented for payment on the next succeeding business day which is not a Saturday, except that where the instrument is payable by or at a banking house or any branch or separate office thereof and the particular banking house or branch or separate office thereof by or at which the instrument is payable is open for the transaction of business on an optional bank holiday, the holder of the instrument may at his option present the instrument for payment at the banking house or branch or separate office thereof by or at which the instrument is payable on such optional bank holiday or on the next succeeding business day which is not a Saturday. For the purpose of this section an optional bank holiday is any closing of a bank because of an emergency, as that term is defined in the Bank Extraordinary Situation Closing Act (Chapter 20 (commencing with Section 3600) of Division 1 of the Financial Code), Good Friday commencing at 3 p.m. and every holiday referred to in Sections 6700 and 6701 of the Government Code, except the following: January 1st, July 4th, September 9th, known as "Admission Day," and December 25th, any Monday following any Sunday on which any such day falls, the last Monday in May, the first Monday in September, Good Friday from 12 noon until 3 p.m., the Thursday in November appointed as Thanksgiving Day, and every Sunday.

In addition, for purposes of this section, if January 1st, July 4th, or September 9th falls on a Saturday, the following Monday is an optional bank holiday, and if December 25th falls on a Saturday, the preceding Friday is an optional bank holiday.

SEC. 1.6. Section 114 is added to the Financial Code, to read:

114. "Foreign bank" or "foreign banking corporation" has the meaning set forth for "foreign bank" in Section 1700.

SEC. 2. Section 276 of the Financial Code is repealed.

SEC. 3. Section 1503 of the Financial Code is amended to read:

1503. No foreign corporation, other than a national banking association which is authorized to conduct a trust business in this state, shall have or exercise the powers of a trust company nor directly or indirectly transact or conduct in this state a trust business as defined in Section 106; but any foreign corporation which is

authorized by its articles to exercise trust powers may act as trustee for the following purposes:

(a) To deliver bonds and receive payments therefor.

(b) To deliver permanent bonds in exchange for temporary bonds of the same issue.

(c) To deliver refunding bonds in exchange for those of a prior issue or issues.

(d) To register bonds or to exchange registered bonds for coupon bonds or coupon bonds for registered bonds.

(e) To pay interest on such bonds, and take up and cancel coupons representing such interest payment.

(f) To redeem and cancel bonds when called for redemption or to pay and cancel bonds when due.

(g) To certify registered bonds for the purpose of exchanging registered bonds for coupon bonds.

A foreign corporation which is authorized by its articles to exercise trust powers may be appointed and may accept appointment and act as trustee under any mortgage, deed of trust, or other instrument securing bonds or other obligations issued or to be issued by any railroad corporation which owns a railroad operating in the State of California and extending into another state.

A foreign corporation exercising in this state the powers conferred by this section shall not establish or maintain directly or indirectly any branch office or agency in this state unless it has complied with all of the applicable provisions of Chapter 13.5 (commencing with Section 1700).

SEC. 4. Chapter 13.5 (commencing with Section 1700) is added to Division 1 of the Financial Code, to read:

CHAPTER 13.5. FOREIGN BANKS

Article 1. General Provisions

1700. In this chapter, unless the context otherwise requires:

(a) "Agency" means a depositary agency or a nondepositary agency.

(b) "Branch office" means a limited branch office, a retail branch office, or a wholesale branch office.

(c) "Business in this state," when used with respect to a foreign (other nation) bank which is licensed to maintain one or more agencies or branch offices, includes (without limitation) the aggregate business of all such offices

(d) "Controlling person," when used with respect to a foreign bank, means any person who, directly or indirectly, controls such bank. For purposes of this subdivision, "control" has the meaning set forth in subdivision (b) of Section 700, and "person" has the meaning set forth in subdivision (d) of Section 700.

(e) "Depositary agency," when used with respect to a foreign bank, means a place in this state at which such foreign bank transacts

commercial banking business but at which it does not transact the business of receiving deposits except as permitted under paragraph (2) of subdivision (a) of Section 1755.

(f) "Executive officer," when used with respect to a foreign bank or a controlling person of a foreign bank, means the chief executive officer, the chief operating officer, the chief financial officer, and any other person who participates or has authority to participate in major policy-making functions of such bank or controlling person. "Executive officer," when used with respect to a foreign (other nation) bank, includes the head of the international division (or, if there is no such division, the closest equivalent division or unit) of such bank.

(g) "Federal agency" has the meaning set forth in Section 1(b) of the International Banking Act of 1978.

(h) "Federal branch" has the meaning set forth in Section 1(b) of the International Banking Act of 1978.

(i) "Foreign bank" means a foreign (other nation) bank or a foreign (other state) bank.

(j) "Foreign nation" means any nation other than the United States, including (without limitation) any subdivision, territory, trust territory, dependency, or possession of any such nation. Also, "foreign nation" includes Puerto Rico, Guam, American Samoa, the Virgin Islands, and any territory, trust territory, dependency, or insular possession of the United States.

(k) "Foreign (other nation) bank" means any bank (including, without limitation, any commercial bank, merchant bank, or other institution that engages in banking activities which are usual in connection with the business of banking in the nations where such institution is organized or operating) other than (1) a bank which is organized under the laws of a state of the United States or (2) a national bank which maintains its head office in a state of the United States.

(*l*) "Foreign (other state) bank" means a bank which is organized under the laws of any state of the United States other than this state or a national bank which maintains its head office in any state of the United States other than this state.

(m) (1) "License" means a license issued under this chapter, authorizing a foreign bank to maintain an office.

(2) To be "licensed" means to be issued or to hold a license.

(3) To be "licensed to transact business in this state," when used with respect to a foreign (other nation) bank, means that such bank is licensed to maintain an agency or branch office.

(n) "Limited branch office," when used with respect to a foreign bank, means a place in this state at which such bank transacts commercial banking business but at which it does not transact the business of receiving deposits except as permitted under paragraph (3) of subdivision (a) of Section 1755.

(o) "Nondepositary agency," when used with respect to a foreign bank, means a place in this state at which such bank transacts

commercial banking business, except the business of receiving deposits.

(p) "Office," when used with respect to a foreign bank, means any agency, branch office, or representative office of such bank.

(q) "Primary office," when used with respect to a foreign (other nation) bank which is licensed to maintain a single agency or branch office, means such agency or branch office and, when used with respect to a foreign (other nation) bank which is licensed to maintain two or more agencies or branch offices, means that one of such offices which such bank has designated as its primary office in accordance with Section 1714.

(r) "Representative office," when used with respect to a foreign bank, means an office in this state at which such bank engages in representational functions but at which it does not transact commercial banking business.

(s) "Retail branch office," when used with respect to a foreign bank, means a place in this state at which such bank transacts commercial banking business, including (without limitation) the business of receiving deposits.

(t) "State of the United States" means any state of the United States or the District of Columbia.

(u) "Wholesale branch office," when used with respect to a foreign bank, means a place in this state at which such bank transacts commercial banking business but at which it does not transact the business of receiving deposits except as permitted under paragraph (4) of subdivision (a) of Section 1755.

1701. For purposes of this chapter, offices of foreign banks are divided into classes and ranked in ascending order, as follows:

(a) Representative office.

(b) Nondepositary agency.

(c) Depositary agency

(d) Limited branch office.

(e) Wholesale branch office.

(f) Retail branch office.

1702. Fees shall be paid to, and collected by, the superintendent, as follows:

(a) The fee for filing with the superintendent an application by a foreign (other nation) bank which is not licensed to transact business in this state for approval to establish a branch office shall be two thousand dollars ($2,000).

(b) The fee for filing with the superintendent an application by a foreign (other nation) bank which is not licensed to transact business in this state for approval to establish an agency shall be one thousand five hundred dollars ($1,500).

(c) The fee for filing with the superintendent an application by a foreign (other nation) bank which is licensed to transact business in this state for approval to establish a branch office shall be one thousand dollars ($1,000).

(d) The fee for filing with the superintendent an application by

a foreign (other nation) bank which is licensed to transact business in this state for approval to establish an agency shall be seven hundred fifty dollars ($750).

(e) The fee for filing with the superintendent an application by a foreign bank for approval to establish a representative office shall be two hundred fifty dollars ($250).

(f) The fee for filing with the superintendent an application by a foreign (other nation) bank which is licensed to maintain an agency or branch office for approval to relocate or to close such office shall be one hundred dollars ($100).

(g) The fee for filing with the superintendent an application by a foreign bank which is licensed to maintain a representative office for approval to relocate or to close such representative office shall be fifty dollars ($50).

(h) The fee for issuing a license shall be twenty-five dollars ($25).

(i) Each foreign bank which on June 1st of any year is licensed to maintain a representative office but is not licensed to transact business in this state shall pay, on or before the following July 1st, a fee of two hundred fifty dollars ($250) for each such representative office.

1703. Each application filed with the superintendent under this chapter or under any regulation or order issued under this chapter shall be in such form, shall contain such information, shall be signed in such manner, and shall (if the superintendent so requires by regulation or order) be verified in such manner, as the superintendent may by regulation or order require.

1704. (a) In this section, "act" includes (without limitation) omission.

(b) For purposes of making findings on an application by a foreign bank for approval to establish an office:

(1) The superintendent may, in the absence of credible evidence to the contrary, presume that the directors, executive officers, and any controlling person of the bank and the directors and executive officers of any controlling person of the bank are each of good character and sound financial standing.

(2) The superintendent may find that the bank, a director, executive officer, or a controlling person of the bank, or a director or executive officer of a controlling person of the bank is not of good character if such person:

(A) Has been convicted of, or has pleaded nolo contendere to, any crime involving an act of fraud or dishonesty;

(B) Has consented to or suffered a judgment in any civil action based upon conduct involving an act of fraud or dishonesty;

(C) Has consented to or suffered the suspension or revocation of any professional, occupational, or vocational license based upon conduct involving an act of fraud or dishonesty;

(D) Has willfully made or caused to be made in any application or report filed with the superintendent or in any proceeding before the superintendent, any statement which was at the time and in the

light of the circumstances under which it was made false or misleading with respect to any material fact, or has willfully omitted to state in any such application or report any material fact which was required to be stated therein; or

(E) Has willfully committed any violation of, or has willfully aided, abetted, counseled, commanded, induced, or procured the violation by any other person of, any provision of this division or of any regulation or order issued under this division.

(c) Paragraph (2) of subdivision (b) shall not be deemed to be an exclusive list of the grounds upon which the superintendent may find, for purposes of making findings on an application by a foreign bank for approval to establish an office, that such bank, a director, executive officer, or controlling person of the bank, or a director or executive officer of a controlling person of the bank is not of good character.

1705. (a) Each foreign bank which is licensed to maintain an office shall file with the superintendent such reports as and when the superintendent may by regulation or order require.

(b) Each report filed with the superintendent under this chapter or under any regulation or order issued under this chapter shall be in such form, shall contain such information, shall be signed in such manner, and shall (if the superintendent so requires by regulation or order) be verified in such manner, as the superintendent may by regulation or order require.

1706. Each foreign bank which is licensed to maintain an office shall make, keep, and preserve at such office or at such other place as the superintendent may by regulation or order approve, such books, accounts, and other records relating to the business of the office, in such form, in such manner, and for such time as the superintendent may by regulation or order provide.

1707. (a) No foreign (other nation) bank which is licensed to maintain an agency or branch office shall concurrently maintain a federal agency or federal branch in this state.

(b) No foreign (other nation) bank which maintains a federal agency or federal branch in this state shall concurrently be licensed to maintain an agency or branch office in this state.

1708. (a) No foreign bank shall concurrently be licensed to maintain offices of different classes.

(b) Subdivision (a) shall not be deemed to prohibit a foreign (other nation) bank which is licensed to maintain a representative office from being concurrently licensed to maintain an office of a different class or to prohibit a foreign (other nation) bank which is licensed to maintain an office other than a representative office from being concurrently licensed to maintain a representative office.

1709. A foreign (other state) bank may be licensed to maintain only a representative office.

1710. No foreign bank shall be issued a license unless it shall have first filed with the superintendent, in such form as the superintendent may by regulation or order require, an appointment

irrevocably appointing the superintendent and his successor from time to time in office to be such bank's attorney to receive service of any lawful process in a noncriminal judicial or administrative proceeding against the bank or any of its successors which arises after such appointment has been filed, with the same force and validity as if served personally on the bank or its successor, as the case may be. Service may be made by leaving a copy of the process at any office of the superintendent, but such service is not effective unless (a) the party making the service, who may be the superintendent, forthwith sends notice of the service and a copy of the process by registered or certified mail to the bank served at its last address on file with the superintendent, and (b) an affidavit of compliance with this section by the party making service is filed in the case on or before the return date, if any, or within such further time as the court, in the case of a judicial proceeding, or the administrative agency, in the case of an administrative proceeding, allows.

1711. No license shall be transferable or assignable.

1712. Each foreign bank which is licensed to maintain an office shall post its license in a conspicuous place at such office.

1713. (a) Each foreign bank which is licensed to maintain an office shall assign to such office a popular name which consists of a specific designation by name or number and shall post such popular name and the name of such bank in a conspicuous place at the office.

(b) The popular name that a foreign bank assigns to a representative office which it is licensed to maintain shall include the term "representative office."

(c) The popular name that a foreign (other nation) bank assigns to an agency which it is licensed to maintain shall not include the term "branch" unless such term is modified by the word "foreign" or "overseas" or by a similar word.

1714. Whenever a foreign (other nation) bank is licensed to maintain two or more agencies or branch offices, it shall designate one of such offices as its primary office.

1715. Each foreign bank which is licensed to maintain an office shall conduct all of the business of such office in a single building or in adjoining buildings. However, for good cause and with the approval of the superintendent, such bank may conduct part of the business of the office elsewhere in the same vicinity.

1716. Any foreign (other nation) bank which is licensed to maintain an office or which maintains a federal agency or federal branch in this state and any foreign (other state) bank is exempted from the restrictions of Section 1 of Article XV of the Constitution relating to rates of interest upon the loan or forbearance of any money, goods, or things in action or on accounts after demand.

Article 2. Representative Offices

1725 (a) No foreign bank shall establish or maintain an office in this state at which it engages in representational functions unless it

is licensed to maintain a representative office, agency, or branch office at such place.

(b) (1) No person shall establish or maintain an office in this state as representative of a foreign bank unless such bank is licensed to maintain such office as a representative office.

(2) For purposes of this chapter, if any person establishes or maintains an office in this state as representative of a foreign bank, such foreign bank shall be deemed to establish and maintain such office as a representative office.

(c) Neither subdivision (a) nor subdivision (b) shall be deemed to prohibit a foreign (other nation) bank which maintains a federal agency or federal branch in this state from establishing or maintaining one or more representative offices in this state.

1726. (a) (1) No foreign bank shall establish or maintain a representative office unless the superintendent shall have first approved the establishment of such office and issued a license authorizing such bank to maintain the office.

(2) Paragraph (1) shall not be deemed to prohibit a foreign (other nation) bank which maintains a federal agency or federal branch in this state from establishing or maintaining one or more representative offices in this state.

(b) If the superintendent finds the following with respect to an application by a foreign bank for approval to establish a representative office, the superintendent shall approve such application:

(1) That the bank, any controlling person of the bank, the directors and executive officers of the bank or of any controlling person of the bank, and the proposed management of the office are each of good character and sound financial standing;

(2) That the financial history and condition of the bank are satisfactory.

(3) That the management of the bank and the proposed management of the office are adequate;

(4) That it is reasonable to believe that, if licensed to maintain the office, the bank will operate the office in compliance with all applicable laws, regulations, and orders; and

(5) That the bank's establishment and maintenance of the office will promote the public convenience and advantage.

If the superintendent finds otherwise, the superintendent shall deny the application.

(c) Whenever an application by a foreign bank for approval to establish a representative office has been approved and all conditions precedent to the issuance of a license authorizing such bank to maintain such office have been fulfilled, the superintendent shall issue such license.

1727 (a) No foreign bank which is licensed to maintain a representative office shall relocate such office unless the superintendent shall have first approved such relocation and issued a license authorizing such bank to maintain the office at the new site

(b) If the superintendent finds the following with respect to an application by a foreign bank for approval to relocate a representative office, the superintendent shall approve such application:

(1) In case the new site of the office is in the same vicinity as the old site, that the relocation of the office will not be substantially detrimental to the public convenience and advantage; or

(2) In case the new site of the office is not in the same vicinity as the old site:

(A) That the relocation of the office from the old site will not be substantially detrimental to the public convenience and advantage in the area which is primarily served by the office at the old site; and

(B) That the relocation of the office to the new site will promote the public convenience and advantage.

If the superintendent finds otherwise, the superintendent shall deny the application.

(c) Whenever an application by a foreign bank for approval to relocate a representative office has been approved and all conditions precedent to the issuance of a license authorizing such bank to maintain such office at the new site have been fulfilled, the superintendent shall issue such license.

(d) Promptly after a foreign bank which is licensed to maintain a representative office relocates such office, such bank shall surrender to the superintendent the license which authorized it to maintain such office at the old site.

1728. A foreign bank which is licensed to maintain a representative office may, subject to such regulations as the superintendent may prescribe, engage in representational functions at such office but shall not solicit or accept deposits or otherwise transact business at the office.

1729. (a) (1) No foreign bank which is licensed to maintain a representative office shall close such office unless the superintendent shall have first approved such closing.

(2) Paragraph (1) shall not be deemed to prohibit a foreign bank which is licensed to maintain a representative office from closing such office in accordance with Article 4 (commencing with Section 1775).

(b) If the superintendent finds, with respect to an application by a foreign bank for approval to close a representative office, that the closing of such office will not be substantially detrimental to the public convenience and advantage, the superintendent shall approve such application. If the superintendent finds otherwise, the superintendent shall deny the application.

(c) Whenever an application by a foreign bank for approval to close a representative office has been approved and all conditions precedent to such closing have been fulfilled, such bank may close such office and shall promptly thereafter surrender to the superintendent the license which authorized it to maintain the office

Article 3. Agencies and Branch Offices

1750. (a) (1) No foreign (other state) bank shall transact business in this state.

(2) No foreign (other nation) bank shall transact business in this state except at an agency or branch office which it is licensed to maintain and at which it is permitted by this chapter to transact such business.

(b) Subdivision (a) shall not be deemed to prohibit:

(1) Any foreign (other nation) bank which maintains a federal agency or federal branch in this state from transacting at such federal agency or federal branch such business as it may be authorized to transact under applicable federal laws and regulations;

(2) Any foreign bank from carrying on the activities described in subdivision (d) of Section 191 of the Corporations Code;

(3) Any foreign bank which does not maintain an agency or branch office from making in this state loans secured by liens on real property located in this state; or

(4) Any foreign bank which does not maintain an agency or branch office from transacting trust business as permitted under Section 1503.

(c) For purposes of subdivision (a), no foreign bank shall be deemed to be transacting business in this state merely because a majority-owned subsidiary transacts business in this state.

1751. No foreign (other nation) bank shall be licensed to maintain any agency or branch office unless it is qualified to transact intrastate business in this state under Chapter 21 (commencing with Section 2100) of Division 1 of Title 1 of the Corporations Code.

1752. No foreign (other nation) bank shall be licensed to maintain a retail branch office unless the deposits in such office are insured by the Federal Deposit Insurance Corporation in accordance with the provisions of the Federal Deposit Insurance Act.

1753. (a) (1) No foreign (other nation) bank shall establish or maintain an agency or branch office unless the superintendent shall have first approved the establishment of such office and issued a license authorizing such bank to maintain the office.

(2) Paragraph (1) shall not be deemed to prohibit a foreign (other nation) bank from establishing or maintaining a federal agency or federal branch in this state.

(b) If the superintendent finds the following with respect to an application by a foreign (other nation) bank for approval to establish an agency or branch office, the superintendent shall approve such application:

(1) That the bank, any controlling person of the bank, the directors and executive officers of the bank or of any controlling person of the bank, and the proposed management of the office are each of good character and sound financial standing;

(2) That the financial history and condition of the bank are satisfactory.

(3) That the management of the bank and the proposed management of the office are adequate;

(4) That it is reasonable to believe that, if licensed to maintain the office, the bank will operate the office in a safe and sound manner and in compliance with all applicable laws, regulations, and orders;

(5) That the bank's plan to establish and to maintain the office affords reasonable promise of successful operation;

(6) That the bank's establishment and maintenance of the office will promote the public convenience and advantage; and

(7) In case the office is to be a branch office, that the foreign nation where the bank is domiciled permits banks organized under the laws of this state and national banks headquartered in this state to establish and maintain in such foreign nation offices substantially equivalent to agencies, offices substantially equivalent to branch offices, or wholly (except for directors' qualifying shares) owned banks organized under the laws of such foreign nation.

If the superintendent finds otherwise, the superintendent shall deny the application.

(c) Whenever an application by a foreign (other nation) bank for approval to establish an agency or branch office has been approved and all conditions precedent to the issuance of a license authorizing such bank to maintain such office have been fulfilled, the superintendent shall issue such license.

1754. (a) No foreign (other nation) bank which is licensed to maintain an agency or branch office shall relocate such office unless the superintendent shall have first approved such relocation and issued a license authorizing such bank to maintain the office at the new site.

(b) If the superintendent finds the following with respect to an application by a foreign (other nation) bank for approval to relocate any agency or branch office, the superintendent shall approve such application:

(1) In case the new site of the office is in the same vicinity as the old site:

(A) That it will not be unsafe or unsound for the bank to relocate the office; and

(B) That the relocation of the office will not be substantially detrimental to the public convenience and advantage, or that the relocation is necessary in the interests of the safety and soundness of the bank; or

(2) In case the new site of the office is not in the same vicinity as the old site:

(A) That the bank's plan to relocate the office and to maintain the office at the new site affords reasonable promise of successful operation;

(B) That the relocation of the office from the old site will not be substantially detrimental to the public convenience and advantage in the area which is primarily served by the office at the old site, or that the relocation is necessary in the interests of the safety and

soundness of the bank; and

(C) That the relocation of the office to the new site will promote the public convenience and advantage.

If the superintendent finds otherwise, the superintendent shall deny the application.

(c) Whenever an application by a foreign (other nation) bank for approval to relocate an agency or branch office has been approved and all conditions precedent to the issuance of a license authorizing such bank to maintain such office at the new site have been fulfilled, the superintendent shall issue such license.

(d) Promptly after a foreign (other nation) bank which is licensed to maintain an agency or branch office relocates such office, such bank shall surrender to the superintendent the license which authorized it to maintain such office at the old site.

1755. (a) A foreign (other nation) bank which is licensed to maintain an agency or branch office may transact commercial banking business at such office, subject to the following:

(1) In case the office is a nondepositary agency, the bank shall not transact the business of accepting deposits.

(2) In case the office is a depositary agency, the bank shall not transact the business of accepting any deposits other than deposits of (A) a foreign nation, (B) an agency or instrumentality of a foreign nation, or (C) a person which resides, is domiciled, and maintains its principal place of business in a foreign nation. For purposes of this paragraph "person" means any individual, proprietorship, joint venture, partnership, trust, business trust, syndicate, association, joint stock company, corporation, or any other organization or any branch or division thereof.

(3) In case the office is a limited branch office, the bank shall not transact the business of accepting any deposits other than (A) deposits of the kind described in paragraph (2), or (B) deposits which the bank is permitted to accept pursuant to the agreement or undertaking that it enters into with the Board of Governors of the Federal Reserve System in accordance with Section 5(a)(2)(B) of the International Banking Act of 1978.

(4) In case the office is a wholesale branch office, the bank shall not transact the business of accepting any deposits other than (A) deposits of the kind described in paragraph (2), (B) deposits of one hundred thousand dollars ($100,000) or more, or (C) deposits the acceptance of which the superintendent determines by regulation or order do not constitute engaging in domestic retail deposit activities requiring deposit insurance protection.

(5) In case the office is an agency, limited branch office, or wholesale branch office, the bank may, subject to such regulations as the superintendent may prescribe, maintain credit balances.

(6) In any case, the bank shall not transact any business which it is not authorized to transact or is prohibited from transacting under the laws of its domicile or which commercial banks organized under the laws of this state are not authorized to transact or are prohibited

from transacting.

(b) No foreign (other nation) bank which is licensed to maintain an agency or branch office shall transact any trust business at such office except as permitted under Section 1503.

1756. (a) In addition to other provisions of this division which are otherwise applicable to or with respect to foreign (other nation) banks licensed to maintain nondepositary agencies, the following provisions of this division shall apply to or with respect to each foreign (other nation) bank licensed to maintain a nondepositary agency with respect to its business in this state as if such bank were a commercial bank organized under the laws of this state:

(1) Article 5 (commencing with Section 270) of Chapter 2.

(2) Chapter 13 (commencing with Section 1650).

(3) Article 3 (commencing with Section 1951) of Chapter 15.

(4) Articles 3 (commencing with Section 3160), 4 (commencing with Section 3180), and 7 (commencing with Section 3240) of Chapter 17.

(5) Article 1 (commencing with Section 3350) of Chapter 18.

(6) Chapter 20 (commencing with Section 3600).

(7) Chapter 22 (commencing with Section 3800).

(b) In addition to other provisions of this division which are otherwise applicable to or with respect to foreign (other nation) banks licensed to maintain depositary agencies or branch offices, the following provisions of this division shall apply to or with respect to each foreign (other nation) bank licensed to maintain a depositary agency or branch office with respect to its business in this state as if such bank were a commercial bank organized under the laws of this state:

(1) Article 5 (commencing with Section 270) of Chapter 2.

(2) Chapter 6 (commencing with Section 750).

(3) Chapter 7 (commencing with Section 850).

(4) Chapter 8 (commencing with Section 952).

(5) Chapter 10 (commencing with Section 1200).

(6) Chapter 13 (commencing with Section 1650).

(7) Article 3 (commencing with Section 1951) of Chapter 15.

(8) Article 1 (commencing with Section 2050) but excluding Section 2059, of Chapter 16, subject to the following:

(A) In the case of a purchase and sale where the seller is a bank organized under the laws of this state or a national bank headquartered in this state, no foreign (other nation) bank other than a foreign (other nation) bank which is licensed to maintain a retail branch office may be the purchaser.

(B) In the case of a purchase and sale where the sale of a foreign (other nation) bank's business in this state to another foreign (other nation) bank is incidental to the sale of a larger part or the whole of the former bank's business to the latter bank, no provision of Article 1 of Chapter 16 (other than Sections 2056 and 2057) shall apply; for purposes of Section 2057, it shall not be required that any agreement of purchase and sale be approved by the superintendent, and the

time at which the purchase and sale is consummated shall be deemed to be the time at which the superintendent's approval would be effective.

(9) Articles 3 (commencing with Section 3160), 4 (commencing with Section 3180), and 7 (commencing with Section 3240) of Chapter 17.

(10) Article 1 (commencing with Section 3350) of Chapter 18.

(11) Section 3513 and Articles 2 (commencing with Section 3560), 3 (commencing with Section 3570), and 4 (commencing with Section 3580) of Chapter 19.

(12) Chapter 20 (commencing with Section 3600).

(13) Chapter 22 (commencing with Section 3800).

(c) Whenever any provision of this chapter or of any regulation or order issued under this chapter which is applicable to or with respect to foreign (other nation) banks licensed to transact business in this state is inconsistent with any provision of any other chapter of this division which is applicable to or with respect to such banks, the former provision shall apply, and the latter provision shall not apply.

(d) (1) Whenever any provision of this division (other than the provisions of this chapter) is applicable to or with respect to foreign (other nation) banks licensed to transact business in this state, such provision shall be applied with any changes in points of detail as may be necessary or appropriate.

(2) Without limiting the provisions of paragraph (1), for purposes of any provision of this division (other than the provisions of this chapter) which is applicable to or with respect to a foreign (other nation) bank licensed to transact business in this state:

(A) "Approved by (or approval of) the board" means approved or ratified by the board of the bank, by a committee of such board authorized to exercise the powers of the board with respect to the particular matter, or by an officer of the bank who is assigned to the head office of the bank and who has authority over the bank's business in this state, including authority to approve or ratify the particular matter.

(B) "Head office" means the primary office of the bank.

(C) "Shareholders' equity" means the shareholders' equity of the bank or, if the bank has no shareholders' equity, the closest equivalent account or accounts.

1757. (a) Whenever the superintendent calls for a report under Section 1931 from commercial banks organized under the laws of this state, the superintendent shall call for a report from each foreign (other nation) bank which is licensed to transact business in this state.

(b) Whenever a foreign (other nation) bank which is licensed to transact business in this state files with the superintendent a report called for under subdivision (a), such bank shall publish a statement of the condition of its business in this state in a newspaper of general circulation published in a city where it is licensed to maintain its

primary office or, if no such newspaper is published in such city, in a newspaper of general circulation published in the county where it is licensed to maintain its primary office. Such statement of condition shall be in such form, shall contain such information, and shall be signed in such manner, and shall (if the superintendent so requires by regulation or order) be verified in such manner, as the superintendent may by regulation or order require.

1758. Each foreign (other nation) bank which is licensed to maintain a depositary agency, limited branch office, or wholesale branch office shall, in accordance with such regulations as the superintendent may prescribe, give notice that deposits in such office are not insured by the Federal Deposit Insurance Corporation.

1759. (a) In case a foreign (other nation) bank is licensed to maintain a depositary agency or branch office and such office is not subject to the regulations of the Depository Institutions Deregulation Committee, Regulation Q of the Board of Governors of the Federal Reserve System, or Part 329 of the regulations of the Federal Deposit Insurance Corporation, such bank shall, with respect to deposits accepted at the office, comply with such regulations regarding maximum interest rates on deposits, prepayment of time deposits, and related matters as the superintendent may prescribe as being necessary and appropriate to maintain competitive equality between foreign (other nation) banks and banks organized under the laws of this state which are subject to the regulations of the Depository Institutions Deregulation Committee, Regulation Q of the Board of Governors of the Federal Reserve System, or Part 329 of the regulations of the Federal Deposit Insurance Corporation.

(b) For purposes of, and notwithstanding any contrary provisions of, Chapter 3.5 (commencing with Section 11340), Part 1 of Division 3 of Title 2 of the Government Code, whenever the superintendent adopts a regulation or order of repeal of a regulation under subdivision (a), the superintendent may, without describing specific facts showing the need for immediate action, find that adoption of such regulation or order of repeal is necessary for the immediate preservation of the public peace, health and safety, or general welfare, and such regulation or order of repeal shall be deemed to be necessary for the immediate preservation of the public peace, health and safety, or general welfare.

1760. (a) Each foreign (other nation) bank which is licensed to transact business in this state shall keep the assets of such business separate and apart from the assets of its business outside this state

(b) The creditors of the business in this state of a foreign (other nation) bank which is licensed to transact business in this state shall be entitled to priority over other creditors with respect to the assets of such bank's business in this state.

1761. (a) In this section:

(1) "Adjusted liabilities," when used with respect to a foreign (other nation) bank, means the liabilities of such bank's business in this state, excluding (A) accrued expenses, (B) any liability to an

office (whether in or outside of this state) or majority-owned subsidiary of the bank, and (C) such other liabilities as the superintendent may by regulation or order exclude.

(2) "Applicable minimum," when used with respect to eligible assets deposited or to be deposited with an approved depository by a foreign (other nation) bank, means such amount as the superintendent may from time to time by regulation or order determine to be necessary for the maintenance of sound financial condition, for the protection of the interests of creditors of the bank's business in this state, or for the protection of the public interest. However, in the case of a foreign (other nation) bank which is licensed to maintain a branch office, the applicable minimum shall in no event be less than 5 percent of the adjusted liabilities of such bank.

(3) "Approved depository," when used with respect to a foreign (other nation) bank, means a bank organized under the laws of this state or a national bank headquartered in this state which has been selected by such foreign (other nation) bank and approved by the superintendent for the purpose of acting as the approved depository of the foreign (other nation) bank and which has filed with the superintendent, in such form as the superintendent may by regulation or order prescribe, an agreement to comply with all applicable provisions of this section and of any regulation or order issued under this section.

(4) "Eligible assets" when used with respect to a foreign (other nation) bank, means any of the following:

(A) Cash.

(B) Any security of the type described in Section 1542.

(C) Any negotiable certificate of deposit which (i) has a maturity of not more than one year, (ii) is payable in the United States, and (iii) is issued by a bank organized under the laws of a state of the United States, by a national bank, or by a branch office of a foreign (other nation) bank which is located in the United States.

(D) Any commercial paper which is payable in the United States and which is rated P-1 or its equivalent by a nationally recognized rating service; provided, however, that any conflict in rating shall be resolved in favor of the lower rating.

(E) Any banker's acceptance which is payable in the United States and which is eligible for discount with a Federal Reserve bank.

(F) Any other asset which the superintendent by regulation or order determines to be eligible.

Notwithstanding the foregoing provisions of this paragraph, "eligible asset," when used with respect to a foreign (other nation) bank, does not include any instrument the issuer of which (i) is, or is affiliated with, such foreign (other nation) bank, (ii) is domiciled in, or controlled by a bank or other person domiciled in, the same foreign nation as the foreign (other nation) bank, or (iii) is, or is controlled by, such foreign nation. For purposes of the foregoing provision, to be "affiliated" means to control, to be controlled by, or

to be under common control with; and to "control" has the meaning set forth in subdivision (b) of Section 700.

(b) For purposes of this section:

(1) The amount of adjusted liabilities of a foreign (other nation) bank's business in this state shall be computed for such period, in such manner, and on such basis as the superintendent may by regulation or order prescribe.

(2) Any eligible asset shall be valued at the lesser of market or par.

(c) (1) Before any foreign (other nation) bank is licensed to transact business in this state, such bank shall deposit, and each foreign (other nation) bank which is licensed to transact business in this state shall maintain on deposit, with an approved depository eligible assets having a value in an amount not less than the applicable minimum.

(2) Whenever a foreign (other nation) bank which is licensed to transact business in this state ceases to be so licensed, such bank shall thereafter maintain on deposit with an approved depository eligible assets having a value in an amount not less than the applicable minimum for such period of time as the superintendent may determine to be necessary for the protection of creditors of the bank's business in this state or for the protection of the public interest.

(d) (1) No foreign (other nation) bank which maintains eligible assets on deposit with an approved depository pursuant to this section shall withdraw any such eligible assets except with the prior approval of the superintendent.

(2) No approved depository which holds eligible assets on deposit from a foreign (other nation) bank pursuant to this section shall release any such eligible assets except with the prior approval of the superintendent or as otherwise provided in subdivision (h).

(e) Any foreign (other nation) bank which maintains eligible assets on deposit with an approved depository pursuant to this section shall, unless the superintendent shall have suspended or revoked its license to transact business in this state or taken possession of its property and business in this state, be entitled to receive any income paid on such eligible assets.

(f) (1) Whenever a foreign (other nation) bank deposits eligible assets with, or withdraws eligible assets from, an approved depository pursuant to this section, such bank shall do so in accordance with such procedures and requirements as the superintendent may by regulation or order prescribe.

(2) Whenever an approved depository receives, holds, or releases eligible assets pursuant to this section, such approved depository shall do so in accordance with such procedures and requirements as the superintendent may by regulation or order prescribe and shall file with the superintendent such reports as and when the superintendent may by regulation or order require.

(g) Whenever a foreign (other nation) bank maintains eligible assets on deposit with an approved depository pursuant to this

section:

(1) The eligible assets shall be deemed to be pledged to the superintendent for the benefit of the creditors of the bank's business in this state; and, notwithstanding any provision of the Uniform Commercial Code to the contrary, the superintendent, for the benefit of such creditors, shall be deemed to have a security interest in such eligible assets.

(2) The eligible assets shall be free from any lien, charge, right of setoff, credit, or preference in connection with any claim of the approved depository against the bank.

(h) (1) In case the superintendent takes possession of the property and business of a foreign (other nation) bank which maintains eligible assets on deposit with an approved depository pursuant to this section, such approved depository shall, upon order of the superintendent, release such eligible assets to the superintendent, as liquidator of the property and business of such bank.

(2) In case a foreign (other nation) bank which maintains eligible assets on deposit with an approved depository pursuant to this section fails to pay any judgment creditor of its business in this state and the superintendent has not taken possession of the property and business of such bank, such approved depository shall release such eligible assets to the superintendent, and the superintendent shall make such disposition of the eligible assets, as a court of competent jurisdiction of this state or of the United States may order for the benefit of such judgment creditor. For purposes of this paragraph, "judgment creditor of its business in this state" means a person to whom the bank is required to pay money under a judgment which (A) arose out of the bank's business in this state, (B) has been entered by a court of this state or of the United States, (C) has become final, in that all possibility of direct attack on such judgment by way of appeal, motion for new trial, motion to vacate, or petition for extraordinary writ has been exhausted, and (D) has remained unpaid for a period of not less than 60 days after becoming final.

1762. (a) In this section:

(1) "Adjusted liabilities," when used with respect to a foreign (other nation) bank which is licensed to maintain a branch office in this state, means the liabilities of such bank's business in this state, excluding (A) accrued expenses, (B) any liability to an office (whether in or outside of this state) or majority-owned subsidiary of the bank, and (C) such other liabilities as the superintendent may by regulation or order exclude.

(2) "Eligible assets" means any asset which the superintendent by regulation or order determines to be eligible for purposes of this section. However, "eligible asset," when used with respect to a foreign (other nation) bank which is licensed to maintain a branch office, includes (A) any asset which such bank maintains on deposit pursuant to Section 1761 and (B) any reserves which the bank maintains with respect to its business in this state in accordance with

requirements prescribed by the Board of Governors of the Federal Reserve System.

(b) For purposes of this section, the amount of eligible assets and the amount of adjusted liabilities of a foreign (other nation) bank which is licensed to maintain a branch office in this state shall each be computed for such period, in such manner, and on such basis as the superintendent may by regulation or order prescribe.

(c) A foreign (other nation) bank licensed to maintain a branch office in this state shall hold at its branch offices in this state or at such other places as the superintendent may approve, eligible assets in such amount, if any, as the superintendent may from time to time by regulation or order determine to be necessary for the maintenance of sound financial condition, for the protection of the interests of creditors of the bank's business in this state, or for the protection of the public interest. However, in no event shall such amount exceed 108 percent of the adjusted liabilities of the bank's business in this state.

(d) If the superintendent finds, with respect to a foreign (other nation) bank licensed to maintain a branch office in this state, that such action is necessary for the maintenance of sound financial condition, for the protection of the interests of creditors of such bank's business in this state, or for the protection of the public interest, the superintendent may order the bank to place all or part of the eligible assets which the bank is required to hold under subdivision (c) in the custody of such bank organized under the laws of this state or such national bank headquartered in this state as the superintendent may designate.

1763. (a) (1) No foreign (other nation) bank which is licensed to maintain an agency or branch office shall close such office unless the superintendent shall have first approved such closing.

(2) Paragraph (1) shall not be deemed to prohibit a foreign (other nation) bank which is licensed to maintain an agency or branch office from closing such office in accordance with Article 4 (commencing with Section 1775)

(b) If the superintendent finds the following with respect to an application by a foreign (other nation) bank for approval to close an agency or branch office, the superintendent shall approve such application.

(1) That it will not be unsafe or unsound for the bank to close the office; and

(2) That the closing of the office will not be substantially detrimental to the public convenience and advantage or that the closing of the office is necessary in the interests of the safety and soundness of the bank.

If the superintendent finds otherwise, the superintendent shall deny the application.

(c) Whenever an application by a foreign (other nation) bank for approval to close an agency or branch office has been approved and all conditions precedent to such closing have been fulfilled, such

bank may close such office and shall promptly thereafter surrender to the superintendent the license which authorized it to maintain the office.

Article 4. Voluntary Surrender of License

1775. (a) Any foreign bank which holds a license to maintain an office may voluntarily surrender such license by filing the license and a report with the superintendent. However, any foreign bank which holds licenses to maintain two or more offices may not voluntarily surrender less than all of such licenses.

(b) (1) Except as otherwise provided in paragraph (2), a voluntary surrender of a license shall be effective on the 30th day after such license and the report called for in subdivision (a) are filed with the superintendent or on such earlier date as the superintendent may by order specify.

(2) If a proceeding to revoke or suspend a license is pending at the time when such license and the report called for in subdivision (a) are filed with the superintendent or if a proceeding to revoke or suspend a license or to impose conditions upon the surrender of a license is instituted before the 30th day after such license and the report called for in subdivision (a) are filed with the superintendent, the voluntary surrender of the license shall become effective at such time and upon such conditions as the superintendent may by order specify.

Article 5. Enforcement

1780. If, after notice and a hearing, the superintendent finds that any person has violated any provision of this chapter or of any regulation or order issued under this chapter, the superintendent may order such person to pay to the superintendent a civil penalty in such amount as the superintendent may specify; provided, however, that the amount of such civil penalty shall not exceed one hundred dollars ($100) for each violation or, in the case of a continuing violation, one hundred dollars ($100) for each day for which such violation continues.

1781. If, after notice and a hearing, the superintendent finds any of the following with respect to a foreign bank which is licensed to maintain an office, the superintendent may issue an order suspending or revoking the license of such bank:

(a) That the bank has violated any provision of this division or of any regulation or order issued under this division or any provision of any other applicable law, regulation, or order;

(b) That the bank, in case it is licensed to transact business in this state, is transacting such business in an unsafe or unsound manner or, in any case, is transacting business elsewhere in an unsafe or unsound manner;

(c) That the bank is in unsafe or unsound condition;

(d) That the bank has ceased to operate its office;

(e) That the bank is insolvent in that it has ceased to pay its debts in the ordinary course of business, it cannot pay its debts as they become due, or its liabilities exceed its assets;

(f) That the bank has suspended payment of its obligations, has made an assignment for the benefit of its creditors, or has admitted in writing its inability to pay its debts as they become due;

(g) That the bank has applied for an adjudication of bankruptcy, reorganization, arrangement, or other relief under any bankruptcy, reorganization, insolvency, or moratorium law, or that any person has applied for any such relief under any such law against the bank and the bank has by any affirmative act approved of or consented to such action or such relief has been granted;

(h) That a receiver, liquidator, or conservator has been appointed for the bank or that any proceeding for such an appointment or any similar proceeding has been initiated in the place where the bank is domiciled;

(i) That the existence of the bank or the authority of the bank to transact banking business under the laws of the place where the bank is domiciled has been suspended or terminated; or

(j) That any fact or condition exists which, if it had existed at the time when the bank applied for its license to transact business in this state, would have been grounds for denying such application.

1782. (a) If the superintendent finds that any of the factors set forth in Section 1781 is true with respect to any foreign bank which is licensed to maintain an office and that it is necessary, in case such bank is licensed to transact business in this state, for the protection of the interests of creditors of the bank's business in this state or, in any case, for the protection of the public interest that the superintendent immediately suspend or revoke the license of the bank, the superintendent may issue an order suspending or revoking the license of the bank.

(b) (1) Within 30 days after an order is issued pursuant to subdivision (a), the foreign bank to which such order is issued may file with the superintendent an application for a hearing on the order. If the superintendent fails to commence such hearing within 15 business days after such application is filed with the superintendent (or within such longer period to which the bank consents), the order shall be deemed rescinded. Within 30 days after the hearing, the superintendent shall affirm, modify, or rescind the order; otherwise, the order shall be deemed rescinded.

(2) The right of any foreign bank to which an order is issued under subdivision (a) to petition for judicial review of such order shall not be affected by the failure of such bank to apply to the superintendent for a hearing on the order pursuant to paragraph (1).

1783. Any foreign bank whose license to maintain an office is suspended or revoked shall immediately surrender such license to the superintendent.

1784. (a) Any foreign bank to which an order is issued under

Section 1781 or 1782 may apply to the superintendent to modify or rescind such order. The superintendent shall not grant such application unless he finds that it is in the public interest to do so and that it is reasonable to believe that such bank will, if and when it is again licensed to maintain an office, comply with all applicable provisions of this division and of any regulation or order issued under this division.

(b) The right of any foreign bank to which an order is issued under Section 1781 or 1782 to petition for judicial review of such order shall not be affected by the failure of such bank to apply to the superintendent pursuant to subdivision (a) to modify or rescind the order.

1785. (a) If the superintendent finds that any of the factors set forth in Section 1781 is true with respect to any foreign (other nation) bank which is licensed to transact business in this state and that it is necessary for the protection of the interests of the creditors of such bank's business in this state or for the protection of the public interest that he take immediate possession of the property and business of the bank, the superintendent may by order forthwith take possession of the property and business of the bank and retain possession until the bank resumes business in this state or is finally liquidated. The bank may, with the consent of the superintendent, resume business in this state upon such conditions as the superintendent may prescribe.

(b) (1) Whenever the superintendent takes possession of the property and business of a foreign (other nation) bank pursuant to subdivision (a), such bank may, within 10 days, apply to the superior court in the county in which the primary office of the bank is located to enjoin further proceedings. The court may, after citing the superintendent to show cause why further proceedings should not be enjoined and after a hearing, dismiss such application or enjoin the superintendent from further proceedings and order him to surrender the property and business of the bank to the bank or make such further order as may be just.

(2) The judgment of the court may be appealed by the superintendent or by the bank in the manner provided by law for appeals from the judgment of a superior court. In case the superintendent appeals the judgment of the court, such appeal shall operate as a stay of the judgment, and the superintendent shall not be required to post any bond.

(c) Whenever the superintendent takes possession of the property and business of a foreign (other nation) bank pursuant to subdivision (a), the superintendent shall conserve or liquidate the property and business of such bank pursuant to Articles 1 (commencing with Section 3100), 3 (commencing with Section 3160) and 6 (commencing with Section 3220) of Chapter 17, and the provisions of such articles (except Sections 3100, 3101, 3102, and 3126) shall apply as if the bank were a bank organized under the laws of this state.

(d) When the superintendent has completed the liquidation of the property and business of a foreign (other nation) bank, the superintendent shall transfer any remaining assets to such bank in accordance with such orders as the court may issue. However, in case the bank has an office in another state of the United States which is in liquidation and the assets of such office appear to be insufficient to pay in full the creditors of the office, the court shall order the superintendent to transfer to the liquidator of the office such amount of any such remaining assets as appears to be necessary to cover such insufficiency; if there are two or more such offices and the amount of remaining assets is less than the aggregate amount of insufficiencies with respect to the offices, the court shall order the superintendent to distribute the remaining assets among the liquidators of such offices in such manner as the court finds equitable.

SEC. 5. The heading of Chapter 14 (commencing with Section 1750) of Division 1 of the Financial Code is amended to read:

CHAPTER 14. TRANSMISSION OF MONEY ABROAD

SEC. 6. Article 1 (commencing with Section 1750) of Chapter 14 of Division 1 of the Financial Code is repealed.

SEC. 7. Article 2 (commencing with Section 1780) of Chapter 14 of Division 1 of the Financial Code is repealed.

SEC. 8 The heading of Article 3 (commencing with Section 1800) of Chapter 14 of Division 1 of the Financial Code is repealed.

SEC. 9. Section 1800 of the Financial Code is amended to read:

1800. No person shall engage in the business of receiving money for the purpose of transmitting the same or its equivalent to foreign countries without first obtaining a license from the superintendent. For the purposes of this chapter "licensee" means any person licensed pursuant to this chapter. The provisions of this chapter shall not apply to (a) a bank or trust company or a foreign bank which is licensed under Article 3 (commencing with Section 1750) of Chapter 13.5 or which is authorized under federal law to maintain a federal agency or federal branch office in this state, or (b) the receipt of money by an agent of an incorporated telegraph company at any regular office of such company for immediate transmission by telegraph. A licensee engaged in the business of receiving money for transmission to a foreign country shall pay to the superintendent annually on or before July 1st, fifty dollars ($50) for each branch office and three dollars ($3) for each agency at which money is received for transmission to a foreign country.

SEC. 10. Section 1803 of the Financial Code is amended to read:

1803. The superintendent may deny an application for a license issued pursuant to this chapter if, after a hearing, he finds that:

(a) The granting of the license will be against public interest;

(b) The applicant does not intend actively and in good faith to carry on as a business with the general public the transactions which would be permitted by the issuance of the license applied for;

(c) The applicant is not of good business reputation;

(d) The applicant is lacking in integrity;

(e) The applicant has been refused a professional, occupational or vocational license or had such a license suspended or revoked by any licensing authority for reasons that should preclude the granting of the license applied for;

(f) The applicant has knowingly or willfully made a misstatement in an application to the superintendent for a license, or in a document filed in support of such an application, or has made a false statement in testimony given under oath before the superintendent or any other person acting in his stead;

(g) The applicant has previously engaged in a fraudulent practice or act or has conducted any business in an unlawful or dishonest manner;

(h) The applicant has shown incompetency or untrustworthiness in the conduct of any business, or has by commission of a wrongful act or practice in the course of any business exposed the public or those dealing with him to the danger of loss;

(i) The applicant has failed to perform a duty expressly enjoined upon him by a provision of this article or the rules promulgated by the superintendent or has committed an act expressly forbidden by such a provision or by such rules;

(j) The applicant has been convicted of:

(1) A felony;

(2) Any crime involving moral turpitude; or

(3) A public offense having as one of its necessary elements a fraudulent act or an act of dishonesty in acceptance, custody, or payment of money or property;

(k) The applicant has aided or abetted any person in an act or omission which would constitute grounds for the suspension, revocation or refusal of a license issued under this article to the person aided or abetted; or

(*l*) The applicant has permitted any person in his employ to violate any provision of this chapter.

SEC. 11. Section 1804 of the Financial Code is amended to read:

1804. If the application is approved by the superintendent he shall, upon the payment of the license fees, issue and deliver to the applicant a license to engage in business in accordance with this chapter.

SEC. 12. Section 1805 of the Financial Code is amended to read:

1805. The license is not transferable or assignable. Licenses expire on the first day of July following the date of issuance, unless on or before the 15th day of June prior to the expiration date the licensee files an application for renewal and pays to the superintendent the license fees as prescribed in this chapter.

SEC. 13. Section 1819 of the Financial Code is amended to read:

1819. The superintendent may revoke or suspend any license issued pursuant to this article, if, after a hearing, he finds that:

(a) The licensee has violated any provision of this chapter or any

rule or regulation adopted by the superintendent; or

(b) Any fact or condition exists which, if it had existed at the time of the original application for such license, would be grounds for denying an application for a license under Section 1803; or

(c) The licensee is conducting its business in an unsafe manner; or

(d) The licensee has failed to obey a final order issued by the superintendent.

SEC. 14. Section 1823 of the Financial Code is amended to read:

1823. Every person who violates or fails to comply with any of the provisions of this chapter, or who, without complying with the provisions of this chapter, represents that he is authorized to receive, or who solicits or receives, money or the equivalent for transmission to a foreign country, is guilty of a felony.

SEC. 15. Section 1826 of the Financial Code is amended to read:

1826. Any person who violates any provision of the foregoing sections of this chapter shall be liable to the people of the State of California in an action brought by the superintendent in the amount of one hundred dollars ($100) a day or part thereof during which such violation continues.

SEC. 16. Section 1854 of the Financial Code is amended to read:

1854. (a) No license to issue travelers checks shall be required of any bank which is organized under the laws of this state, any national bank which maintains its head office in this state, or any foreign bank which is licensed under Article 3 (commencing with Section 1750) of Chapter 13.5 or which is authorized under federal law to maintain a federal agency or federal branch in this state.

(b) No license to issue travelers checks shall be required for the issuance of any foreign currency travelers check by a group of banks each of which is organized under the laws of a nation other than the United States and one or more of which are licensed under Article 3 (commencing with Section 1750) of Chapter 13.5 or are authorized under federal law to maintain a federal agency or federal branch in this state, provided that each bank which is a member of such group is jointly and severally liable to pay such foreign currency travelers check.

SEC. 17. Section 1854.1 of the Financial Code is amended to read:

1854.1. There is exempted from the provisions of Section 1853 the sale by a person licensed under Chapter 14 (commencing with Section 1800) or by any agent of such person, of any foreign currency travelers check that is issued by a bank which is organized under the laws of a nation other than the United States and which is neither licensed under Article 3 (commencing with Section 1750) of Chapter 13.5 nor authorized under federal law to maintain a federal agency or federal branch in this state, provided:

(a) That such person, at the time when it sells the foreign currency travelers check, either directly or indirectly through any of its agents, provides to the purchaser a written guaranty that, if such bank fails to pay the foreign currency travelers check on account of

insolvency, such person will pay the foreign currency travelers check; and

(b) That the aggregate face amount of foreign currency travelers checks issued by such bank which are sold in this state in any calendar year by such person, directly or indirectly through its agents, shall not exceed the equivalent of one hundred thousand dollars ($100,000).

SEC. 18. Section 1900 of the Financial Code is amended to read:

1900. The superintendent shall cause every bank, every trust company, the trust department of every title insurance company doing a trust business, and the business in this state of every foreign bank licensed under Article 3 (commencing with Section 1750) of Chapter 13.5 to be examined to the extent and whenever and as often as he shall deem it advisable, but in no case less than once every two calendar years. The superintendent may at any time examine a representative office of a foreign bank licensed under Article 2 (commencing with Section 1725) of Chapter 13.5. The officers and employees of every bank, trust company, title company's trust department, and foreign bank being examined shall exhibit to the examiners, on request, any or all of its securities, books, records, and accounts and shall otherwise facilitate the examination so far as it may be in their power.

This section shall remain in effect only until January 1, 1985, and as of such date is repealed.

SEC. 19. Section 1900 of the Financial Code, as added by Section 10 of Chapter 1028 of the Statutes of 1979, is amended to read:

1900. The superintendent shall cause every bank, every trust company, the trust department of every title insurance company doing a trust business, and the business in this state of every foreign bank licensed under Article 3 (commencing with Section 1750) of Chapter 13.5 to be examined to the extent and whenever and as often as he shall deem it advisable, but in no case less than once every two calendar years. On each biennial examination the superintendent shall inquire as to the condition and resources of the bank, the mode of managing its affairs, the actions of its board of directors, the investment and disposition of its funds, the safety and prudence of its management, the security afforded its depositors and creditors, and whether its articles of incorporation and all applicable provisions thereof are being complied with and into such other matters as the superintendent may determine. The superintendent may at any time examine a representative office of a foreign bank licensed under Article 2 (commencing with Section 1725) of Chapter 13.5. The officers and employees of every bank, trust company, title company's trust department, and foreign bank being examined shall exhibit to the examiners, on request, any or all of its securities, books, records, and accounts and shall otherwise facilitate the examination so far as it may be in their power.

This section shall become operative on January 1, 1985.

SEC. 20. Section 3100 of the Financial Code is amended to read:

3100. Whenever it appears to the superintendent that:

(a) The contributed capital of any bank is impaired;

(b) Any bank has violated its articles or any law of this state;

(c) Any bank is conducting its business in an unsafe or unauthorized manner;

(d) Any bank refuses to submit its books, papers, and affairs to the inspection of any examiner;

(e) Any officer of any bank refuses to be examined upon oath touching the concerns of such bank;

(f) Any bank has suspended payment of its obligations;

(g) Any bank is in such condition that it is unsound, unsafe, or inexpedient for it to transact business; or

(h) Any bank neglects or refuses to observe any order of the superintendent made pursuant to Section 1913 unless the enforcement of such order is restrained in a proceeding brought by the bank; the superintendent may forthwith take possession of the property and business of such bank and retain possession until such bank resumes business or its affairs be finally liquidated as herein provided. Such bank, with the consent of the superintendent, may resume business upon such conditions as he may prescribe. The term "bank" wherever used in this chapter includes trust companies.

SEC. 21. Section 3360 of the Financial Code is amended to read:

3360. The term "bank" wherever used in this article includes trust companies.

SEC. 22. Section 3370 of the Financial Code is amended to read:

3370. As used in this article, "bank" means:

(a) Any commercial bank or trust company incorporated under the law of this state;

(b) Any foreign bank which is licensed by the superintendent under Article 3 (commencing with Section 1750) of Chapter 13.5 to maintain a depositary agency or branch office (as defined in Section 1700) in this state, with respect to any such office;

(c) Any corporation incorporated under the laws of this state which is incorporated for the purpose of engaging in, or which is authorized by the superintendent to engage in, business under Article 1 (commencing with Section 3500) of Chapter 19; or

(d) Any foreign corporation which is licensed by the superintendent under Article 1 (commencing with Section 3500) of Chapter 19 to maintain an office in this state and to transact at such office business under such article, with respect to any such office.

SEC. 23. Section 12100 of the Financial Code is amended to read:

12100. The provisions of this division do not apply to any of the following:

(a) Persons or their authorized agents doing business under license and authority of the Superintendent of Banks of the State of California, or under any law of this state or of the United States relating to banks, trust companies, building or savings and loan associations, industrial loan companies, personal property brokers, credit unions, title insurance companies or underwritten title

companies (as defined in Section 12402 of the Insurance Code), escrow agents subject to Division 6 of the Financial Code, or California small loan companies.

(b) (1) Any person which is licensed under Chapter 14A (commencing with Section 1851) of Division 1 of this code or any agent of such person when selling any travelers check (as defined in Section 1852 of this code) which is issued by such person.

(2) Any person which is licensed under Division 16 (commencing with Section 33000) of this code or any agent of such person, when selling any payment instrument (as defined in Section 33059 of this code) which is issued by such person.

(c) The services of a person licensed to practice law in this state, when such person renders services in the course of his practice as an attorney at law, and the fees and disbursements of such person whether paid by the debtor or other person, are not charges or costs and expenses regulated by or subject to the limitations of this chapter; provided, such fees and disbursements shall not be shared, directly or indirectly with the prorater, check seller or casher.

(d) Any transaction in which money or other property is paid to a "joint control agent" for dispersal or use in payment of the cost of labor, materials, services, permits, fees, or other items of expense incurred in construction of improvements upon real property.

(e) A merchant-owned credit or creditors association, or a member-owned or member-controlled or member-directed association whose principal function is that of servicing the community as a reporting agency.

(f) Any person licensed under Chapter 1 of Part 6, Division 2 of the Labor Code, when acting in any capacity for which he is licensed under such part.

(g) Any person licensed under Part 1, Division 4, of the Business and Professions Code, when acting in any capacity for which he is licensed under that part.

(h) A common law or statutory assignment for the benefit of creditors or the operation or liquidation of property or a business enterprise under supervision of a creditor's committee.

(i) The services of a person licensed as a certified public accountant or a public accountant in this state, when such person renders services in a course of his practice as a certified public accountant or a public accountant, and the fees and disbursements of such person whether paid by the debtor or other person, are not charges or costs and expenses regulated by or subject to the limitations of this chapter; provided, such fees and disbursements shall not be shared, directly or indirectly, with the prorater, check seller or casher.

(j) Nonprofit community service organizations that are subject to the Nonprofit Public Benefit Corporation Law (Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code) or are subject to the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of

the Corporations Code) and whose membership consists exclusively of retailers, lenders in the consumer credit field, educators, attorneys, social service organizations, employers' or employees' organizations, and related groups, if the principal functions of such organizations are: (1) consumer credit education; (2) counseling on consumer credit problems and family budgets; and (3) arranging, and in certain cases administering, debt settlement plans, for which a charge for administrative services only may be made of 6.5 percent of the money disbursed monthly, or twelve dollars ($12) per month, whichever is the lesser, to offset expenses; provided essential records are kept in accordance with sound accounting practices, consumer funds are banked in a trust account and appropriate fidelity bond and insurance are maintained, that reports are made to debtors, and independent audits made; and further provided, however, that this subdivision shall exempt such organizations from this division only with respect to those activities described in Section 12002.1 and not with respect to those activities described in Section 12002.

(k) Any person licensed under Chapter 14 (commencing with Section 1800) of Division 1 or any agent of such person, when selling any check or draft which is drawn by such person and which is of the type described in subdivision (b) of Section 1800.5.

(*l*) Any group of banks each of which is organized under the laws of a nation other than the United States and one or more of which are licensed by the Superintendent of Banks of the State of California under Article 1 (commencing with Section 1750), Chapter 14, Division 1, or any agent of such group, when selling any foreign currency travelers check (as defined in Section 1852) issued by such group, provided that each bank which is a member of the group is jointly and severally liable to pay such foreign currency travelers check.

(m) Any transaction of the type described in Section 1854.1.

SEC. 24. Section 33100 of the Financial Code is amended to read:

33100. The following persons and transactions are exempted from this division:

(a) (1) Any insured bank, when selling any payment instrument issued by it.

(2) Any bank organized under the laws of a nation other than the United States which is licensed under Article 3 (commencing with Section 1750) of Chapter 13.5 of Division 1 or which is authorized under federal law to maintain a federal agency or federal branch in this state, when selling any foreign currency payment instrument which is issued by such bank and which is not designated on its face by the term "money order" or "travelers check" or by any substantially similar term.

(3) Any insured savings and loan association, when selling any payment instrument issued by it.

(4) Any federal credit union, when selling any payment instrument issued by it.

(5) Any person licensed under Chapter 14 (commencing with

Section 1800) of Division 1, when selling any foreign currency payment instrument which is issued by it and which is not designated on its face by the term "money order" or "travelers check" or by any substantially similar term.

(6) Any person licensed as a check seller under Division 3 (commencing with Section 12000), when selling any payment instrument issued by it.

(7) The United States or any agency of the United States, including the United States Postal Service, any Federal Reserve bank, and any federal home loan bank, when selling any payment instrument issued by it.

(b) Any California agent of any person referred to in subdivision (a), when selling any payment instrument which is issued by such person and which such person is permitted to sell under the paragraph of subdivision (a) applicable to such person.

SEC. 25. Section 16500.5 of the Government Code is amended to read:

16500.5. For purposes of being an eligible bank for the safekeeping of moneys belonging to, or in the custody of, the state, the phrases "state or national bank located in this state", "state or national bank", "state or national bank in this state", and "state or national banks in the state" shall include a foreign bank licensed under Article 3 (commencing with Section 1750) of Chapter 13.5 of Division 1 of the Financial Code to maintain a branch office in this state or authorized under federal law to maintain a federal branch in this state.

SEC. 26. Section 53635.5 of the Government Code is amended to read:

53635.5. For purposes of being a depository of moneys belonging to or being in the custody of a local agency, the phrases "state or national bank located in this state", "state or national bank", "state or national bank in this state" and "state or national banks in the state" include a foreign bank licensed under Article 3 (commencing with Section 1750) of Chapter 13.5 of Division 1 of the Financial Code to maintain a branch office in this state or authorized under federal law to maintain a federal branch in this state.

SEC. 27. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Foreign (other nation) banks (as defined in Section 1700 of the Financial Code, as added by Section 4 of this act) play a significant role in the economy of this state. This act updates the laws of this state relating to the licensing and regulation of foreign (other nation) banks and enables foreign (other nation) banks to contribute more effectively to the economy of this state. In addition, Sections 1 and 1.4 of this act will allow banks in this state to remain open on July 6th this year in conformity with the holiday schedule of virtually every other state and of the Federal Reserve System. It is necessary,

therefore, that this act take effect immediately.

SEC. 28. In Sections 29 to 33, inclusive, of this act:

(a) The terms defined in Section 1700 of the Revised Banking Law shall have the meanings set forth therein.

(b) "Old Banking Law" means the Banking Law (Division 1 (commencing with Section 99) of the Financial Code), as in effect immediately prior to the transition date.

(c) "Revised Banking Law" means the Banking Law (Division 1 (commencing with Section 99) of the Financial Code), as in effect on the transition date.

(d) "Superintendent" means the Superintendent of Banks or any person to whom the Superintendent of Banks delegates the authority to act for him in the particular matter.

(e) "Transition date" means the date on which this act takes effect.

SEC. 29. Each foreign bank which, as of the date immediately preceding the transition date, is licensed under Article 1 (commencing with Section 1750) of Chapter 14 of the Old Banking Law to transact business at a place in this state but has neither the approval of the superintendent under Section 1756.2 of the Old Banking Law to transact at such place the business of accepting deposits of the kind described in such section nor the approval of the superintendent under subdivision (c) of Section 1756 of the Old Banking Law to transact at the place the business of accepting deposits, shall, as of the transition date, be deemed to be licensed under Article 3 (commencing with Section 1750) of Chapter 13.5 of the Revised Banking Law to maintain a nondepositary agency at the place. The superintendent shall, as of the transition date, issue to the bank a license authorizing it to maintain a nondepositary agency at the place, and such license shall be deemed to be issued under Article 3 (commencing with Section 1750) of Chapter 13.5 of the Revised Banking Law. Promptly after the transition date, the bank shall surrender to the superintendent the license which it held under Article 1 (commencing with Section 1750) of Chapter 14 of the Old Banking Law.

SEC. 30. Each foreign bank which, as of the date immediately preceding the transition date, is licensed under Article 1 (commencing with Section 1750) of Chapter 14 of the Old Banking Law to transact business at a place in this state and has the approval of the superintendent under Section 1756.2 of the Old Banking Law to transact at such place the business of accepting deposits of the kind described in that section shall, as of the transition date, be deemed to be licensed under Article 3 (commencing with Section 1750) of Chapter 13.5 of the Revised Banking Law to maintain a depositary agency at the place. The superintendent shall, as of the transition date, issue to the bank a license authorizing it to maintain a depositary agency at the place, and such license shall be deemed to be issued under Article 3 (commencing with Section 1750) of Chapter 13.5 of the Revised Banking Law. Promptly after the

transition date, the bank shall surrender to the superintendent the license which it held under Article 1 (commencing with Section 1750) of Chapter 14 of the Old Banking Law and the approval which it held under Section 1756.2 of the Old Banking Law.

SEC. 31. Each foreign bank which, as of the date immediately preceding the transition date, is licensed under Article 1 (commencing with Section 1750) of Chapter 14 of the Old Banking Law to transact business at a place in this state and has the approval of the superintendent under subdivision (c) of Section 1756 of the Old Banking Law to transact at such place the business of accepting deposits shall, as of the transition date, be deemed to be licensed under Article 3 (commencing with Section 1750) of Chapter 13.5 of the Revised Banking Law to maintain a retail branch office at the place. The superintendent shall, as of the transition date, issue to the bank a license authorizing it to maintain a retail branch office at the place, and such license shall be deemed to have been issued under Article 3 (commencing with Section 1750) of Chapter 13.5 of the Revised Banking Law. Promptly after the transition date, the bank shall surrender to the superintendent the license which it held under Article 1 (commencing with Section 1750) of Chapter 14 of the Old Banking Law and the approval which it held under subdivision (c) of Section 1756 of the Old Banking Law.

SEC. 32. (a) In case a foreign bank is, as of the date immediately preceding the transition date, licensed under Article 1 (commencing with Section 1750) of Chapter 14 of the Old Banking Law to transact business at two or more places in this state and has the approval of the superintendent under Section 1756.2 of the Old Banking Law to transact at one or more (but less than all) of such places the business of accepting deposits of the kind described in such section, such bank shall, for purposes of Sections 29 to 31, inclusive, of this act, be deemed to have, as of the date immediately preceding the transition date, the approval of the superintendent under Section 1756.2 of the Old Banking Law to transact at all of the places the business of accepting deposits of the kind described in such section.

(b) In case a foreign bank is, as of the date immediately preceding the transition date, licensed under Article 1 (commencing with Section 1750) of Chapter 14 of the Old Banking Law to transact business at two or more places in this state and has the approval of the superintendent under subdivision (c) of Section 1756 of the Old Banking Law to transact at one or more (but less than all) of such places the business of accepting deposits, such bank shall, for purposes of Sections 29 to 31, inclusive, of this act, be deemed to have, as of the date immediately preceding the transition date, the approval of the superintendent under subdivision (c) of Section 1756 of the Old Banking Law to transact at all the places the business of accepting deposits

SEC. 33 In case any individual is, as of the date immediately preceding the transition date, licensed under Article 2 (commencing with Section 1780) of Chapter 14 of the Old Banking Law to maintain

an office in this state as representative of a foreign bank, such foreign bank shall, as of the transition date, be deemed to be licensed under Article 2 (commencing with Section 1725) of Chapter 13.5 of the Revised Banking Law to maintain such office as a representative office. The superintendent shall, as of the transition date, issue to the bank a license authorizing it to maintain the office as a representative office, and such license shall be deemed to be issued under Article 2 (commencing with Section 1725) of Chapter 13.5 of the Revised Banking Law. Promptly after the transition date, such individual shall surrender to the superintendent the license which it held under Article 2 (commencing with Section 1780) of Chapter 14 of the Old Banking Law.

SEC. 34. No repeal or amendment of any law effected by this act shall be construed to affect any cause of action accrued on account of, or any action or proceeding commenced on account of, any violation of such law as in effect immediately prior to the operative date of such repeal or amendment.

CHAPTER 68

An act relating to the Student Aid Commission, making an appropriation for the usual current expenses of the state, to take effect immediately.

[Approved by Governor June 16, 1981 Filed with Secretary of State June 16, 1981]

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

SECTION 1. There is hereby appropriated from the State Guaranteed Loan Reserve Fund the sum of one million one hundred thousand dollars ($1,100,000) for support of the Student Aid Commission for the purposes of Chapter 1201 of the Statutes of 1977.

SEC. 2. This act, inasmuch as it provides for an appropriation for the usual current expenses of the state, shall, under the provisions of Section 8 of Article IV of the California Constitution, take effect immediately.

CHAPTER 69

An act to amend Section 7149 of, and to repeal Section 7149.3 of, the Fish and Game Code, to amend Section 11840 of the Health and Safety Code, to repeal Section 5011 of the Public Resources Code, to amend Sections 5705, 11006.2, 11201, 11203, 11253, 11403, 11450, 11452, 11453, 12200, 12201, 12300, 12301, 12301.1, 12302, 12303.5, 12303.7, 12304, 12306, 13920, 13921, 13922, 14132, 14503, 15200.1, and 15200.2 of,

to amend and renumber Section 11406 of, to add Sections 4630.1, 5705.1, 11270, 12306.1, 12310, 12311, 12312, 14501.5, and 18904.1 to, and to repeal Sections 11006.3, 11012, 11456, and 15200.3 of, to repeal and add Chapter 5 (commencing with Section 13000) of Part 3 of Division 9 of, the Welfare and Institutions Code, and to amend Section 9 of Chapter 348 of the Statutes of 1976, relating to public social services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 17, 1981 Filed with Secretary of State June 17, 1981]

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

SECTION 1. Section 7149 of the Fish and Game Code is amended to read:

7149. (a) A sport fishing license granting the privilege to take any fish from the ocean waters of this state and amphibia anywhere in this state for purposes other than profit shall be issued:

(1) To any resident of this state, over the age of 16 years, for the period of a calendar year, or, if issued after the beginning of the year, for the remainder thereof, upon payment of a base fee of five dollars ($5) plus an amount calculated in accordance with Section 713. A trout and salmon license stamp, but not an inland water license stamp, is required to authorize such person to take salmon or steelhead in ocean waters.

(2) To any nonresident, over the age of 16 years, for the period of a calendar year, or, if issued after the beginning of the year, for the remainder thereof, upon payment of a base fee of twenty dollars ($20) plus an amount calculated in accordance with Section 713. A trout and salmon license stamp, but not an inland water license stamp, is required to authorize such person to take salmon or steelhead in ocean waters.

(3) To any person, over the age of 16 years, not a resident of this state, for a period of 10 days from the date of issue, upon payment of a base fee of eight dollars ($8) plus an amount calculated in accordance with Section 713. A trout and salmon license stamp, but not an inland water license stamp, is required to authorize such person to take salmon or steelhead in ocean waters.

(b) A sport fishing licensee may obtain an inland water license stamp which, if permanently affixed to his license, authorizes the licensee to take all fish, other than trout, steelhead trout, and salmon, anywhere in this state for purposes other than profit, upon payment of a base fee of two dollars ($2) plus an amount calculated in accordance with Section 713.

(c) A sport fishing licensee may obtain a trout and salmon license stamp which, if permanently affixed to his license together with the inland water license stamp, authorizes the licensee to take all fish anywhere in this state for purposes other than profit, upon payment of a base fee of three dollars ($3) plus an amount calculated in

accordance with Section 713.

(d) Sport fishing license stamps shall be sold by license agents in the same manner as sport fishing licenses except that the compensation provided in Section 1055 shall not be paid to the license agent for sale of such stamps.

SEC. 2. Section 7149.3 of the Fish and Game Code is repealed.

SEC. 2.5. Section 11840 of the Health and Safety Code is amended to read:

11840. Each county shall provide matching funds for programs and services provided by the county under this part, as follows:

(a) During the 1979–80 and 1980–81 fiscal years, the required county match for local participation under this chapter shall be waived except for state hospital services provided on and after January 1, 1980.

(b) From January 1, 1980, through June 30, 1982, state hospital programs shall be funded on the basis of 90 percent state funds and 10 percent county funds.

(c) Commencing with the 1981–82 fiscal year and for every fiscal year thereafter, 90 percent state funds and 10 percent county funds shall be required for support of programs and services provided by a county under this part, unless a later enacted statute which is chaptered before July 1, 1982, provides a different arrangement for state and county matching funds. Alcohol programs and services financed through other public or private sources as provided in the county plan shall not be considered for purposes of state and county matching funds under this part, except that revenue collected by counties pursuant to Chapter 661 of the Statutes of 1980 can be used to meet county matching funds requirements. The requirement for local financial participation shall be waived for counties of less than 100,000 population.

SEC. 2.7. Section 5011 of the Public Resources Code is repealed.

SEC. 3. Section 4630.1 is added to the Welfare and Institutions Code, to read:

4630.1. Notwithstanding any other provision of law, regional centers shall not provide regional center employees with a cost-of-living adjustment for salaries, wages, or benefits which exceeds the percentage amount granted to state employees for the same fiscal year.

SEC. 3.1. Section 5705 of the Welfare and Institutions Code is amended to read:

5705. (a) Commencing with the 1979–80 fiscal year, the net cost of all services specified in the approved county Short-Doyle plans shall be financed on a basis of 90 percent state funds and 10 percent county funds, except for local hospital inpatient costs, which shall be financed on a basis of 85 percent state funds and 15 percent county funds, irrespective of where or by whom the services are provided, except for services to be financed from other public or private sources as indicated in the county Short-Doyle plan. The cost of the services shall be the actual cost as determined in accordance with

standard accounting practices or a negotiated net amount or rate approved by the Director of Mental Health. In counties of less than 100,000 population, the cost requirement for local financial participation shall be waived for all programs except local hospital inpatient and state hospital services.

(b) Negotiated net amounts or rates may be used as the cost of services only in accordance with the following paragraphs:

(1) Negotiated net amounts may be used as the cost of services in a contract which provides for the delivery of all or part of the total county Short-Doyle annual plan for each fiscal year. The negotiated net amount shall be approved by the State Department of Mental Health prior to commencing services for reimbursement. Providers under this paragraph shall report to the State Department of Mental Health and the local mental health program cost accounting and any other information required by the State Department of Mental Health in accordance with procedures established by the Director of Mental Health emphasizing success in program outcome versus providers' expenditures. Contracts entered into pursuant to this paragraph shall be financed within an approved Short-Doyle plan. For the purposes of this paragraph, the cost-sharing formula of such contracts shall be 90 percent state funds, and 10 percent funding from the contracting organization which shall not include state or federal funds directly allocated to contracting organizations.

(2) Negotiated rates may be used as the cost of services in contracts by providers with counties. The negotiated rate shall be approved by the State Department of Mental Health prior to commencing services for reimbursement. Providers under this paragraph shall report to the State Department of Mental Health and the local mental health program cost accounting and any other information required by the State Department of Mental Health in accordance with procedures established by the Director of Mental Health.

During the 1979–80 and 1980–81 fiscal years, the requirement for local financial participation in the net cost of services provided under this part shall be waived except for state hospital services provided on and after January 1, 1980. The required local financial participation in the net cost of state hospital services under this part shall only be waived until January 1, 1980.

Notwithstanding any provision of law for the 1981–82 fiscal year, counties shall be required to submit the narrative portion of their Short-Doyle plan for mental health services only once in the first phase of the planning process. The second phase shall consist of only budget information.

During the 1981–82 fiscal year, the cost of state hospital services shall be financed on the basis of 85 percent state funds and 15 percent county funds, except that in counties with less than 100,000 population, the cost of state hospital services shall be financed on the basis of 90 percent state funds and 10 percent county funds.

The State Department of Mental Health is hereby permitted to

reallocate any funds which are not matched by counties with the approval of the Joint Legislative Budget Committee using a letter as prescribed in Section 28 of the Budget Act, provided such reallocated funds shall not be counted into the base allocation.

This section shall remain in effect only until July 1, 1982, and on that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1982, deletes or extends such date.

SEC. 3.2. Section 5705 of the Welfare and Institutions Code is amended to read:

5705. (a) The net cost of all services specified in the approved county Short-Doyle plans shall be financed on a basis of 90 percent state funds and 10 percent county funds, except for local hospital inpatient costs, which shall be financed on a basis of 85 percent state funds and 15 percent county funds, irrespective of where or by whom the services are provided, except for services to be financed from other public or private sources as indicated in the county Short-Doyle plan. The cost of the services shall be the actual cost as determined in accordance with standard accounting practices or a negotiated net amount or rate approved by the Director of Mental Health. In counties of less than 100,000 population, the cost requirement for local financial participation shall be waived for all programs except local hospital inpatient and state hospital services.

(b) The cost of state hospital services shall be financed on the basis of 85 percent state funds and 15 percent county funds, except that in counties with less than 100,000 population, the cost of state hospital services shall be financed on the basis of 90 percent state funds and 10 percent county funds.

(c) Negotiated net amounts or rates may be used as the cost of services only in accordance with the following paragraphs:

(1) Negotiated net amounts may be used as the cost of services in a contract which provides for the delivery of all or part of the total county Short-Doyle annual plan for each fiscal year. The negotiated net amount shall be approved by the State Department of Mental Health prior to commencing services for reimbursement. Providers under this paragraph shall report to the State Department of Mental Health and the local mental health program cost accounting and any other information required by the State Department of Mental Health in accordance with procedures established by the Director of Mental Health emphasizing success in program outcome versus providers' expenditures. Contracts entered into pursuant to this paragraph shall be financed within an approved Short-Doyle plan. For the purposes of this paragraph, the cost-sharing formula of such contracts shall be 85 percent state funds, 5 percent county funds, and 10 percent funding from the contracting organization which shall not include state or federal funds directly allocated to contracting organizations.

(2) Negotiated rates may be used as the cost of services in contracts by providers with counties. The negotiated rate shall be approved by the State Department of Mental Health prior to

commencing services for reimbursement. Providers under this paragraph shall report to the State Department of Mental Health and the local mental health program cost accounting and any other information required by the State Department of Mental Health in accordance with procedures established by the Director of Mental Health.

The State Department of Mental Health is hereby permitted to reallocate any funds which are not matched by counties with the approval of the Joint Legislative Budget Committee using a letter as prescribed in Section 28 of the Budget Act, provided such reallocated funds shall not be counted into the base allocation.

This section shall become operative July 1, 1982, and shall remain in effect only until July 1, 1983, and on that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1983, deletes or extends such date.

SEC. 3.3. Section 5705 of the Welfare and Institutions Code is amended to read:

5705. (a) The net cost of all services specified in the approved county Short-Doyle plans shall be financed on a basis of 90 percent state funds and 10 percent county funds, except for local hospital inpatient costs, which shall be financed on a basis of 85 percent state funds and 15 percent county funds, irrespective of where or by whom the services are provided, except for services to be financed from other public or private sources as indicated in the county Short-Doyle plan. The cost of the services shall be the actual cost as determined in accordance with standard accounting practices or a negotiated net amount or rate approved by the Director of Mental Health. In counties of less than 100,000 population, the cost requirement for local financial participation shall be waived for all programs except local hospital inpatient and state hospital services. It is the intent of the Legislature that counties under 100,000 population provide as much of the 10 percent match as possible for mental health, drug and alcohol programs within budgetary constraints.

(b) The cost of state hospital services shall be financed on the basis of 85 percent state funds and 15 percent county funds, except that in counties with less than 100,000 population, the cost of state hospital services shall be financed on the basis of 90 percent state funds and 10 percent county funds.

(c) Negotiated net amounts or rates may be used as the cost of services only in accordance with the following paragraphs:

(1) Negotiated net amounts may be used as the cost of services in a contract which provides for the delivery of 75 percent or more of the total county Short-Doyle annual plan for each fiscal year. The negotiated net amount shall be approved by the State Department of Mental Health prior to commencing services for reimbursement. Providers under this paragraph shall report to the State Department of Mental Health and the local mental health program cost accounting and any other information required by the State

Department of Mental Health in accordance with procedures established by the Director of Mental Health emphasizing success in program outcome versus providers' expenditures. Contracts entered into pursuant to this paragraph shall be financed within an approved Short-Doyle plan. For the purposes of this paragraph, the cost-sharing formula of such contracts shall be 85 percent state funds, 5 percent county funds, and 10 percent funding from the contracting organization which shall not include state or federal funds directly allocated to contracting organizations.

(2) Negotiated rates may be used as the cost of services in contracts with providers whose gross Short-Doyle contract with a county is not more than one hundred fifty thousand dollars ($150,000) per annum. The negotiated rate shall be approved by the State Department of Mental Health prior to commencing services for reimbursement. Providers under this paragraph shall report to the State Department of Mental Health and the local mental health program cost accounting and any other information required by the State Department of Mental Health in accordance with procedures established by the Director of Mental Health.

The State Department of Mental Health is hereby permitted to reallocate any funds which are not matched by counties with the approval of the Joint Legislative Budget Committee using a letter as prescribed in Section 28 of the Budget Act, provided such reallocated funds shall not be counted into the base allocation.

This section shall become operative on July 1, 1983.

SEC. 3.5. Section 5705.1 is added to the Welfare and Institutions Code, to read:

5705.1. Notwithstanding any other provision of law, local governments may utilize funds received pursuant to Chapter 661, Statutes of 1980, in excess of the total amount of the following: (1) their required 10 percent matching funds, and (2) those funds voluntarily allocated by the county for alcohol programs in fiscal year 1980–81 up to the amount of the 10 percent county share which was waived for fiscal year 1980–81, for mental health, drug abuse, or alcohol programs.

SEC. 3.7. Section 11006.2 of the Welfare and Institutions Code is amended to read·

11006.2. The department may provide for the delivery of public assistance payments at any time during the month consistent with federal law relating to recipient monthly reporting requirements.

SEC. 3.8. Section 11006 3 of the Welfare and Institutions Code is repealed.

SEC. 4. Section 11012 of the Welfare and Institutions Code is repealed.

SEC. 5. Section 11201 of the Welfare and Institutions Code is amended to read:

11201. For the purposes of this chapter, "unemployed parent" means a natural or adoptive parent with whom the child is living

(a) A child shall be considered to be deprived of parental support

or care due to the unemployment of his or her parent or parents when either of the following conditions is met:

(1) The parent qualifies as an unemployed parent in accordance with the standards for unemployed parents set by the federal government.

(2) The parent does not qualify as an unemployed parent in accordance with federal standards, but the parent meets the conditions of eligibility set forth in subdivision (b).

(b) Except as specified in paragraph (5), a parent who does not meet the federal standards for unemployed parents shall be an unemployed parent for the purposes of this chapter and a family eligible for aid only if the parent meets all of the following conditions of eligibility:

(1) The parent is not working or is employed only part time as determined in accordance with standards which may be developed by the department by regulation. The standards shall be consistent with federal law governing part-time employment for unemployed parents.

(2) If the parent is not ill, incapacitated, or over age 65, the parent shall register for employment and cooperate with the Employment Development Department.

(3) Notwithstanding the provisions of Section 11270, the parent shall apply for, meet all conditions of eligibility for, and accept any unemployment insurance benefits for which he or she may be eligible.

(4) The parent shall not have refused a bona fide offer of employment without good cause, including additional employment if the parent is employed only part time, or has terminated his or her employment without good cause within the 30 days immediately prior to the beginning date of aid or while receiving aid. The State Department of Social Services shall develop standards for determining good cause, which standards shall be consistent with the standards for good cause developed by the federal government in the work incentive program and consistent with the purposes of this chapter. When the Department of Social Services finds that a parent has refused or terminated employment without good cause, the family shall be ineligible for aid for 30 days.

(5) When one parent in the home (A) is employed fulltime, or (B) qualifies, or would qualify but refuses to do so, as an unemployed parent in accordance with the standards for unemployed parents set by the federal government, the other parent is not an unemployed parent for the purposes of this chapter unless the parent qualifies as an unemployed parent under paragraph (1) of subdivision (a).

SEC. 6. Section 11203 of the Welfare and Institutions Code is amended to read:

11203. During such times as the federal government provides funds for the care of a needy relative with whom a needy child or needy children are living, aid to the child or children for any month includes aid to meet the needs of such relative, if money payments

are made with respect to the child or children for that month, and if the relative is not receiving aid under Chapters 3 (commencing with Section 12000) or 5 (commencing with Section 13000) of this part or Part A of Title XVI of the Social Security Act for that month. Needy relatives under this chapter include only natural or adoptive parents, the spouse of a natural or adoptive parent, and other needy caretaker relatives.

SEC. 7. Section 11253 of the Welfare and Institutions Code is amended to read:

11253. Aid may not be granted under the provisions of this chapter to or in behalf of any child between the age of 16 and 18 unless any of the following apply:

(a) He or she is less than 18 years of age and is regularly attending high school on a full-time basis, or a training program or if enrolled in an institution of higher education, attending regularly, achieving a passing grade and making progress according to standards set by the department.

(b) He is physically or mentally disabled.

(c) He is employed and contributing to the family, or applying his earnings to a plan approved by the county department for his further education or preparation for future employment, provided that his earnings set aside for education or training are placed in an irrevocable trust for such purposes, with the county and the parents designated as joint trustees.

A child 18, 19, or 20 years of age may not be granted aid unless he or she is regularly attending high school on a full-time basis.

SEC. 8. Section 11270 is added to the Welfare and Institutions Code, to read:

11270. Applicants for and recipients of Aid to Families with Dependent Children who are apparently eligible for unemployment insurance shall, as a condition of eligibility, apply for and accept any unemployment insurance benefits for which the Employment Development Department determines they are eligible. Any applicant or recipient who refuses to apply for or accept unemployment insurance benefits shall be ineligible for assistance. The department shall establish by regulations the standards to determine apparent eligibility for unemployment insurance.

SEC. 9. Section 11403 of the Welfare and Institutions Code is amended to read:

11403. A child who is in foster care and receiving aid pursuant to this chapter and who is regularly attending high school on a full-time basis or a training program prior to his or her 18th birthday, may continue to receive aid following his or her 18th birthday so long as the child continues to reside in foster care placement and continues to regularly attend high school on a full-time basis Such aid shall continue until the termination of high school, or until the age of 21 years, whichever occurs first. Aid shall be provided such an individual pursuant to this section provided both the individual and the agency responsible for the foster care placement have signed a

mutual agreement, if the individual is capable of making an informed agreement, which documents the continued need for out-of-home placement.

SEC. 10. Section 11406 of the Welfare and Institutions Code, as added by Chapter 1193 of the Statutes of 1980, is amended and renumbered to read:

11406.5. (a) The department shall implement, by July 1, 1981, an Emergency Assistance for Needy Families With Children Program, under Section 406(e)(1) of the Social Security Act, in order to prevent the need for out-of-home placement by providing services as specified in Chapter 5 (commencing with Section 16500) of Part 4 of Division 9 of the Welfare and Institutions Code, and to provide short-term emergency out-of-home care through the foster care programs as specified in Article 5 (commencing with Section 11400) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.

(b) The department shall submit, by April 1, 1981, to the appropriate policy and fiscal committees of the Legislature, a report on implementing the program described in subdivision (a), which report shall contain the following recommendations:

(1) The eligibility conditions to be imposed, and the types and amounts of emergency assistance payments to be provided to, or on behalf of, needy families with children or a needy child.

(2) The types of emergencies or unusual crisis situations to be covered.

(3) The services which are to be provided to such needy families with children or needy children eligible for emergency assistance.

(c) The provisions of this section shall only be implemented if federal funds necessary for their implementation are available.

(d) In the event that the assistance required by this section and Section 11250.5 may be funded under a federal block grant as temporary assistance, or low-income emergency assistance instead of under Title IV A of the federal Social Security Act, ten million dollars ($10,000,000) available under the block grant shall be provided as assistance during the 1981–82 fiscal year. Future allocations may be made in the Budget Act.

SEC. 11. Section 11450 of the Welfare and Institutions Code is amended to read:

11450. (a) For each needy family which includes one or more needy children qualified for aid under this chapter, there shall be paid, notwithstanding minimum basic standards of adequate care established by the department under Section 11452, an amount of aid each month which when added to his income, exclusive of any amounts considered exempt as income or paid pursuant to subdivision (d) or Section 11453.1, is equal to the sums specified in the following table, as adjusted for cost-of-living increases pursuant to Section 11453:

Number of eligible needy persons in the same home	Maximum aid
1	$ 248
2	408
3	506
4	601
5	686
6	771
7	846
8	922
9	996
10 or more	1,071

If, when and during such times as the United States government increases or decreases its contributions in assistance of needy children in this state above or below the amount paid on July 1, 1972, the amounts specified in the above table shall be increased or decreased by an amount equal to such increase or decrease by the United States government, provided that no such increase or decrease shall be subject to subsequent adjustment pursuant to Section 11453.

(b) For children receiving AFDC-FC under the provisions of this chapter, there shall be paid the sum necessary for the adequate care of each child.

(c) (1) In addition to the amounts payable under subdivision (a) and Section 11453.1, a family shall be entitled to receive an allowance for recurring special needs not common to a majority of recipients. Such recurring special needs shall include but not be limited to special diets upon the recommendation of a physician, and unusual costs of transportation, laundry, housekeeping service, telephone, and utilities. The recurring special needs allowance for each family per month shall not exceed that amount resulting from multiplying the sum of ten dollars ($10) by the number of recipients in the family who are eligible for assistance.

(2) A family shall also be entitled to receive an allowance for nonrecurring special needs caused by sudden and unusual circumstances beyond the control of the needy family; provided, however, that such needs shall not be taken into consideration in determining the eligibility of the family for aid.

(3) The department shall establish rules and regulations assuring the uniform application statewide of the provisions of this subdivision.

(d) Except for the purposes of Section 15200, the amounts payable to recipients pursuant to Section 11453.1 shall not constitute part of the payment schedule set forth in subdivision (a) of this section.

The amounts payable to recipients pursuant to Section 11453.1 shall not constitute income to recipients of aid under this section.

SEC. 12. Section 11452 of the Welfare and Institutions Code is amended to read:

11452. Minimum basic standards of adequate care shall be distributed to the counties and shall be binding upon them. Such standards are hereby determined on the basis of the schedule set forth in this section, as adjusted for cost-of-living increases or decreases pursuant to Section 11453, which schedule is designed to insure:

(1) Safe, healthful housing.

(2) Minimum clothing for health and decency.

(3) Low-cost adequate food budget meeting recommended dietary allowances of the National Research Council.

(4) Utilities.

(5) Other items including household operation, education and incidentals, recreation, personal needs, and insurance.

(6) Allowance for essential medical, dental, or other remedial care to the extent not otherwise provided at public expense.

The schedule of minimum basic standards of adequate care is as follows:

Number of needy persons in the same family	Minimum basic standards of adequate care
1	$248
2	408
3	506
4	601
5	686
6	771
7	846
8	922
9	1,000
10	1,087

plus nine dollars ($9) for each additional needy person.

The department shall establish rules and regulations assuring the uniform application statewide of the provisions of this section.

SEC. 13. Section 11453 of the Welfare and Institutions Code is amended to read:

11453. The amounts set forth in Section 11452 and subdivision (a) of Section 11450 shall be adjusted annually by the department to reflect any increases or decreases in the cost of living occurring after December 1980, so that the first such adjustment becomes effective July 1, 1982 and subsequent adjustments shall take effect each July 1 thereafter. The cost of living adjustment shall be calculated by the Commission on State Finance based on the changes in the California Necessities Index, which as used in this section means the weighted average changes for food, clothing, fuel, utilities, rent, and transportation for low income consumers. The computation of annual adjustments in the California Necessities Index shall be made

in accordance with the following steps:

(a) The base period expenditure amounts for each expenditure category within the California Necessities Index used to compute the annual grant adjustment are:

Food	$1,832
Clothing (Apparel and Upkeep)	298
Fuel and other utilities	264
Rent, residential	2,303
Transportation	1,026
Total	$5,723

(b) Based on the appropriate components of the Consumer Price Index for All Urban Consumers, as published by the United States Department of Labor, Bureau of Labor Statistics, the percentage change shall be determined for the twelve-month period ending with the December preceding the year for which the cost-of-living adjustment will take effect, for each expenditure category specified in subdivision (a) within the following geographical areas: Los Angeles-Long Beach-Anaheim, San Francisco-Oakland, San Diego, and, to the extent statistically valid information is available from the Bureau of Labor Statistics, additional geographical areas within the state which include not less than 80 percent of recipients of aid under this chapter.

(c) Calculate a weighted percentage change for each of the expenditure categories specified in subdivision (a) using the applicable weighting factors for each area used by the State Department of Industrial Relations to calculate the California Consumer Price Index (CCPI).

(d) Calculate a category adjustment factor for each expenditure category in subdivision (a) by (1) adding one hundred (100) to the applicable weighted percentage change as determined in subdivision (b) and (2) dividing the sum by one hundred (100).

(e) Determine the expenditure amounts for the current year by multiplying each expenditure amount determined for the prior year by the applicable category adjustment factor determined in subdivision (d).

(f) Determine the overall adjustment factor by dividing (1) the sum of the expenditure amounts as determined in subdivision (d) for the current year by (2) the sum of the expenditure amounts as determined in subdivision (d) for the prior year.

The overall adjustment factor determined by the preceding computation steps shall be multiplied by the schedules established pursuant to Section 11452 and subdivision (a) of Section 11450 as are in effect during the month of June preceding the fiscal year in which the adjustments are to occur and the product rounded to the nearest dollar The resultant amounts shall constitute the new schedules which shall be filed with the Secretary of State.

SEC. 13.5. Section 11456 of the Welfare and Institutions Code is repealed.

SEC. 14. Section 12200 of the Welfare and Institutions Code is amended to read:

12200. An aged, blind or disabled applicant or recipient shall be paid an amount of aid which when added to his federal benefit received under Part A of Title XVI of the Social Security Act and other nonexempt income and resources, equals the following:

(a) For a blind applicant or recipient, the sum of four hundred ninety-two dollars ($492) per month and for a married couple both qualifying for benefits under this chapter as blind, the sum of nine hundred fifty-eight dollars ($958) per month.

(b) For a married couple, both qualifying for benefits under this chapter, and one of whom is blind, the sum of nine hundred four dollars ($904) per month.

(c) For an aged or disabled applicant or recipient, the sum of four hundred thirty-nine dollars ($439) per month.

(d) For a married couple both qualifying for benefits under this chapter as aged or disabled, the sum of eight hundred fifteen dollars ($815) per month.

(e) For an aged or disabled applicant or recipient under subdivision (c) or for a married couple under subdivision (d) whose living arrangement prevents preparation of his or their meals at home shall be entitled to an allowance of forty-seven dollars ($47) per month for an individual and ninety-four dollars ($94) per month for a married couple in addition to any other amount he is entitled to under this chapter.

(f) For a disabled minor under 18 living with a parent or guardian or relative by blood or marriage, the sum of three hundred forty-eight dollars ($348) per month.

(g) For a recipient in a nonmedical out-of-home care facility, the sum of four hundred ninety-six dollars ($496) per month.

(h) For the personal and incidental needs of a person receiving care in a medical facility under the Medi-Cal Act, the sum of twenty-five dollars ($25) per month.

(i) In the case of any individual or couple whose federal benefit received under Part A of Title XVI of the Social Security Act is reduced in accordance with Section 1612(a)(2)(A) of Public Law 92-603 because he lives in another person's household and receives support and maintenance-in-kind from such person, the appropriate grant level set forth in subdivision (a), (b), (c), or (d) of this section shall be reduced by the amount of the reduction in the federal benefit, subject to the provisions in Section 12204.

This subdivision shall be operative only during such time that such in-kind support and maintenance, under federal law, is treated as providing the basis for a lower payment standard rather than being treated as the receipt of unearned income.

SEC. 15. Section 12201 of the Welfare and Institutions Code is amended to read:

12201. The payment schedules to go into effect July 1, 1982, and on July 1 of each year thereafter, shall be the amounts set forth in Section 12200, as adjusted to reflect any increases or decreases in the cost of living occurring after December 1, 1980. The cost-of-living adjustment shall be based on the changes in the California Necessities Index, which as used in this section shall be the weighted average of changes for food, clothing, fuel, utilities, rent, and transportation for low-income consumers. The computation of annual adjustments in the California Necessities Index shall be made in accordance with the following steps:

(a) The base period expenditure amounts for each expenditure category within the California Necessity Index used to compute the annual grant adjustment are:

Food	$1,832
Clothing (apparel and upkeep)	298
Fuel and other utilities	264
Rent, residential	2,303
Transportation	1,026
Total	$5,723

(b) Based on the appropriate components of the Consumer Price Index for All Urban Consumers, as published by the United States Department of Labor, Bureau of Labor Statistics, the percentage change shall be determined for the twelve-month period ending with the December preceding the year for which the cost-of-living adjustment will take effect, for each expenditure category specified in subdivision (a) within the following geographical areas: Los Angeles-Long Beach-Anaheim, San Francisco-Oakland, San Diego, and, to the extent statistically valid information is available from the Bureau of Labor Statistics, additional geographical areas within the state which include not less than 80 percent of recipients of aid under this chapter.

(c) Calculate a weighted percentage change for each of the expenditure categories specified in subdivision (a) using the applicable weighting factors for each area used by the State Department of Industrial Relations to calculate the California Consumer Price Index (CCPI).

(d) Calculate a category adjustment factor for each expenditure category in subdivision (a) by (1) adding one hundred (100) to the applicable weighted percentage change as determined in subdivision (b) and (2) dividing the sum by one hundred (100).

(e) Determine the expenditure amounts for the current year by multiplying each expenditure amount determined for the prior year by the applicable category adjustment factor determined in subdivision (d).

(f) Determine the overall adjustment factor by dividing (1) the sum of the expenditure amounts as determined in subdivision (d) for

the current year by (2) the sum of the expenditure amounts as determined in subdivision (d) for the prior year.

The overall adjustment factor determined by the preceding computational steps shall be multiplied by the payment schedules established pursuant to Section 12200 as are in effect during the month of June preceding the fiscal year in which the adjustments are to occur, and the product rounded to the nearest dollar. The resultant amounts shall constitute the new schedules for the categories given under subdivisions (a), (b), (c), (d), (e), (f), and (g) of Section 12200, and shall be filed with the Secretary of State. The amount as set forth in subdivision (h) of Section 12200 shall be adjusted annually pursuant to this section in the event that the secretary agrees to administer payment under that subdivision. The payment schedule for subdivision (i) of Section 12200 shall be computed as specified, based on the new payment schedules for subdivisions (a), (b), (c), and (d) of Section 12200.

The department shall adjust any amounts of aid under this chapter to insure that the minimum level required by the Social Security Act in order to maintain eligibility for funds under Title XIX of that act is met.

SEC 16. Section 12300 of the Welfare and Institutions Code is amended to read:

12300. The purpose of this article is to provide in every county in a manner consistent with the provisions of this chapter and the Annual Budget Act those supportive services identified in this section to aged, blind, or disabled persons, as defined under this chapter, who are unable to perform the services themselves and who cannot safely remain in their homes or abodes of their own choosing unless such services are provided.

Supportive services shall include, to the extent available funds allow, domestic services and services related to domestic services, heavy cleaning, nonmedical personal services, accompaniment by a provider when needed during necessary travel to health related appointments or to alternative resource sites and other essential transportation as determined by the director, yard hazard abatement, protective supervision, teaching and demonstration directed at reducing the need for other supportive services, and paramedical services which make it possible for the recipient to establish and maintain an independent living arrangement.

Where such supportive services are provided by a person having the legal duty pursuant to the Civil Code to provide for the care of his or her child who is the recipient, such provider of supportive services shall receive remuneration for such services only when the provider leaves full-time employment or is prevented from obtaining full-time employment because no other suitable provider is available and where the inability of such provider to provide supportive services may result in inappropriate placement or inadequate care.

Such providers shall be paid only for the following supportive

services: services related to domestic services, nonmedical personal services, accompaniment by a provider when needed during necessary travel to health related appointments or to alternative resource sites, other essential transportation as determined by the director, and protective supervision only as needed because of the functional limitations of the child and paramedical services.

To encourage maximum voluntary services, so as to reduce governmental costs, respite care shall also be provided. Respite care is temporary or periodic service for eligible recipients to relieve persons who are providing care without compensation.

SEC. 17. Section 12301 of the Welfare and Institutions Code is amended to read:

12301. The intent of the Legislature in enacting this article is to provide supplemental or additional services to the social and rehabilitative services in Article 6 (commencing with Section 12250) of this chapter. The Legislature further intends that necessary in-home supportive services shall be provided in a uniform manner in every county based on individual need consistent with the appropriation provided for such services in the annual Budget Act and the provisions of this chapter, in the absence of alternative in-home supportive services provided by an able and willing individual or local agency at no cost to the recipient, except as required under Section 12304.5. An able spouse who is available to assist the recipient shall be deemed willing to provide at no cost any services under this article except non-medical personal services and paramedical services.

If the amount appropriated by the annual Budget Act is insufficient to meet all service needs, program reductions shall occur. The department shall notify counties and the Joint Legislative Budget Committee whenever the department's estimate of the cost of providing all the service needs exceed the amount appropriated in the Budget Act.

The following priorities are established to direct counties and the department on how to implement needed program reductions:

(a) Reduction in the frequency with which non-essential services are provided.

(b) Elimination of non-essential service categories.

(c) Termination or denial of eligibility to persons requiring only domestic services.

(d) Termination or denial of eligibility to persons who, in the absence of services, would not require placement in a medical out-of-home care facility.

(e) Per capita reduction in the cost of services authorized.

Any program reductions shall be implemented so as to avoid, to the extent feasible within budgetary constraints, out-of-home placements.

The counties and the State Department of Social Services shall utilize these options in the order of their appearance. In no event shall services be terminated or denied to any eligible person who in

the absence of services would require medical out-of-home care. In no event shall services be terminated or denied to any eligible person who in the absence of such services would become unemployed.

Nonessential services are routine mending, ironing, heavy cleaning, domestic services, yard hazard abatement except for snow removal, teaching and demonstration and any other services specified by the department. Restrictions on nonessential services shall be excepted on a case by case basis when denial or termination of such services would result in placement in a medical out-of-home facility or in a loss of employment, in a life threatening situation in conditions which present a substantial threat to health or safety, or in any other condition specified by the department. Essential services shall at a minimum include those services listed in subdivision (e) of Section 12304.

SEC. 18. Section 12301.1 of the Welfare and Institutions Code is amended to read:

12301.1. The department shall adopt regulations establishing a uniform range of services available to all eligible recipients based upon individual needs. The availability of services under these regulations are subject to the provisions of Section 12301 and county plans developed pursuant to Section 12302.

SEC. 19. Section 12302 of the Welfare and Institutions Code is amended to read:

12302. Each county welfare department shall develop and submit a plan to the State Department of Social Services that provides for the delivery services to meet the objectives and conditions of this article with regard to in-home supportive services. A county may reduce services in accordance with Section 12301 at the beginning of the fiscal year; however, each county shall indicate specifically how they plan to reduce costs to the allocated amount, including the 10 percent match. A county shall, to the extent feasible make any reductions in services evenly throughout the year and shall not wait until the end of the fiscal year to make massive reductions in services to eligible recipients. Each county is obligated to ensure that services are provided to all eligible recipients during each month of the year in accordance with the county plan.

In order to implement such a plan, an individual county may hire homemakers and other in-home supportive personnel in accordance with established county civil service requirements or merit system requirements for those counties not having civil service, or may contract with a city, county, or city and county agency, a local health district, a voluntary nonprofit agency, a proprietary agency, or an individual or make direct payment to a recipient for the purchase of services.

County plans are effective upon submission to the department. Counties which institute reductions at the beginning of the fiscal year shall submit a plan by July 30 of that fiscal year. In reviewing county plans the department shall assure that plans are in compliance with provisions of this article including compliance with

Section 12301. In the event the department finds a county plan is not in compliance it shall take appropriate action to assure compliance

The department shall monitor the actual monthly expenditures where available for services to assure compliance with the county plans. If the county's expenditure pattern is not consistent with the plan, the department shall require the county to amend the plan.

SEC. 19.5. Section 12303.5 of the Welfare and Institutions Code is amended to read:

12303.5. Except as provided in Section 12304, no one individual recipient shall receive services under this article, the total cost of which exceeds five hundred eighty-one dollars ($581) in any one month. The five hundred eighty-one dollars ($581) maximum specified under this section shall be adjusted annually to reflect cost-of-living changes occurring subsequent to January 1, 1981, as determined under Section 12201

SEC. 19.7. Section 12303.7 of the Welfare and Institutions Code is amended to read:

12303.7. Any aged, or disabled applicant or recipient who is eligible for assistance under this article, whose disabilities prevent the use of cooking facilities at home, shall be given the option to receive an allowance of forty-seven dollars ($47) per month for an individual and ninety-four dollars ($94) per month for a married couple in lieu of the appropriate in-home food preparation and consumption services. The allowance under this section shall be in addition to any amount that the applicant or recipient is entitled to under this chapter. Such allowance shall not have the effect of exceeding the total cost maximum of Sections 12303.5 and 12304. Nothing in this section shall be construed to limit the applicant's or recipient's right to receive the allowance under this section and all other homemaker and chore services.

The State Department of Social Services shall adjust the amount of the allowance under this section on July 1, 1982, and each year thereafter to reflect cost-of-living changes subsequent to January 1, 1981, as provided under Section 12201.

SEC. 20. Section 12304 of the Welfare and Institutions Code is amended to read:

12304. (a) Any aged, blind, or disabled individual who is eligible for assistance under this chapter or Chapter 4 (commencing with Section 12500) who is in need, as determined by the county welfare department, of at least 20 hours per week of the services specified in subdivision (e), shall be eligible to receive services under this article, the total cost of which does not exceed eight hundred thirty-eight dollars ($838) per month, plus adjustments reflecting cost-of-living changes subsequent to January 1, 1981, as determined under Section 12201. Increases in the maximum amount payable under this section shall not be construed to mean automatic increases in the amounts payable under this article.

(b) An individual who is eligible for services subject to the maximum amount specified in subdivision (a) and who is capable of

handling his or her own financial and legal affairs shall be given the option of hiring and paying his own provider of in-home supportive services. For this purpose such individual shall be entitled to receive a monthly cash payment in advance not to exceed the maximum amount specified in subdivision (a), which is in addition to his grant, if any Such an individual who is not capable of handling his own financial and legal affairs shall be entitled to receive such cash payment through his guardian, conservator or protective payee.

(c) In no event shall the maximum total cost for services and advance cash payment for one individual recipient under subdivisions (a) and (b) exceed the maximum of eight hundred thirty-eight dollars ($838) per month, as adjusted pursuant to subdivision (a).

(d) The county welfare department shall inform in writing any individual who is potentially eligible for services under this section of his or her right to such services.

(e) For purposes of this section, a recipient who is eligible for services subject to the maximum amount specified in subdivision (a) is one who requires in-home supportive care of at least 20 hours per week to carry out any or all of the following:

(1) Routine bodily functions, such as bowel and bladder care;

(2) Dressing;

(3) Preparation and consumption of food;

(4) Moving into and out of bed;

(5) Routine bed bath; or

(6) Ambulation;

(7) Paramedical services;

(8) Or for any other function of daily living as determined by the director.

This determination of need must be supported by a medical report when requested and at the expense of the State Department of Social Services.

(f) The county welfare department shall review the provisions of services under this section at least every six months.

SEC. 21. Section 12306 of the Welfare and Institutions Code is amended to read:

12306. With respect to in-home supportive services, the state shall pay from the General Fund the matching funds necessary to obtain federal social services funds. If the federal social services funds allocated by the department are insufficient, the state, beginning with the 1981–82 fiscal year, shall also reimburse the counties for all services provided under this article up to the sum of the amounts expended by the counties and those payroll taxes paid by the state on behalf of the counties under Section 12302.2 as determined by the department during the 1980–81 fiscal year. In no event shall this sum exceed two hundred sixty-three million dollars ($263,000,000). Counties shall provide 10 percent of the costs in excess of this sum expended in the 1980–81 fiscal year. The state shall reimburse from the General Fund or any available federal funds 90 percent of the

costs expended in the 1980–81 fiscal year which exceed this sum. The obligation of the state's General Fund under this article is limited to the amount appropriated in the annual Budget Act.

SEC. 22. Section 12306.1 is added to the Welfare and Institutions Code, to read:

12306.1. The amendment of Section 12306 made by this act does not mandate a new program or a higher level of service on any level of local government. The sole financial obligation of the state under this article before the effective date of this section was to match available federal social service funds allocated by the department, except as provided by Section 12302.2 and by subdivision (g) of Section 12304, which subdivision is repealed by the same act adding this section to the code. Additional funding which was previously made available from time to time in the annual Budget Act was not intended by the Legislature to be a permanent assumption of the county obligation to fund other program costs.

SEC. 22.2. Section 12310 is added to the Welfare and Institutions Code, to read:

12310. It is the intent of the Legislature that the department conduct special pilot projects to test appropriate methods for assuring equity and efficiency in reducing program costs necessary to remain within budget appropriations pursuant to Sections 12301 and 12306, and which use the experience gained and the techniques developed by the in-home supportive services demonstration projects conducted by the University of California in Alameda, Contra Costa, and Marin Counties. The department may establish pilot projects in Alameda and Marin Counties for the purpose of assessing methods which allow for all of the following:

(a) Greater equity in decisions regarding eligibility and level of service as a means of reducing program costs.

(b) Administrative reforms that promote greater economy in program administration.

(c) Less costly processes for periodic redetermination of eligibility and service awards.

SEC. 22.4. Section 12311 is added to the Welfare and Institutions Code, to read:

12311. The director is authorized to grant such waivers from the provisions of this article as are necessary to carry out the purposes and intent of this section, however, the county must provide services within its allocation. The department shall evaluate the results of these pilot studies which shall include a comparison of results obtained by nonpilot counties in their efforts to maintain a budget-managed in-home supportive services program.

SEC. 22.6. Section 12312 is added to the Welfare and Institutions Code, to read:

12312. The department shall report to the Joint Budget Committee of the Legislature an interim report describing the status of the pilot projects no later than December 1, 1981. A final report describing the results achieved by the pilot projects with

recommendations for future legislation regarding statewide implementation of successful pilot study findings shall be submitted by the department to the Joint Legislative Budget Committee no later than May 1, 1982.

SEC. 23. Chapter 5 (commencing with Section 13000) of Part 3 of Division 9 of the Welfare and Institutions Code is repealed.

SEC. 24. Chapter 5 (commencing with Section 13000) is added to Part 3 of Division 9 of the Welfare and Institutions Code, to read:

CHAPTER 5. LOANS TO BLIND PERSONS

13000. There is in the State Treasury a permanent revolving fund, in the amount of one hundred fifty thousand dollars ($150,000), to be known as the Revolving Loan Fund, and to be administered by the department. The fund shall be used to make loans to recipients of aid under this chapter or aid to the aged, blind, or disabled due to blindness under Chapter 3 (commencing with Section 12000), at a rate of interest not to exceed 3 percent per year, to enable those recipients to establish themselves in businesses, professions, or other gainful employment, including, but not limited to self-employment or to assist those already engaged in such endeavors. No loan in excess of fifteen thousand dollars ($15,000) shall be made to any individual under this section.

The department shall establish through the Office of Services to the Blind the terms and conditions of loans made pursuant to this section, and shall prescribe the procedure to be followed in making application for such loans. All funds received in repayment of loans made pursuant to this section shall be deposited in the Revolving Loan Fund, and shall be available for the making of additional loans as provided in this section.

The collection procedures appropriate to the purposes and objectives of the loan fund shall be prescribed by the Office of Services to the Blind.

In no event shall the amount expended in any fiscal year from the Revolving Loan Fund exceed the amount saved by the state as a result of discontinuance of aid due to the earnings of persons during the preceding fiscal year.

SEC. 24.1. Section 13920 of the Welfare and Institutions Code is amended to read:

13920. For a person living in a nonmedical out-of-home care facility the department may establish varying allowances for room, board and care, provided that the minimum allowance shall not be less than three hundred ninety-four dollars ($394) per month and the amount so established shall be subject to increases in accordance with the cost-of-living increase formula set forth in Section 12201.

The room, board and care allowance established pursuant to this section does not include the personal and incidental needs established pursuant to Section 13921.

SEC. 24.2. Section 13921 of the Welfare and Institutions Code is

amended to read:

13921. The department shall establish a range of amounts for the personal and incidental needs of recipients in out-of-home care under this chapter provided that the minimum amount for personal and incidental needs shall not be less than fifty-eight dollars ($58) per month and that the range of amounts so established shall be subject to increases in accordance with the cost-of-living increase formula set forth in Section 12201.

SEC. 24.3. Section 13922 of the Welfare and Institutions Code is amended to read:

13922. The sum of the allowances established in Sections 13920 and 13921 shall not be less than four hundred ninety-six dollars ($496) and shall be the sum for purposes of subdivision (g) of Section 12200. Should such sum result in individuals or members of couples becoming ineligible for categorically needy medical services under Section 14005.1, then the sum shall be reduced separately for individuals to the highest whole dollar amount which will allow all individuals to retain eligibility under Section 14005.1 and for members of couples to the highest whole dollar amount which will allow all members of couples to retain such eligibility.

SEC. 25. Section 14132 of the Welfare and Institutions Code is amended to read:

14132. The following is the schedule of benefits under this chapter:

(a) Outpatient services are covered as follows:

Physician, hospital or clinic outpatient, surgical center, optometric, chiropractic, psychology, podiatric, occupational therapy, physical therapy, speech therapy, audiology, and services of persons rendering treatment by prayer or healing by spiritual means in the practice of any church or religious denomination insofar as these can be encompassed by federal participation under an approved plan, subject to utilization controls.

(b) Inpatient hospital services, including, but not limited to, physician and podiatric services, physical therapy and occupational therapy, are covered subject to utilization controls.

(c) Skilled nursing facility services, including podiatry and physician services, and prescribed drugs, as described in subdivision (d), are covered subject to utilization controls. Physical therapy, occupational therapy, speech therapy, and audiology services for patients in skilled nursing facilities are covered subject to utilization controls.

(d) Purchase of prescribed drugs is covered subject to the Medi-Cal Drug Formulary and utilization controls.

(e) Outpatient dialysis services and home hemodialysis services, including physician services, medical supplies, drugs and equipment required for dialysis, are covered, subject to utilization controls.

(f) Anesthesiologist services when provided as part of an outpatient medical procedure, nurse anesthetists services when rendered by an inpatient or outpatient setting under conditions set

forth by the director, outpatient laboratory services, and X-ray services are covered to the extent prescribed.

(g) Blood and blood derivatives are covered.

(h) Emergency and essential diagnostic and restorative dental services, except for orthodontic, fixed bridgework, and partial dentures that are not necessary for balance of a complete artificial denture, are covered, subject to utilization controls. The utilization controls shall allow emergency and essential diagnostic and restorative dental services and prostheses that are necessary to prevent a significant disability or to replace previously furnished prostheses which are lost or destroyed due to circumstances beyond the beneficiary's control. Notwithstanding the foregoing, the director may by regulation provide for certain fixed artificial dentures necessary for obtaining employment or for medical conditions which preclude the use of removable dental prostheses, and for orthodontic services in cleft palate deformities administered by the department's crippled children services program.

(i) Medical transportation is covered, subject to utilization controls.

(j) Home health care services are covered, subject to utilization controls.

(k) Prosthetic and orthotic devices and eyeglasses are covered, subject to utilization controls. Utilization controls shall allow replacement of prosthetic and orthotic devices and eyeglasses necessary because of loss or destruction due to circumstances beyond the beneficiary's control. Frame styles for eyeglasses replaced pursuant to this subdivision shall not change more than once every two years, unless the department so directs.

Orthopedic and conventional shoes are covered when provided by a prosthetic and orthotic supplier on the prescription of a physician and when at least one of the shoes will be attached to a prosthesis or brace, subject to utilization controls. Modification of stock conventional or orthopedic shoes when medically indicated, is covered subject to utilization controls. When there is a clearly established medical need that cannot be satisfied by the modification of stock conventional or orthopedic shoes, custom-made orthopedic shoes are covered, subject to utilization controls.

(*l*) Hearing aids are covered, subject to utilization controls. Utilization controls shall allow replacement of hearing aids necessary because of loss or destruction due to circumstances beyond the beneficiary's control.

(m) Durable medical equipment and medical supplies are covered, subject to utilization controls. The utilization controls shall allow the replacement of durable medical equipment and medical supplies when necessary because of loss or destruction due to circumstances beyond the beneficiary's control.

(n) Intermediate care facility services, including physician services, and prescribed drugs as described in subdivision (d) are covered, subject to utilization controls. Physical therapy,

occupational therapy, speech therapy and audiology services for patients in intermediate care facilities are covered subject to utilization controls.

(o) Family planning services are covered, subject to utilization controls.

(p) Inpatient intensive rehabilitation hospital services in a general acute care hospital are covered, subject to utilization controls, when the following criteria are met:

(1) A patient with a permanent disability or severe impairment requires an inpatient intensive rehabilitation hospital program as described in Section 14064 to develop function beyond the limited amount that would occur in the normal course of recovery; or

(2) A patient with a chronic or progressive disease requires an inpatient intensive rehabilitation hospital program as described in Section 14064 to maintain the patient's present functional level as long as possible.

(q) Adult day health care is covered in accordance with the provisions of Chapter 8.7 (commencing with Section 14520) of this part.

(r) Application of fluoride, or other appropriate fluoride treatment as defined by the department, and other prophylaxis treatment for children 17 years of age and under are covered.

(s) Paramedic services performed by a city, county, or special district, or pursuant to a contract with a city, county, or special district, and pursuant to a program established under Article 3 (commencing with Section 1480) of Chapter 2.5 of Division 2 of the Health and Safety Code by a paramedic certified pursuant to that article, and consisting of defibrillation and those services specified in subdivision (3) of Section 1482 of the article.

This subdivision shall be in effect only to the extent federal financial participation is available as set forth in Section 14106.6.

SEC. 26. Section 14501.5 is added to the Welfare and Institutions Code, to read:

14501.5. The Office of Family Planning shall develop and implement a sliding fee schedule for family planning services provided to individuals under this chapter. The fee schedule shall be based on family size and income.

SEC. 26.5. Section 14503 of the Welfare and Institutions Code is amended to read:

14503. Family planning services shall be offered to all former, current or potential recipients of childbearing age (as provided by Public Law 92-603) and provided to all such eligible individuals who voluntarily request such services. Such services shall be offered and provided without regard to marital status, age, or parenthood. Notwithstanding any other provisions of law, the furnishing of these family planning services shall not require the consent of anyone other than the person who is to receive them. Within the meaning of this section, the term "former, current or potential recipient" shall mean all persons eligible for Medi-Cal benefits under Chapter 7

(commencing with Section 14000) of this part and all persons eligible for public social services for which federal reimbursement is available under the federal Social Security Act, except that the term "potential recipients" shall in all cases include all persons in a family where current social, economic and health conditions of the family indicate that the family would likely become a recipient of financial assistance within the next five years.

Family planning services shall include, but not be limited to:

(a) Medical treatment and procedures defined as family planning services under the published Medi-Cal scope of benefits.

(b) Medical contraceptive services such as diagnosis, treatment, supplies, and followup.

(c) Informational and educational services.

(d) Facilitating services such as transportation and child care services needed to attend clinic or other appointments.

To the extent the services under this section are not available under the Medi-Cal program, they shall be provided by contracts between authorized public or private agencies offering family planning services and the State Department of Health Services. Such contracts shall include to the maximum extent possible, cooperative funding and other financial arrangements which permit maximum use of available federal funds. Information and referral services only shall be available to all other families and children.

As the single state agency responsible for the state plan under Title XX of the federal Social Security Act, the State Department of Social Services may provide family planning services pursuant to a purchase of services agreement with the State Department of Health Services from funds appropriated for such services. The agreement shall authorize the Office of Family Planning to implement a sliding fee schedule for family planning services provided to clients pursuant to Title XX of the federal Social Security Act in accordance with Section 14501.5.

SEC. 27. Section 15200.1 of the Welfare and Institutions Code is amended to read:

15200.1. There is hereby appropriated out of any money in the State Treasury not otherwise appropriated, to a fund to be known as the Support Enforcement Incentive Fund, from which the department shall make payments to each county to be deposited in the county general fund, amounts equivalent to the following:

(a) Fifteen percent of that portion of the amounts received or collected after July 1, 1981, from noncustodial parents which is used to reduce or repay aid paid pursuant to this chapter and which qualifies for federal incentive funds. This amount shall be reimbursed by federal funds.

(b) In the event that federal law is amended to require any federal incentive funds to be paid out of a combination of federal and state funds, the amount appropriated by this section shall be the sum of the amount or percentage reimbursable by federal incentive funds plus the difference between the total amount required and the

amount reimbursable by federal incentive funds.

Where more than one county has participated in such enforcement or collection, the incentive payment authorized by this section shall be made to the county making the collection.

Where more than one state has participated in such enforcement or collection, the incentive payment, if any, shall be made in accordance with Section 15200.2.

SEC. 28. Section 15200.2 of the Welfare and Institutions Code is amended to read:

15200.2. There is hereby appropriated out of any money in the State Treasury not otherwise appropriated, to a fund to be known as the Interstate Collection Incentive Fund, from which the department shall make payments to California counties and other states, amounts equivalent to the following:

(a) Fifteen percent of that portion of the amounts received or collected after July 1, 1981, from noncustodial parents residing outside California which is used to reduce or repay aid paid pursuant to this chapter and which qualifies for federal incentive funds. This amount shall be reimbursed by federal funds.

(b) In the event that federal law is amended to require any federal incentive funds to be paid out of a combination of federal and state funds, the amount appropriated by this section shall be the sum of the amount or percentage reimbursable by federal incentive funds plus the difference between the total amount required and the amount reimbursable by federal incentive funds.

The department shall, by regulation, apportion the incentive payment between the collecting state and the county receiving the noncustodial parent support payment.

Where a county makes a collection for another state, the department shall forward any incentive payment received from such state to the county making the collection from the noncustodial parent.

SEC. 29. Section 15200.3 of the Welfare and Institutions Code is repealed.

SEC. 30. Section 18904.1 is added to the Welfare and Institutions Code, to read:

18904.1. Nothing in this chapter shall be construed as authorizing the department to administer outreach programs or to adopt rules and regulations mandating that counties conduct outreach programs, except to the extent required by federal law.

SEC. 31. Section 9 of Chapter 348 of the Statutes of 1976 is amended to read:

Sec. 9. No appropriation is made by this act, nor is any obligation created thereby under Revenue and Taxation Code Section 2231 or Section 6 of Article XIII B of the California Constitution, for the reimbursement of any local agency for any costs incurred pursuant to Section 11453 of the Welfare and Institutions Code for fiscal year 1981–82 or any subsequent fiscal year, because funding for these costs is provided to the counties by the property tax revenue transfer from

school districts to counties made by the Legislature pursuant to Chapter 282 of the Statutes of 1979 and the increase in the nonfederal share of AFDC costs assumed by the state pursuant to that chapter.

SEC. 32. Notwithstanding the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, emergency regulations adopted by any state agency in order to implement the provisions of this act by October 1, 1981, shall not be subject to the review and approval of the Office of Administrative Law until 180 days after the regulations take effect. The regulations shall not remain in effect more than 180 days unless the agency complies with all the provisions of Chapter 3.5 as required by subdivision (e) of Section 11346.1 of the Government Code.

SEC. 33. The Legislature intends the following:

(a) Fifty-five million dollars ($55,000,000) of the five hundred six million dollars ($506,000,000) unallocated cost-of-living reserve proposed in the Governor's Budget for the 1981–82 fiscal year shall fund the 9.2 percent cost-of-living increase for SSI/SSP and AFDC grants. This 9.2 percent increase represents a net increase of 4.45 percent over the increase amount proposed in the Governor's Budget.

(b) The amount proposed by the Governor's Budget for state support of the State Department of Social Services (Item 518-001-001) shall be reduced by three million dollars ($3,000,000).

(c) Item 518-101-001 (g) of the Governor's Budget, which proposed to appropriate eight million four hundred fifty-eight thousand dollars ($8,458,000) for local mandated expenditures for administration of AFDC and in-home supportive services (IHSS) shall be deleted from the Budget Act since cost-of-living increases for the administrative components of the AFDC program were included in the property tax revenue transfer made by Chapter 282 of the Statutes of 1979 and there is no documentation to justify the IHSS payment.

(d) State funds for support of the State Office of Economic Opportunity proposed by Item 510-001-001 (d) of the Governor's Budget shall be reduced by the amount of five hundred ten thousand two hundred fifty-one dollars ($510,251).

(e) Item 426-001-001 of the Governor's Budget, which proposes funds for support of the State Department of Health Services shall be reduced by one million one thousand five hundred dollars ($1,001,500).

(f) Item 426-111-001 of the Governor's Budget, which proposes funds for local assistance for public health programs, shall be reduced by nine hundred sixty-seven thousand dollars ($967,000).

(g) Item 430-001-001 of the Governor's Budget, which proposes funds for specified programs under the authority of the State Department of Mental Health, shall be reduced by one hundred twenty thousand dollars ($120,000).

(h) Item 430-101-001 of the Governor's Budget, which proposes

funds for local assistance of programs funded by the State Department of Developmental Services, shall be reduced by six million six hundred seventy-two thousand seven hundred twenty-one dollars ($6,672,721).

(i) Item 430-101-890 of the Governor's Budget, which proposes funds, payable out of the federal trust fund, for local assistance for programs funded by the State Department of Developmental Services, shall be reduced by five hundred forty-eight thousand dollars ($548,000).

(j) Item 444-101-001, of the Governor's Budget, which proposes funds for local assistance for programs funded by the State Department of Mental Health, shall be reduced by one million seven hundred fourteen thousand seven hundred sixty dollars ($1,714,760).

(k) Item 414-001-001 of the Governor's Budget, which proposes funds for support of the Office of Statewide Health Planning and Development, shall be reduced by three hundred sixty-three thousand six hundred one dollars ($363,601).

(*l*) Item 518-101-001 of the Governor's Budget, which proposes funds for local assistance for programs funded by the State Department of Social Services, shall be reduced by twelve million five hundred thousand dollars ($12,500,000).

(m) Notwithstanding any other provision of law, travel expenditures for personnel in all departments within the Health and Welfare Agency, with the exception of the State Department of Social Services, shall be reduced by 30 percent.

SEC. 33.5. The Legislature finds and declares that the enactment of Sections 2.5, 3.1, 3.2, and 3.3 of this act, which amend Section 11840 of the Health and Safety Code and Section 5705 of the Welfare and Institutions Code, do not mandate any new program or higher level of service on any level of local government.

SEC. 34. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the provisions of this act to take effect at the beginning of the 1981–82 fiscal year and to implement funding policies made by the Budget Act of 1981, it is necessary for this act to take effect immediately.

SEC. 35. The provisions of this act shall become operative on July 1, 1981, except that Section 3.7 of this act, which amends Section 11006.2 of the Welfare and Institutions Code, shall become operative on October 1, 1981, and Sections 6 and 7 of this act, which amend Sections 11203 and 11253, respectively, of that code, shall become operative on August 1, 1981.

CHAPTER 70

An act to amend Section 41323 of, and to add Section 41310.5 to, the Education Code, relating to school districts, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 17, 1981. Filed with Secretary of State June 17, 1981.]

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

SECTION 1. Section 41310.5 is added to the Education Code, to read:

41310.5. (a) On or before January 1 of each year, the State Department of Education shall report to the Legislature on the status of school districts which have received emergency apportionments pursuant to Section 41310, Article 2 (commencing with Section 41320) of this chapter, or other specific statutory apportionment.

(b) The report required of the department pursuant to subdivision (a) shall include, but not be limited to, the following:

(1) Interest rates applied for repayment.

(2) Total annual budget of the district.

(3) Descriptions of staff, programs, services, activities of other functions apparently discontinued because of initial awareness of impending deficit and diminution of funds due to withholding of apportionments for repayment.

SEC. 1.5. Section 41323 of the Education Code is amended to read:

41323. The emergency apportionment shall be repaid to the state over a five-year period, or less, together with interest at a rate based on the most current investment rate of the Pooled Money Investment Account as of the date of the disbursement of funds to the district.

SEC. 2. A sum not to exceed six hundred twenty thousand dollars ($620,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction for allocation to the John Swett Unified School District for the 1980–81 fiscal year for any purpose for which money in the district general fund may be used.

SEC. 3. (a) The appropriation made pursuant to this act shall be deemed an apportionment made pursuant to Section 41310 of the Education Code and the provisions of Article 2 (commencing with Section 41320) of Chapter 3 of Part 24 of the Education Code shall be applicable.

SEC. 4. The allocation made pursuant to Section 2 of this act shall be repaid as follows, any provision of law to the contrary notwithstanding:

For each of the fiscal years, 1981–82 to 1985–86, inclusive, the

Superintendent of Public Instruction shall deduct from the apportionment made to the John Swett Unified School District an amount equal to one-fifth of the amount actually allocated to the district pursuant to Section 1 of this act, together with amounts representing interest at a rate based on the most current investment rate of the Pooled Money Investment Account as of the date of disbursement of funds to the district.

SEC. 5. Due to the unique circumstances concerning the school district subject to the provisions of Section 2 of this act, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution.

SEC. 6. Notwithstanding Section 6 of Article XIII B of the California Constitution and Section 2231 or 2234 of the Revenue and Taxation Code, no appropriation is made by this act for the purpose of making reimbursement pursuant to these sections. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Chapter 3 (commencing with Section 2201) of Part 4 of Division 1 of that 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:

Because of a dramatic decline in average daily attendance resulting in an overestimate of receipts from state apportionments, and in order that the John Swett Unified School District may continue meeting its operational costs in the 1980–81 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 71

An act making an appropriation to pay the settlement of the claim of Anna H. Salazar, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 19, 1981 Filed with Secretary of State June 21, 1981]

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

SECTION 1. The sum of two hundred thirty-seven thousand one hundred fifty dollars and forty-nine cents ($237,150.49) is hereby appropriated from the General Fund in augmentation of Item 470 of the 1980 Budget Act (Chapter 510, Statutes of 1980) to pay the settlement of the claim of the plaintiff against the State of California in the action entitled Anna H. Salazar v. State of California et al., No. 284383 brought in the Superior Court of the State of California for the

County of Sacramento and transferred to the Superior Court of the State of California for the County of Trinity, No. 7256 for damages from affliction with the Guillain-Barre Syndrome after the administration of an influenza vaccine under the supervision of a state health officer.

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

In order to pay the settlement arising out of an action brought by the plaintiff and ending a hardship to such person as quickly as possible, it is necessary that this act take effect immediately.

CHAPTER 72

An act to amend Section 34595 of the Food and Agricultural Code, relating to milk.

[Approved by Governor June 19, 1981. Filed with Secretary of State June 21, 1981]

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

SECTION 1. Section 34595 of the Food and Agricultural Code is amended to read:

34595. Homogenized market milk, which is served from a milk-dispensing device that has been approved for that use by the director, shall be dispensed directly from the dispensing device into the glass or other container from which the customer drinks the milk. It shall be served in minimum quantities of eight ounces in each such glass or container, except that individual servings of less than eight ounces may be served with children's or junior meals which are sold in a restaurant, as defined in Section 28522 of the Health and Safety Code.

CHAPTER 73

An act to amend Section 53069.9 of the Government Code, relating to water.

[Approved by Governor June 19, 1981. Filed with Secretary of State June 21, 1981.]

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

SECTION 1. Section 53069.9 of the Government Code is amended to read:

53069.9. (a) Any public agency providing water for fire protection purposes may, by ordinance or resolution, fix and collect a charge to pay the costs of operation, installation, capital, maintenance, repair, alteration, or replacement of facilities and equipment related to supplying water for fire protection purposes.

Except as provided in subdivision (b), any such charge fixed pursuant to this section, may be made on all land within the public agency to which water is made available for fire protection purposes. The legislative body of the agency which fixes such a charge may establish schedules varying the charges in different localities within the agency depending on the cost of operation, installation, capital, maintenance, repair, alteration, or replacement of facilities and equipment related to supplying water for fire protection purposes. Such charges may be collected at the same time and in the same manner as other water rates or water charges collected by the public agency.

(b) (1) A public agency providing water for fire protection purposes shall not charge, levy, assess, fix, or collect any charge, tax, fee, rate, assessment, or levy of any kind whatsoever in connection with its water system on or from any entity providing fire protection service to others for supplying water for such fire protection purposes within the service area of such entity providing fire protection service or for any costs of operation, installation, capital, maintenance, repair, alteration, or replacement of facilities and equipment related to supplying water for such fire protection purposes within the service area of such entity providing fire protection service, except pursuant to a written agreement with such entity providing fire protection service.

(2) The provisions of paragraph (1) of this subdivision shall not restrict or limit a public agency providing water for fire protection purposes from levying charges for water service or facilities, including water for fire protection purposes, on any person, property, or entity, whether public or private, other than on an entity providing fire protection service.

Such charges shall be collected from such other persons, property, or entities pursuant to existing provisions of law which authorize such charges, or from an entity providing fire protection services only pursuant to a written agreement authorizing such charges.

(c) For the purposes of this section, "entity providing fire protection services" means a city, county, or city and county, whether general law or chartered, or a fire company, fire protection district, or any other person, association, company, corporation, district, municipal corporation, or any other public or private entity, which public or private entity or person provides fire protection services to any other public or private entity or person.

CHAPTER 74

An act to amend Section 7480 of the Government Code, relating to financial records, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 19, 1981. Filed with Secretary of State June 21, 1981.]

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

SECTION 1. 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 which 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 and loan association in writing that a crime report has been filed which involves the alleged fraudulent use of drafts, checks or other orders drawn upon any bank, credit union, or savings and loan association in this state, such police or sheriff's department or district attorney may request a bank, credit union, or savings and loan association to furnish, and a bank, credit union, or savings and loan association shall supply, 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:

(i) The number of items dishonored;

(ii) The number of items paid which created overdrafts;

(iii) The dollar volume of such dishonored items and items paid which created overdrafts and a statement explaining any credit arrangement between the bank, credit union, or savings and loan association and customer to pay overdrafts;

(iv) The dates and amounts of deposits and debits and the account balance on such dates;

(v) A copy of the signature and any addresses appearing on a customer's signature card; and

(vi) The date the account opened and, if applicable, the date the account closed.

(c) The Attorney General, the Franchise Tax Board, the State Board of Equalization, the Employment Development Department, the Controller or an inheritance tax referee when administering the Inheritance Tax Law (Part 8 (commencing with Section 13301), Division 2, Revenue and Taxation Code), or a police or sheriff's department or district attorney from requesting of an office or branch of a financial institution, and the office or branch from

responding to such a request, as to whether a person has an account or accounts at that office or branch and, if so, any identifying numbers of such account or accounts.

(d) The examination by, or disclosure to, any supervisory agency of financial records which relate solely to the exercise of its supervisory function. The scope of an agency's supervisory function shall be determined by reference to statutes which grant authority to examine, audit, or require reports of financial records or financial institutions as follows:

(1) With respect to the Superintendent of Banks by reference to Division 1 (commencing with Section 99), Division 15 (commencing with Section 31000), and Division 16 (commencing with Section 33000) of the Financial Code.

(2) With respect to the Department of Savings and Loan by reference to Division 2 (commencing with Section 5000) of the Financial Code.

(3) With respect to the Corporations Commissioner by reference to Division 5 (commencing with Section 14000) and Division 7 (commencing with Section 18000) of the Financial Code.

(4) With respect to the State Controller by reference to Title 10 (commencing with Section 1300) of Part 3 of the Code of Civil Procedure.

(5) 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.

(e) The disclosure to the Franchise Tax Board of (1) the amount of any security interest 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 required to be filed by the financial institution pursuant to Part 10, 11, or 18 of the Revenue and Taxation Code.

(f) The disclosure to the State Board of Equalization of:

(1) The information required by Sections 6702, 8954, 30313, 32383, 38502, and 40153 of the Revenue and Taxation Code; or

(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 Parts 1, 2, 3, 13, 14, and 17 of the Revenue and Taxation Code.

(g) The disclosure to the State Controller of the information required by Section 7853 of the Revenue and Taxation Code.

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

In order to clearly authorize law enforcement officials to obtain information from a savings and loan association in connection with a crime report at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 75

An act to add Section 61371.5 to the Food and Agricultural Code, relating to dairy products.

[Approved by Governor June 19, 1981. Filed with Secretary of State June 21, 1981.]

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

SECTION 1. Section 61371.5 is added to the Food and Agricultural Code, to read:

61371.5. The provisions of this article shall not apply to retail sales or promotions of frozen products sold in other than packaged form in restaurants, as defined in Section 28522 of the Health and Safety Code; the cost of any such sales or promotion shall be borne by the restaurant.

CHAPTER 76

An act to amend Section 24007.3 of the Vehicle Code, relating to vehicles.

[Approved by Governor June 19, 1981 Filed with Secretary of State June 21, 1981]

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

SECTION 1. Section 24007.3 of the Vehicle Code is amended to read:

24007.3. No dealer or person holding a retail seller's permit shall sell a new or used motor vehicle subject to Chapter 20.4 (commencing with Section 9889.50) of Division 3 of the Business and Professions Code which has not been inspected within 60 days immediately prior to sale pursuant to subdivision (b) or (d) of Section 9889.55 of the Business and Professions Code, unless the vehicle is sold to another dealer or for the purpose of being wrecked or dismantled or is sold exclusively for off-highway use. The dealer or person holding the retail seller's permit shall, with each application for initial registration or transfer of registration of a motor vehicle subject to Chapter 20.4 (commencing with Section 9889.50) of Division 3 of the Business and Professions Code, transmit to the Department of Motor Vehicles a valid certificate of compliance or waiver issued pursuant to Section 9889.56 of the Business and Professions Code indicating that the vehicle has passed, within 60 days immediately prior to sale, the inspection conducted pursuant to subdivision (b) or (d) of Section 9889.55 of the Business and Professions Code.

CHAPTER 77

An act to add Section 10302.5 to the Elections Code, relating to elections.

[Approved by Governor June 19, 1981. Filed with Secretary of State June 21, 1981]

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

SECTION 1. Section 10302.5 is added to the Elections Code, to read:

10302.5. Whenever the Attorney General prepares a condensed statement of a ballot title, the Attorney General shall file a copy of the statement with the Secretary of State. The Secretary of State shall make a copy of the statement available for public examination prior to the printing of the statement on any ballot. The public shall be permitted to examine the statement for at least 20 days, and the Secretary of State may consolidate the examination requirement under this section with the public examination requirements set forth in Section 3576. Any voter may seek a writ of mandate requiring any statement, or portion thereof, to be amended or deleted. The provisions set forth in Section 3576 concerning the issuance of the writ and the nature of the proceedings shall be applicable to this section.

CHAPTER 78

An act to amend Sections 84200 and 84205 of the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor June 19, 1981. Filed with Secretary of State June 21, 1981.]

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

SECTION 1. Section 84200 of the Government Code is amended to read:

84200. (a) All candidates and committees shall file campaign statements no later than July 31 and January 31 if they have made or received contributions or made expenditures during the six calendar months before the closing date of such statements; provided, that a candidate who, during the past six calendar months has filed a declaration pursuant to Section 84205, shall not be required to file a statement. All elected officers shall file campaign statements no later than July 31 and January 31; provided that this requirement does not apply to elected officers whose salaries are less than one hundred dollars ($100) a month or to judges, unless such elected officer or

judge is a candidate or committee which receives contributions or makes expenditures during the applicable six-month period. Filers specified in subdivision (c) shall not file the campaign statement required by this subdivision for the six-month period in which an election referred to in subdivision (c) is held.

(b) In addition to the campaign statements required by subdivision (a), candidates, elected officers, controlled committees, and any committee formed primarily to support or oppose a candidate or a measure that has made or received contributions of five hundred dollars ($500) or more or made expenditures of five hundred dollars ($500) or more during the threshold periods specified below, and all other committees which, in an even-numbered year, have made or received contributions of five hundred dollars ($500) or more or made expenditures of five hundred dollars ($500) or more during the threshold periods specified below, or, in an odd-numbered year, have made contributions or independent expenditures of five hundred dollars ($500) or more during the threshold periods specified below shall file campaign statements on the following dates:

(1) No later than March 22, with a five hundred dollar ($500) threshold period of January 1 through March 17.

(2) No later than 12 days before the first Tuesday after the first Monday in June, with a five hundred dollar ($500) threshold period of March 18 through 17 days before the first Tuesday after the first Monday in June.

(3) September 22, with a five hundred dollar ($500) threshold period of July 1 through September 17.

(4) Twelve days before the first Tuesday after the first Monday in November, with a five hundred dollar ($500) threshold period of September 18 through 17 days before the first Tuesday after the first Monday in November.

Notwithstanding the above, elected officers, candidates, and their controlled committees and committees formed primarily to support or oppose a candidate whose activities within a threshold period consist only of receiving contributions and making expenditures solely in connection with their own or their candidate's campaigns are not required to file campaign statements pursuant to this subdivision during any six-month period (from January 1 to June 30 or from July 1 to December 31) in which the candidate's office is not to be voted on or in the case of an elected officer, when the elected officer is not a candidate for an office being voted on in a six-month period.

Filers specified in subdivision (c) shall not file the campaign statements required by this subdivision during the six months in which an election referred to in subdivision (c) is held.

Filers specified in subdivision (d) shall not file the campaign statements required by this subdivision until after the filing date for the campaign statement required by subdivision (d).

(c) If an election is held on a date other than the first Tuesday

after the first Monday in June, or the first Tuesday after the first Monday in November, candidates voted on in such elections, their controlled committees and committees formed or existing primarily to support or oppose such candidates or measures voted on in such election shall file campaign statements in connection with the election and shall also file the campaign statements required by subdivisions (a) and (b) for any six-month period in which such an election is not held. Statements filed in connection with such elections shall be filed no later than 40 days before the election, no later than 12 days before the election, and no later than 65 days after the election; provided, however, if a subsequent runoff election is held within 60 days of the first election, the postelection statement shall be filed 65 days after the runoff election. If, however, pursuant to this subdivision, a candidate or committee is required to file campaign statements in connection with a subsequent runoff resulting from that election which is held within 60 days of the first election, such statements shall be filed no later than 40 days prior to the first election (or March 22, if the first election is on the first Tuesday after the first Monday in June, or September 22, if the first election is on the first Tuesday after the first Monday in November) no later than 12 days prior to the first election, no later than 12 days prior to the runoff and no later than 65 days after the runoff election.

(d) Committees formed or existing primarily to support or oppose the qualification of a measure and proponents of a state measure shall file campaign statements not later than 35 days after the deadline for filing petitions or the date of notification that the measure has either qualified or failed to qualify, whichever is earlier. A committee filing pursuant to this subdivision shall not be required to file semiannual campaign statements under subdivision (a) until after the filing date for the campaign statement required by this subdivision.

SEC. 2. Section 84205 of the Government Code is amended to read:

84205. (a) A candidate shall not be required to file any of the campaign statements required by Section 84200 if, on or before the filing date for the first campaign statement due before the election, he or she files a declaration stating that to the best of his or her knowledge less than five hundred dollars ($500) in contributions or expenditures will be received or made in behalf of or in support of his or her candidacy, provided, however, that the candidate shall file campaign statements under Section 84200 if five hundred dollars ($500) in contributions or expenditures are eventually received or made. This declaration shall be signed by the candidate under penalty of perjury and shall be filed in the same manner and in the same places as a campaign statement.

(b) Whenever Section 84200 requires the filing of a campaign statement by a candidate or elected officer, the candidate or elected officer may in lieu thereof file a statement signed under penalty of perjury that to the best of his or her knowledge less than five hundred dollars ($500) has been received or expended or will be

received or expended on behalf of or in support of his or her candidacy. The statement shall also contain the name, street address and treasurer of any committee of which he or she has knowledge which has received contributions or made expenditures on behalf of his or her candidacy and whether the committee is controlled by the candidate or officeholder.

(c) For the purposes of this section, in calculating whether five hundred dollars ($500) in expenditures have been made, payments for a filing fee or for the costs of a statement of qualifications shall not be included if such payments have been made from the candidate's personal funds.

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 79

An act to add Article 11 (commencing with Section 31149.1) to Chapter 1 of Part 5 of Division 12 of, and to repeal Section 31022.5 of, the Water Code, relating to county water districts.

[Approved by Governor June 19, 1981. Filed with Secretary of State June 21, 1981.]

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

SECTION 1. Section 31022.5 of the Water Code is repealed.

SEC. 2. Article 11 (commencing with Section 31149.1) is added to Chapter 1 of Part 5 of Division 12 of the Water Code, to read:

Article 11. Power Generation

31149.1. A district may, by using any water or water supplies furnished to the district or used by the district, construct, maintain, and operate one or more plants for the generation of hydroelectric power from the water, and the transmission lines for the conveyance thereof.

"Plant for the generation of hydroelectric power" includes water driven generators and appurtenant facilities for the generation of electric power and structures for the protection of the generators on appurtenant facilities.

The plant or plants so constructed shall be operated in a manner which is compatible with the proper operation of the district's water storage, transmission, and distribution system. Construction of the plant or plants and transmission lines may be financed by the issuance of general obligation bonds or revenue bonds or any other method of financing district works authorized in this division.

31149.2. The hydroelectric power plant or plants and transmission lines constructed pursuant to this article may be leased for operation by, or the power generated may be sold to, a public utility or public agency engaged in the distribution, use, or sale of electricity. The power generated may be used by a district for its own purposes, or for the production or transmission of water, but shall not be offered for sale directly by a district to customers other than such a public utility or public agency. The power to acquire works and facilities shall not include, and nothing in this article shall be interpreted to allow, the acquisition of property already employed in the generation of hydroelectric energy for public utility purposes, except by mutual agreement between the district and the owner of that property.

CHAPTER 80

An act to amend Section 22507.6 of the Vehicle Code, relating to vehicles.

[Approved by Governor June 19, 1981 Filed with Secretary of State June 21, 1981]

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

SECTION 1. Section 22507.6 of the Vehicle Code is amended to read:

22507.6. Local authorities may, by ordinance or resolution prohibit or restrict the parking or standing of vehicles on designated streets or highways, or portions thereof, for the purpose of street sweeping. No ordinance or resolution relating to the parking or standing of commercial vehicles in a residential district shall be effective with respect to any commercial vehicle making pickups or deliveries of goods, wares, or merchandise from or to any building or structure located on the restricted street or highway, or for the purpose of delivering materials to be used in the repair, alteration, remodeling, or reconstruction of any building or structure for which a building permit has previously been obtained. No such ordinance or resolution shall be effective until such street or highway, or portion thereof, has been sign posted in accordance with the uniform standards and specifications of the Department of Transportation, or local authorities have caused to be posted in a conspicuous place at each entrance to such a street a notice not less than 17 inches by 22 inches in size, with lettering not less than one inch in height, setting forth the day or days and hours parking is prohibited. As used in this section, "entrance" means the intersection of any street or streets comprising an area of restricted parking for street sweeping purposes on the same day or days and hours with another street or highway not subject to such a parking restriction, or subject to

parking restrictions on different days and hours.

CHAPTER 81

An act to amend Section 27202 of the Vehicle Code, relating to vehicles.

[Approved by Governor June 19, 1981. Filed with Secretary of State June 21, 1981.]

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

SECTION 1. Section 27202 of the Vehicle Code is amended to read:

27202. For the purposes of Section 27200, the following noise limits shall apply to any motorcycle, other than a motor-driven cycle, manufactured:

(1) After 1969, and before 1973	88 dbA
(2) After 1972, and before 1975	86 dbA
(3) After 1974, and before 1983	83 dbA
(4) After 1982, and before 1986	80 dbA
(5) After 1985, and before 1990	75 dbA
(6) After 1989	70 dbA

CHAPTER 82

An act to amend Section 35400 of the Vehicle Code, relating to vehicles.

[Approved by Governor June 19, 1981 Filed with Secretary of State June 21, 1981.]

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

SECTION 1. Section 35400 of the Vehicle Code is amended to read:

35400. (a) No vehicle shall exceed a length of 40 feet.

(b) This section does not apply to:

(1) A vehicle used in a combination of vehicles when the excess length is caused by auxiliary parts, equipment, or machinery not used as space to carry any part of the load, except that the combination of vehicles shall not exceed the length provided for combination vehicles.

(2) A vehicle when the excess length is caused by any parts necessary to comply with the fender and mudguard regulations of

this code.

(3) An articulated bus or articulated trolley coach, except that such bus or trolley coach shall not exceed a length of 60 feet.

(4) A semitrailer while being towed by a motortruck or truck tractor, if the distance from the kingpin to the rearmost axle of the semitrailer does not exceed 38 feet; provided, that the semitrailer does not, exclusive of attachments, extend forward of the rear of the cab of the motortruck or truck tractor.

(5) A bus when the excess length is caused by the projection of a front safety bumper or a rear safety bumper, or both. Such safety bumper shall not cause the length of the vehicle to exceed the maximum legal limit by more than one foot in the front and one foot in the rear. For the purposes of this chapter, "safety bumper" means any device which may be fitted on an existing bumper or which replaces the bumper and is so constructed, treated, or manufactured so that it absorbs energy upon impact.

(6) A bus when the excess length is caused by a device, located in front of the front axle, for lifting wheelchairs into the bus. Such a device shall not cause the length of the bus to be extended by more than 18 inches exclusive of any front safety bumper.

(7) A bus when the excess length is caused by a device attached to the rear of the bus designed and used exclusively for the transporting of bicycles. Such a device may be up to 10 feet in length, if such device, along with any other device permitted pursuant to this section, does not cause the total length of the bus, including any device, to exceed an overall length of 50 feet.

CHAPTER 83

An act to repeal and add Section 70010 of the Public Utilities Code, relating to transit.

[Approved by Governor June 19, 1981. Filed with Secretary of State June 21, 1981.]

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

SECTION 1. Section 70010 of the Public Utilities Code is repealed.

SEC. 2. Section 70010 is added to the Public Utilities Code, to read:

70010. It shall be the purpose of the Marin County Transit District to develop, finance, organize, and provide local Marin County transit service in a manner consistent with an overall San Francisco Bay Area regional transit system.

CHAPTER 84

An act to add Section 7902.6 to the Government Code, relating to local government, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 19, 1981. Filed with Secretary of State June 21, 1981.]

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

SECTION 1. Section 7902.6 is added to the Government Code, to read:

7902.6. The governing body of any city incorporated at the General Election held on November 4, 1980, for which no appropriations limit has been established by the electors of that entity, may, by resolution, adopt an appropriations limit for the purposes of Article XIII B of the California Constitution in the following manner:

(a) For the 1980–81 fiscal year, the appropriations limit of the city shall not exceed the amount determined pursuant to subdivision (a) of Section 3 of Article XIII B of the California Constitution as adjusted in any manner which may be required or permitted by Article XIII B.

(b) For the 1981–82 fiscal year, the appropriations limit of the city shall not exceed the total amount of proceeds of taxes received by the city during the 1981–82 fiscal year.

(c) For the 1982–83 fiscal year and each year thereafter, the appropriations limit of the city shall be equal to the total amount of proceeds of taxes received by the city for the 1981–82 fiscal year, adjusted for changes in the cost-of-living and population and such other changes as may be required or permitted by Article XIII B.

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

In order that this act, which would provide for the establishment of a legally authorized appropriations limit for a city which was incorporated at the November 1980 General Election and thereby provide for the implementation of the mandate of Article XIII B of the California Constitution, may be effective during the 1980–81 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 85

An act to amend Sections 31111 and 31112 of the Government Code, relating to counties.

[Approved by Governor June 19, 1981. Filed with Secretary of State June 21, 1981.]

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

SECTION 1. Section 31111 of the Government Code is amended to read:

31111. The civil service commission shall consist of five members or, if so resolved by the board of supervisors, seven members, each of whom shall hold office for a term of four years and until his successor is appointed and qualified. The members shall be selected from among the qualified electors of the county. Vacancies occurring in the commission shall be filled by appointment by the board of supervisors for the remainder of the unexpired term only. The civil service commission may be designated as a merit board.

SEC. 2. Section 31112 of the Government Code is amended to read:

31112. The terms of office of two members of the first civil service commission shall be one year. The terms of office of the other members of the first commission shall be two, three, and four years, respectively. If the commission is composed of seven members, the terms of office of all members of the first seven-member commission shall be fixed by lot at one year for two members, two years for two members, three years for two members, and four years for one member. The members shall determine by lot the relative order of the expiration of their terms.

CHAPTER 86

An act to amend Section 117.9 of the Code of Civil Procedure, relating to small claims courts.

[Approved by Governor June 19, 1981. Filed with Secretary of State June 21, 1981.]

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

SECTION 1. Section 117.9 of the Code of Civil Procedure is amended to read:

117.9. If the judgment or order be against the defendant or cross defendant, he or she shall pay the same forthwith or at any time and upon such terms and conditions as the judge shall prescribe. Immediately upon receipt of payment of the judgment, the

judgment creditor or his or her assignee shall file with the court an acknowledgment of satisfaction of judgment. Any judgment creditor or assignee who, after payment in full of the judgment, and after written demand by the judgment debtor fails without just cause for a period of 15 days to execute, and file an acknowledgment of satisfaction of judgment with the court is liable to the judgment debtor or his or her grantees or heirs for all damages which he or she or they may sustain by reason of such failure and shall also forfeit to him or her or them the sum of fifty dollars ($50).

A canceled check or money order which was written subsequent to the judgment by the judgment debtor for the full amount of the judgment, made payable to and endorsed by the judgment creditor, or a cash receipt written subsequent to the judgment for the full amount thereof and signed by the judgment creditor, shall constitute a rebuttable presumption of satisfaction of judgment when filed with the clerk of the small claims court together with a statement signed by the judgment debtor under penalty of perjury stating that: (1) the judgment creditor has been paid in full the amount of the judgment and costs; (2) the judgment creditor has been requested to file an acknowledgment of satisfaction of judgment and refuses to do so or the present address of the judgment creditor is unknown; and (3) the documents attached constitute evidence of receipt of this payment. In the event a rebuttable presumption of satisfaction of judgment is created pursuant to this section, a satisfaction of judgment shall be entered.

CHAPTER 87

An act to amend Item 287 of Section 2 of Chapter 510 of the Statutes of 1980, relating to health, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 23, 1981. Filed with Secretary of State June 23, 1981]

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

SECTION 1. Item 287 of Section 2 of Chapter 510 of the Statutes of 1980 is amended to read:

287—For transfer to the Health Care Deposit Fund to provide for the state's share of the California Medical Assistance Program expenditures for medical care and services, other than induced abortions .. 2,193,958,500

Schedule:

(a) State share 2,193,958,500

(b) Federal funds per Section 8.7 .(1,792,689,800)

provided, except as otherwise provided in this item, that the amounts authorized to be expended

by Items 287, 288, and 289 shall fully cover the state's share of payments for medical care and services as defined in the Welfare and Institutions Code, county administration and fiscal intermediary services for the 1980–81 fiscal year; provided further, that notwithstanding any other provision of law, funds transferred from Items 287, 288, and 289 to the Health Care Deposit Fund by the State Controller shall not exceed the state's share, determined pursuant to a plan approved by the Director of Finance, of bills for services and administration approved for payment as certified by the Director of Health Services.

Provided further, that after June 30, 1981, a transfer to the Health Care Deposit Fund from Items 287, 288, and 289 shall be permitted to meet the total General Fund obligation incurred pursuant to those items respectively.

Provided, that notwithstanding any other provision of law, any federal and county funds received under the provisions of Section 14157 of the Welfare and Institutions Code during the 1980–81 fiscal year, for expenditures for health care services pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code, made from funds transferred to the Health Care Deposit Fund from the General Fund in prior years, shall be transferred from the Health Care Deposit Fund to the General Fund.

Provided, that notwithstanding any other provision of law, the disposition of any money recovered for previously paid health care services provided pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code shall be as follows:

(1) If recovered from a third party who is civilly liable or under a contractual obligation, the nonfederal share shall, after being deposited in the Health Care Deposit Fund, be transferred to the General Fund.

(2) If recovered by the state for settlement of hospital cost report audits, both federal and nonfederal shares are hereby appropriated and shall be expended as soon as practicable for medical care and services as defined in the Welfare and Institutions Code.

(3) If not otherwise provided for in this proviso, the nonfederal share shall, after being deposited in the Health Care Deposit Fund, be transferred to

the General Fund.

Provided, that notwithstanding any other provision of law, accounts receivable, for recoveries as described in this item, shall have no effect upon the positive balance of the General Fund or the Health Care Deposit Fund.

Provided, that notwithstanding any other provision of law, money recovered as described in this item required to be transferred from the Health Care Deposit Fund to the General Fund shall be credited by the State Controller to the General Fund without regard to the appropriation from which it was drawn.

Provided further, that funds appropriated by this item for the Mediscreen Program shall be allocated and administered in conjunction with funds appropriated in Item 290 for the Child Health Disability Prevention Program.

Provided further, that the Department of Health Services shall reimburse hospitals operated by the University of California for medical teaching purposes, where the university is responsible for the operating costs of such a hospital, at rates for services to Medi-Cal patients which results in the minimum General Fund liability for the care of such patients.

Provided further, that the General Fund shall make a loan available not to exceed $45 million to be transferred from time to time as needed to the Health Care Deposit Fund to meet cash needs.

Provided further, that the Department of Health Services shall report quarterly to the Department of Finance regarding loans and repayments made under this proviso.

Provided further, that such loans are subject to the repayment provisions of Section 16351 of the Government Code. Provided further, that any additional loan requirement in excess of $45 million shall be processed in the manner prescribed by Section 16351 of the Government Code.

Provided further, that the amount authorized to be expended by this item is also subject to the provision relating to the increased costs of rules or regulations contained in Item 284.

Provided further, that no funds appropriated by this item shall be used for payment to any provider of durable medical equipment under a pilot program in Fresno and Madera Counties operating pursuant to Article 7 (commencing with Section

14490) of Chapter 8 of Part 3 of Division 9 of the Welfare and Institutions Code, who sells its services or goods outside the geographic area of the pilot program without complying with the treatment authorization request procedure of the Department of Health Services.

Provided further, that no General Fund money appropriated pursuant to this item shall be loaned for the purpose of meeting Short-Doyle program fiscal obligations or to cover federal Short-Doyle program audit exceptions.

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

In order to provide sufficient funds to support the Medi-Cal program for the balance of the 1980–81 fiscal year, it is necessary for this act to take effect immediately.

CHAPTER 88

An act to amend Section 337.15 of the Code of Civil Procedure, relating to limitations of actions.

[Approved by Governor June 23, 1981 Filed with Secretary of State June 23, 1981.]

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

SECTION 1. Section 337.15 of the Code of Civil Procedure is amended to read:

337.15. (a) No action may be brought to recover damages from any person, or the surety of a person, who develops real property or performs or furnishes the design, specifications, surveying, planning, supervision, testing, or observation of construction or construction of an improvement to real property more than 10 years after the substantial completion of the development or improvement for any of the following:

(1) Any latent deficiency in the design, specification, surveying, planning, supervision, or observation of construction or construction of an improvement to, or survey of, real property.

(2) Injury to property, real or personal, arising out of any such latent deficiency.

(b) As used in this section, "latent deficiency" means a deficiency which is not apparent by reasonable inspection.

(c) As used in this section, "action" includes an action for indemnity brought against a person arising out of that person's

performance or furnishing of services or materials referred to in this section, except that a cross-complaint for indemnity may be filed pursuant to subdivision (b) of Section 428.10 in an action which has been brought within the time period set forth in subdivision (a) of this section.

(d) Nothing in this section shall be construed as extending the period prescribed by the laws of this state for bringing any action.

(e) The limitation prescribed by this section shall not be asserted by way of defense by any person in actual possession or the control, as owner, tenant or otherwise, of such an improvement, at the time any deficiency in the improvement constitutes the proximate cause for which it is proposed to bring an action.

(f) This section shall not apply to actions based on willful misconduct or fraudulent concealment.

(g) The 10-year period specified in subdivision (a) shall commence upon substantial completion of the improvement, but not later than the date of one of the following, whichever first occurs:

(1) The date of final inspection by the applicable public agency.

(2) The date of recordation of a valid notice of completion.

(3) The date of use or occupation of the improvement.

(4) One year after termination or cessation of work on the improvement.

The date of substantial completion shall relate specifically to the performance or furnishing design, specifications, surveying, planning, supervision, testing, observation of construction or construction services by each profession or trade rendering services to the improvement.

CHAPTER 89

An act to amend Section 41871 of the Food and Agricultural Code, relating to agriculture.

[Approved by Governor June 23, 1981. Filed with Secretary of State June 23, 1981.]

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

SECTION 1. Section 41871 of the Food and Agricultural Code is amended to read:

41871. This chapter shall remain in effect only until January 1, 1984, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1984, deletes or extends such date.

CHAPTER 90

An act to amend Sections 20999.1 and 21140.1 of, to add Section 20999.4 to, and to repeal and add Sections 20999, 21140, and 21150 to, the Business and Professions Code, and to amend Sections 31005 and 31104 of, to add Section 31005.5 to, and to repeal Sections 31013.5 and 31013.6 of, the Corporations Code, relating to petroleum franchises.

[Approved by Governor June 25, 1981 Filed with Secretary of State June 25, 1981]

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

SECTION 1. Section 20999 of the Business and Professions Code is repealed.

SEC. 2. Section 20999 is added to the Business and Professions Code, to read:

20999. For purposes of this chapter, the following terms shall have the following meanings:

(a) "Franchise" means any contract between a refiner and a distributor, between a refiner and a retailer, between a distributor and another distributor, or between a distributor and a retailer, under which a refiner or distributor authorizes or permits a retailer or distributor to use, in connection with the sale, consignment, or distribution of gasoline, diesel, gasohol, or aviation fuel, a trademark which is owned or controlled by such refiner or by a refiner which supplies fuel to the distributor which authorizes or permits such use. The term "franchise" includes the following:

(1) Any contract under which a retailer or distributor is authorized or permitted to occupy leased marketing premises, which premises are to be employed in connection with the sale, consignment, or distribution of fuel under a trademark which is owned or controlled by such refiner or by a refiner which supplies fuel to the distributor which authorizes or permits such occupancy.

(2) Any contract pertaining to the supply of fuel which is to be sold, consigned, or distributed under a trademark owned or controlled by a refiner, or under a contract which has existed continuously since May 15, 1973, and pursuant to which, on May 15, 1973, fuel was sold, consigned, or distributed under a trademark owned and controlled on such date by a refiner.

(3) The unexpired portion of any franchise, as defined by the preceding provisions of this paragraph, which is transferred or assigned as authorized by the provisions of such franchise or by any applicable provision of state law which permits such transfer or assignment without regard to any provision of the franchise.

(b) "Franchise relationship" means the respective fuel marketing or distribution obligations and responsibilities of a franchisor and a franchisee which result from the marketing of fuel under a franchise.

(c) "Franchisor" means a refiner or distributor who authorizes or

permits, under a franchise, a retailer or distributor to use a trademark in connection with the sale, consignment, or distribution of fuel.

(d) "Franchisee" means a retailer or distributor who is authorized or permitted, under a franchise, to use a trademark in connection with the sale, consignment, or distribution of fuel.

(e) "Refiner" means any person engaged in the refining of crude oil to produce fuel, and includes any affiliate of such person.

(f) "Distributor" means any person, including any affiliate of such person, who either purchases fuel for sale, consignment, or distribution to another, or receives fuel on consignment for consignment or distribution to his or her own fuel accounts or to accounts of his or her supplier, but shall not include a person who is an employee of, or merely serves as a common carrier providing transportation service for, such supplier.

(g) "Retailer" means any person who purchases fuel for sale to the general public for ultimate consumption.

(h) "Marketing premises" means, in the case of any franchise, premises which, under such franchise, are to be employed by the franchisee in connection with the sale, consignment, or distribution of fuel.

(i) "Leased marketing premises" means marketing premises owned, leased, or in any way controlled by a franchisor and which the franchisee is authorized or permitted, under the franchise, to employ in connection with the sale, consignment, or distribution of fuel.

(j) "Contract" means any oral or written agreement. For supply purposes, delivery levels during the same month of the previous year shall be prima facie evidence of an agreement to deliver such levels.

(k) "Trademark" means any trademark, trade name, service mark, or other identifying symbol or name.

(*l*) "Fuel" means gasoline, diesel, gasohol, or aviation fuel.

(m) "Failure" does not include any failure for a cause beyond the reasonable control of either the franchise relationship or the franchisee.

(n) "Fail to renew" and "nonrenewal" mean, with respect to any franchise relationship, a failure to reinstate, continue, or extend the franchise relationship at any of the following times:

(1) At the conclusion of the term, or on the expiration date, stated in the relevant franchise.

(2) At any time, in the case of the relevant franchise which does not state a term of duration or an expiration date.

(3) Following a termination, on or after the effective date of this act, of the relevant franchise which was entered into prior to the effective date of this act and has not been renewed after that date.

(o) "Affiliate" means any person who, other than by means of a franchise, controls, is controlled by, or is under common control with, any other person.

(p) "Relevant geographic market area" includes this state or a

standard metropolitan statistical area within this state which has been established by the United States Office of Management and Budget.

(q) "Termination" includes cancellation.

SEC. 3. Section 20999.1 of the Business and Professions Code is amended to read:

20999.1. Notwithstanding the terms of any franchise, no franchisor shall terminate, cancel, or fail to or refuse to renew any existing franchise without good cause.

As used in this section good cause is limited to the following:

(a) The gasoline dealer or petroleum distributor failed to comply with essential and reasonable requirements of the franchise agreement;

(b) The gasoline dealer or petroleum distributor failed to act in good faith in carrying out the terms of the franchise; or

(c) The franchisor is withdrawing from the marketing location at which the franchise of a gasoline dealer is located, provided that the franchisor pays the gasoline dealer the current wholesale market value for all qualifying equipment and supplies purchased by the gasoline dealer from the franchisor or affiliate of the franchisor. This subdivision shall only apply to those gasoline dealer franchises which are entered into or renewed on or after January 1, 1979. As used in this subdivision, "qualifying equipment and supplies" means all equipment and supplies purchased by the gasoline dealer from the franchisor or an affiliate of the franchisor which is free and clear of all liens, security interests and other encumbrances, valued on a first-in, first-out basis, evidenced by receipted invoices, and is (i) in first-class and resalable condition, (ii) in the original packages or containers and (iii) bears the original labels and trademarks, and (iv) the goods display no evidence of deterioration. This subdivision shall not be construed to create any priority over any other debt between the parties to the franchise arising from the same franchise agreement.

(d) For other legitimate business reasons (except that a termination, or cancellation of a franchise for the purpose of enabling the petroleum distributor or manufacturer to assume operation of the distributor's or gasoline dealer's business shall not be considered to be a legitimate business reason unless the gasoline dealer or distributor is paid reasonable compensation for the value of his franchise, including a reasonable amount for goodwill).

SEC. 4. Section 20999.4 is added to the Business and Professions Code, to read:

20999.4. At such time as a franchisor intends to withdraw from the marketing of fuel through retail and distribution outlets in the relevant geographic market area, prompt notification, together with a plan describing the schedule and conditions of the withdrawal, shall be provided by the franchisor to the Governor.

SEC. 5. Section 21140 of the Business and Professions Code is repealed.

SEC. 6. Section 21140 is added to the Business and Professions Code, to read:

21140. For purposes of this chapter, the following terms shall have the following meanings:

(a) "Franchise" means any contract between a refiner and a distributor, between a refiner and a retailer, between a distributor and another distributor, or between a distributor and a retailer, under which a refiner or distributor authorizes or permits a retailer or distributor to use, in connection with the sale, consignment, or distribution of gasoline, diesel, gasohol, or aviation fuel, a trademark which is owned or controlled by such refiner or by a refiner which supplies fuel to the distributor which authorizes or permits such use. The term "franchise" includes the following:

(1) Any contract under which a retailer or distributor is authorized or permitted to occupy leased marketing premises, which premises are to be employed in connection with the sale, consignment, or distribution of fuel under a trademark which is owned or controlled by such refiner or by a refiner which supplies fuel to the distributor which authorizes or permits such occupancy.

(2) Any contract pertaining to the supply of fuel which is to be sold, consigned, or distributed under a trademark owned or controlled by a refiner, or under a contract which has existed continuously since May 15, 1973, and pursuant to which, on May 15, 1973, fuel was sold, consigned, or distributed under a trademark owned and controlled on such date by a refiner.

(3) The unexpired portion of any franchise, as defined by the preceding provisions of this paragraph, which is transferred or assigned as authorized by the provisions of such franchise or by any applicable provision of state law which permits such transfer or assignment without regard to any provision of the franchise.

(b) "Franchisor" means a refiner or distributor who authorizes or permits, under a franchise, a retailer or distributor to use a trademark in connection with the sale, consignment, or distribution of fuel.

(c) "Franchisee" means a retailer or distributor who is authorized or permitted, under a franchise, to use a trademark in connection with the sale, consignment, or distribution of fuel.

(d) "Refiner" means any person engaged in the refining of crude oil to produce fuel, and includes any affiliate of such person.

(e) "Distributor" means any person, including any affiliate of such person, who either purchases fuel for sale, consignment, or distribution to another, or receives fuel on consignment for consignment or distribution to his or her own fuel accounts or to accounts of his or her supplier, but shall not include a person who is an employee of, or merely serves as a common carrier providing transportation service for, such supplier.

(f) "Retailer" means any person who purchases fuel for sale to the general public for ultimate consumption.

(g) "Marketing premises" means, in the case of any franchise,

premises which, under such franchise, are to be employed by the franchisee in connection with the sale, consignment, or distribution of fuel.

(h) "Leased marketing premises" means marketing premises owned, leased, or in any way controlled by a franchisor and which the franchisee is authorized or permitted, under the franchise, to employ in connection with the sale, consignment, or distribution of fuel.

(i) "Contract" means any oral or written agreement. For supply purposes, delivery levels during the same month of the previous year shall be prima facie evidence of an agreement to deliver such levels.

(j) "Trademark" means any trademark, trade name, service mark, or other identifying symbol or name.

(k) "Fuel" means gasoline, diesel, gasohol, or aviation fuel.

(*l*) "Affiliate" means any person who, other than by means of a franchise, controls, is controlled by, or is under common control with, any other person.

SEC. 7. Section 21140.1 of the Business and Professions Code is amended to read:

21140.1. Notwithstanding the terms of any franchise, a franchisee shall not be precluded from purchasing fuel from any available source if the franchisor is unable or refuses to supply the franchisee with fuel.

Failure to deliver contracted, agreed upon, or requested quantities of fuel within 72 hours of such specified contract time, agreement, or request shall constitute an inability or refusal to supply a franchisee. Requests for deliveries of fuel may be telephoned to the franchisor, except that when the franchisee intends to seek fuel from another supplier pursuant to Section 21140.1 should the franchisor be unable or refuse to supply him or her, a request for fuel must be made in writing to a franchisor at least 48 hours before desired delivery.

Once such notice has been given, and the franchisor has failed to deliver contracted, agreed upon, or requested quantities of fuel no further written request shall be required from the franchisee until such time as the franchisor notifies the franchisee in writing that the franchisor is prepared to deliver contracted, agreed upon, or requested quantities of fuel.

Nondelivery of fuel by the franchisor due to accident, fire, theft or other similar acts shall not constitute an inability or refusal to supply the franchisee.

If the franchisee sells fuel supplied from a source other than the franchisor, the franchisee shall prominently post a sign disclosing this fact to the public on each pump dispensing fuel purchased from other than the franchisor. The sign shall not be smaller than 8" x 10" with letters not less than three inches in height.

This provision shall not be construed to permit a franchisee to purchase more fuel than may be allowed by any federal statute or regulation.

SEC. 8. Section 21150 of the Business and Professions Code is repealed.

SEC. 9. Section 21150 is added to the Business and Professions Code, to read:

21150. For purposes of this chapter, the following terms shall have the following meanings:

(a) "Franchise" means any contract between a refiner and a distributor, between a refiner and a retailer, between a distributor and another distributor, or between a distributor and a retailer, under which a refiner or distributor authorizes or permits a retailer or distributor to use, in connection with the sale, consignment, or distribution of fuel, a trademark which is owned or controlled by such refiner or by a refiner which supplies fuel to the distributor which authorizes or permits such use. The term "franchise" includes the following:

(1) Any contract under which a retailer or distributor is authorized or permitted to occupy leased marketing premises, which premises are to be employed in connection with the sale, consignment, or distribution of fuel under a trademark which is owned or controlled by such refiner or by a refiner which supplies fuel to the distributor which authorizes or permits such occupancy.

(2) Any contract pertaining to the supply of fuel which is to be sold, consigned, or distributed under a trademark owned or controlled by a refiner, or under a contract which has existed continuously since May 15, 1973, and pursuant to which, on May 15, 1973, fuel was sold, consigned, or distributed under a trademark owned and controlled on such date by a refiner.

(3) The unexpired portion of any franchise, as defined by the preceding provisions of this paragraph, which is transferred or assigned as authorized by the provisions of such franchise or by any applicable provision of state law which permits such transfer or assignment without regard to any provision of the franchise.

(b) "Franchisor" means a refiner or distributor who authorizes or permits, under a franchise, a retailer or distributor to use a trademark in connection with the sale, consignment, or distribution of fuel.

(c) "Franchisee" means a retailer or distributor who is authorized or permitted, under a franchise, to use a trademark in connection with the sale, consignment, or distribution of fuel.

(d) "Refiner" means any person engaged in the refining of crude oil to produce fuel, and includes any affiliate of such person.

(e) "Distributor" means any person, including any affiliate of such person, who either purchases fuel for sale, consignment, or distribution to another, or receives fuel on consignment for consignment or distribution to his or her own fuel accounts or to accounts of his or her supplier, but shall not include a person who is an employee of, or merely serves as a common carrier providing transportation service for, such supplier.

(f) "Retailer" means any person who purchases fuel for sale to the

general public for ultimate consumption.

(g) "Marketing premises" means, in the case of any franchise, premises which, under such franchise, are to be employed by the franchisee in connection with the sale, consignment, or distribution of fuel.

(h) "Leased marketing premises" means marketing premises owned, leased, or in any way controlled by a franchisor and which the franchisee is authorized or permitted, under the franchise, to employ in connection with the sale, consignment, or distribution of fuel.

(i) "Contract" means any oral or written agreement. For supply purposes, delivery levels during the same month of the previous year shall be prima facie evidence of an agreement to deliver such levels.

(j) "Trademark" means any trademark, trade name, service mark, or other identifying symbol or name.

(k) "Fuel" means gasoline, diesel, gasohol, or aviation fuel.

(*l*) "Affiliate" means any person who, other than by means of a franchise, controls, is controlled by, or is under common control with, any other person.

SEC. 10. Section 31005 of the Corporations Code is amended to read:

31005. (a) "Franchise" means a contract or agreement, either expressed or implied, whether oral or written, between two or more persons by which:

(1) A franchisee is granted the right to engage in the business of offering, selling or distributing goods or services under a marketing plan or system prescribed in substantial part by a franchisor; and

(2) The operation of the franchisee's business pursuant to such plan or system is substantially associated with the franchisor's trademark, service mark, trade name, logotype, advertising or other commercial symbol designating the franchisor or its affiliate; and

(3) The franchisee is required to pay, directly or indirectly, a franchise fee.

(b) For the purposes of this division, the term "franchise" also means the following:

(1) Any contractual agreement between a petroleum corporation or distributor and a gasoline dealer, or between a petroleum corporation and distributor, under which the petroleum distributor or the gasoline dealer is granted the right to use a trademark, trade name, service mark, or other identifying symbol or name owned by the other party to the agreement, or any agreement between a petroleum corporation or distributor and a gasoline dealer, or between a petroleum corporation and distributor, under which the petroleum distributor or the gasoline dealer is granted the right to occupy premises owned, leased, or controlled by the other party to the agreement, for the purposes of engaging in the retail sale of petroleum and other products of the other party to the agreement.

(2) Any contract between a refiner and a petroleum distributor, between a refiner and a petroleum retailer, between a petroleum

distributor and another petroleum distributor, or between a petroleum distributor and a petroleum retailer, under which a refiner or petroleum distributor authorizes or permits a petroleum retailer or petroleum distributor to use, in connection with the sale, consignment, or distribution of gasoline, diesel, gasohol, or aviation fuel, a trademark which is owned or controlled by such refiner or by a refiner which supplies fuel to the petroleum distributor which authorizes or permits such use. The term "franchise" as defined in this paragraph includes the following:

(A) Any contract under which a petroleum retailer or petroleum distributor is authorized or permitted to occupy leased marketing premises, which premises are to be employed in connection with the sale, consignment, or distribution of fuel under a trademark which is owned or controlled by such refiner or by a refiner which supplies fuel to the petroleum distributor which authorizes or permits such occupancy.

(B) Any contract pertaining to the supply of fuel which is to be sold, consigned, or distributed under a trademark owned or controlled by a refiner, or under a contract which has existed continuously since May 15, 1973, and pursuant to which, on May 15, 1973, fuel was sold, consigned, or distributed under a trademark owned and controlled on such date by a refiner.

(C) The unexpired portion of any franchise, as defined by the preceding provisions of this subdivision, which is transferred or assigned as authorized by the provisions of such franchise or by any applicable provision of state law which permits such transfer or assignment without regard to any provision of the franchise.

SEC. 11. Section 31005.5 is added to the Corporations Code, to read:

31005.5. For the purposes of this division and in respect only to a franchise as defined in subdivision (b) of Section 31005, the following terms shall have the following meanings:

(a) "Franchisor" means a refiner or petroleum distributor who authorizes or permits, under a franchise, a petroleum retailer or petroleum distributor to use a trademark in connection with the sale, consignment, or distribution of fuel.

(b) "Franchisee" means a petroleum retailer or petroleum distributor who is authorized or permitted, under a franchise, to use a trademark in connection with the sale, consignment, or distribution of fuel.

(c) "Refiner" means any person engaged in the refining of crude oil to produce fuel, and includes any affiliate of such person.

(d) "Petroleum distributor" means any person, including any affiliate of such person, who either purchases fuel for sale, consignment, or distribution to another, or receives fuel on consignment for consignment or distribution to his or her own fuel accounts or to accounts of his or her supplier, but shall not include a person who is an employee of, or merely serves as a common carrier providing transportation service for, such supplier.

(e) "Petroleum retailer" means any person who purchases fuel for sale to the general public for ultimate consumption.

(f) "Marketing premises" means, in the case of any franchise, premises which, under such franchise, are to be employed by the franchisee in connection with the sale, consignment, or distribution of fuel.

(g) "Leased marketing premises" means marketing premises owned, leased, or in any way controlled by a franchisor and which the franchisee is authorized or permitted, under the franchise, to employ in connection with the sale, consignment, or distribution of fuel.

(h) "Contract" means any oral or written agreement. For supply purposes, delivery levels during the same month of the previous year shall be prima facie evidence of an agreement to deliver such levels.

(i) "Trademark" means any trademark, trade name, service mark, or other identifying symbol or name.

(j) "Fuel" means gasoline, diesel, gasohol, or aviation fuel.

(k) "Affiliate" means any person who, other than by means of a franchise, controls, is controlled by, or is under common control with, any other person.

(*l*) "Petroleum corporation" means any corporation or person owning, managing, or controlling the exploration, production, processing, transportation, or sale of crude or refined petroleum or any petroleum product.

SEC. 12. Section 31013.5 of the Corporations Code is repealed.

SEC. 13. Section 31013.6 of the Corporations Code is repealed.

SEC. 14. Section 31104 of the Corporations Code is amended to read:

31104. There shall be exempted from the provisions of Chapter 2 (commencing with Section 31110) of this part the offer and sale of a franchise if the franchisor:

(a) Is a petroleum corporation or distributor who is a wholesale distributor or marketer of petroleum products; doing business continuously for the past five years and who does not require an advance of funds in the nature of a fee or lease for such franchise agreements; not engaged in the production or the refining of petroleum; and

(b) Complies with the provisions of subdivisions (c) and (d) of Section 31101.

(c) For the purposes of subdivision (a) of this section:

(1) A "wholesale distributor" or "marketer" means any entity which, for wholesale, purchases or receives through transfer, or otherwise obtains, by consignment or otherwise, refined petroleum products and resells or otherwise transfers such products, without substantially changing their form, to other purchasers.

(2) An "advance of funds" means (A) a fee or lease for a franchise agreement, and (B) does not mean rent for the possession or use, or both, of premises or property, the purchase of inventory for resale or supplies, utility deposits, and other consideration or expenditures

for the formation or operation, or both, of a wholesale distributor or marketer entity.

CHAPTER 91

An act to amend Section 927 of the Probate Code, relating to probate.

[Approved by Governor June 25, 1981. Filed with Secretary of State June 25, 1981.]

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

SECTION 1. Section 927 of the Probate Code is amended to read:

927. Any person interested in the estate may appear and file written exceptions to the account, and contest the same, including objecting to the values of assets shown on the inventories and appraisements filed in the proceedings if a certificate of no tax is filed, but any change in valuations shall not affect an order fixing the state inheritance tax. If upon hearing the written exceptions to the account the court determines the exceptions were filed without reasonable cause and good faith, the court may order that the fees of the executor or administrator and of his or her attorney and any costs incurred for defending the accounting be made a charge against the person or persons filing the written exceptions.

Upon the hearing, the executor or administrator may be examined on oath touching the account and the property and effects of the decedent, and the disposition thereof. All matters, including allowed claims not passed upon on the settlement of any former account and not reduced to judgment, may be contested for cause shown. The court may appoint one or more referees to examine the accounts, and make report thereon, subject to confirmation; may allow a reasonable compensation to them to be paid out of the estate; and may issue such other orders as the court may deem necessary to effect the provisions of this section.

The amendment to this section adopted at the 1981–82 Regular Session of the Legislature shall be applicable only to estates of decedents where an account was filed on or after January 1, 1982.

CHAPTER 92

An act to add Sections 12306.5 and 42651 to the Education Code, relating to schools.

[Approved by Governor June 25, 1981. Filed with Secretary of State June 25, 1981.]

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

SECTION 1. Section 12306.5 is added to the Education Code, to read:

12306.5. Notwithstanding any other provision in this article, in the 1981–82 fiscal year and each fiscal year thereafter, the State Treasurer shall apportion money received pursuant to Section 12304 for potash deposits located in the Trona Joint Unified School District and the Kern Community College as follows:

(a) Kern Community College District shall be entitled to 15 percent of the total apportionment.

(b) Trona Joint Unified School District shall be entitled to 85 percent of the total apportionment.

SEC. 2. Because of the unique circumstances in the Trona Joint Unified School District and Kern Community College District in regard to potash deposits, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution.

SEC. 3. Section 42651 is added to the Education Code, to read:

42651. (a) The governing board of a school district may authorize a bank, savings and loan association, or credit union in which school district deferred compensation funds are invested pursuant to Section 53609 of the Government Code, to disburse benefits to eligible school district employees or retired employees, or their beneficiaries, provided the following conditions are met:

(1) No payment shall be made to any person by the bank, savings and loan association, or credit union unless authorized in writing by the school district.

(2) Written authorization from a school district to a bank, savings and loan association, or credit union to make a payment shall include the name of each person to receive payment and the amount each person is to receive.

(3) The written authorization shall be signed by a majority of the members of the governing board of the district or by a person or persons authorized by the governing board to sign the authorization, so long as such person or persons is an officer or an employee of the district.

(b) The bank, savings and loan association, or credit union authorized to disburse funds pursuant to this section shall be considered an agent of the school district for the purposes of this section.

CHAPTER 93

An act to amend Section 10201 of the Business and Professions Code, relating to real estate licensees.

[Approved by Governor June 25, 1981. Filed with Secretary of State June 25, 1981.]

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

SECTION 1. Section 10201 of the Business and Professions Code is amended to read:

10201. The holder of a license who fails to renew it prior to the expiration of the period for which it was issued and who has otherwise qualified for such license, may renew it within two years from such expiration upon proper application and the payment of a late renewal fee in an amount equal to 1½ times the regular renewal fee in effect at the time the license is reinstated.

CHAPTER 94

An act to amend Section 8183, as amended by Section 1 of Chapter 942 of the Statutes of 1978, of, and to repeal Section 8183, as added by Section 2 of Chapter 942 of the Statutes of 1978, of the Fish and Game Code, relating to fishing.

[Approved by Governor June 25, 1981. Filed with Secretary of State June 25, 1981.]

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

SECTION 1. Section 8183 of the Fish and Game Code, as amended by Section 1 of Chapter 942 of the Statutes of 1978, is amended to read:

8183. No anchovies may be taken for any purpose in Humboldt Bay, except under the following conditions:

(a) Anchovies may be taken for live bait only between September 1 and December 1. Anchovies may only be taken by the operator of a vessel for use in his own fishing operation, except that the operator may make incidental sales of anchovies so taken to local sport fishermen for their use as bait.

(b) An observer who is an employee of the department shall inspect any bait operation and shall be authorized to halt that operation in the event that such operation cannot be conducted without adversely affecting the game species of the bay. Notification of all bait operations shall be dispatched so as to be received by the department at least 12 hours prior to the commencement of the operation.

(c) Anchovies may be taken in Humboldt Bay only north of a line extending through channel markers 9 and 10 in Humboldt Bay.

(d) The seasonal take of anchovy shall not exceed five tons.

(e) Bait nets, as defined in Section 8780, shall be the only nets used to take anchovy.

(f) Any game fish caught incidentally in nets shall be released by use of a hand scoop net or by dipping the cork line.

On January 1, 1980, and annually thereafter, the department shall submit a report to the Legislature describing the status of the Humboldt Bay anchovy fishery. The report shall include an assessment of the environmental impact of the bait fishery on the marine resources of the bay, including any possible adverse effects thereon.

The commission shall promulgate any other regulation it deems necessary to protect the Humboldt Bay anchovy resource.

SEC. 2. Section 8183 of the Fish and Game Code, as added by Section 2 of Chapter 942 of the Statutes of 1978, is repealed.

CHAPTER 95

An act to amend Section 48933 of the Education Code, relating to education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 25, 1981. Filed with Secretary of State June 25, 1981.]

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

SECTION 1. Section 48933 of the Education Code is amended to read:

48933. The funds of any student body organization established in the public schools of any school district shall, subject to approval of the governing board of the school district, be deposited or invested in one or more of the following ways:

(a) Deposits in a bank or banks whose accounts are insured by the Federal Deposit Insurance Corporation.

(b) Investment certificates or withdrawable shares in state-chartered savings and loan associations and savings accounts of federal savings and loan associations provided such associations are doing business in this state and have their accounts insured by the Federal Savings and Loan Insurance Corporation.

(c) Purchase of bonds, notes, bills, certificates, debentures, or any other obligations issued by the United States of America.

(d) Shares or certificates for funds received or any form of evidence of interest or indebtedness issued by any credit union in this state, organized under the provisions of Division 5 (commencing with Section 14000) of the Financial Code or the statutes of the

United States relating to credit unions insured by the administrator of the National Credit Union Administration or a comparable agency as provided by a state government.

The funds shall be expended subject to such procedure as may be established by the student body organization subject to the approval of each of the following three persons which shall be obtained each time before any of such funds may be expended: an employee or official of the school district designated by the governing board, the certificated employee who is the designated adviser of the particular student body organization, and a representative of the particular student body organization.

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

Due to the funding crisis currently faced by public schools, student body organizations desire to invest their funds so as to earn a higher rate of return without delay. In order, therefore, to permit a maximum return on investments at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 96

An act to amend Section 17929 of the Business and Professions Code, relating to fictitious business name statements.

[Approved by Governor June 25, 1981. Filed with Secretary of State June 25, 1981.]

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

SECTION 1. Section 17929 of the Business and Professions Code is amended to read:

17929. (a) The fee for filing a fictitious business name statement is ten dollars ($10) for the first fictitious business name and two dollars ($2) for each additional fictitious business name filed on the same statement and doing business at the same location. This fee covers the cost of filing and indexing the statement (and any affidavit of publication), furnishing one certified copy of the statement to the person filing the statement, and mailing the notice of expiration of the statement.

(b) The ten-dollar ($10) fee for filing a fictitious business name statement shall include up to one partner operating under the fictitious business name statement. A fee of two dollars ($2) shall be charged for each additional partner operating under the same fictitious business name statement.

(c) The fee for filing a statement of abandonment of use of a fictitious business name is five dollars ($5). This fee covers the cost

of filing and indexing the statement and any affidavit of publication.

(d) The fee for filing a statement of withdrawal from partnership operating under fictitious business name is five dollars ($5). This fee covers the cost of filing and indexing the statement and any affidavit of publication.

CHAPTER 97

An act to amend Sections 12539 and 12602 of, and to repeal and add Sections 12303, 12304, 12305, 12310, and 12311 of, the Business and Professions Code, relating to standards of weights and measures.

[Approved by Governor June 25, 1981 Filed with Secretary of State June 25, 1981.]

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

SECTION 1. Section 12303 of the Business and Professions Code is repealed.

SEC. 2. Section 12303 is added to the Business and Professions Code, to read:

12303. The state standards of weights and measures by which all state and county standards of weights and measures shall be tried, proved, and sealed include the following standards, provided the standards have been certified relative to national standards under the direction of the National Bureau of Standards:

(a) Metrological standards provided by the United States.

(b) Metrological standards procured by the state.

(c) Metrological standards in the possession of county sealers.

(d) Metrological standards in the possession of laboratories certified to perform measurement services pursuant to Section 12500.7.

SEC. 3. Section 12304 of the Business and Professions Code is repealed.

SEC. 4. Section 12304 is added to the Business and Professions Code, to read:

12304. The standards of the state shall be kept in a suitable laboratory location or, if transportable, shall be maintained under environmental conditions appropriate for maintaining the integrity of the unit of measure represented by the standard. The standards shall be directly certified by the National Bureau of Standards or by any measurement assurance procedures approved by the National Bureau of Standards.

SEC. 5. Section 12305 of the Business and Professions Code is repealed.

SEC. 6. Section 12305 is added to the Business and Professions Code, to read:

12305. The standards of the state shall be used to certify similar

standards and any dissimilar standards which are dependent on the values represented by the state standards. Copies of the standards which have been compared and certified against the state standards shall become working standards which shall be used in the certification, calibration, and sealing of county field standards, and in the certification, calibration, and sealing of measurement devices submitted by state and local government agencies or by industry.

SEC. 7. Section 12310 of the Business and Professions Code is repealed.

SEC. 8. Section 12310 is added to the Business and Professions Code, to read:

12310. The department, or a laboratory designated by the department which has been certified pursuant to Section 12500.7, shall certify the standards of the county sealers as often as may be deemed by the director to be necessary, based upon a review of statistical data resulting from previous certifications, but in no event shall the period of time between certifications exceed 10 years. In the absence of statistical data, standards shall be certified at least every two years. Sealers shall, upon the request of the department, deliver for testing those standards in their possession which are used in the discharge of their duties. Direct expenses incurred in the certification process shall be borne by the state, while any incidental expense, such as the cost of transportation, shall be borne by the county whose standards have been certified.

SEC. 9. Section 12311 of the Business and Professions Code is repealed.

SEC. 10. Section 12311 is added to the Business and Professions Code, to read:

12311. Every sealer having knowledge that a county standard may be incorrect, regardless of the cause, shall notify the department of the condition, and shall, if deemed by the department to be necessary, arrange to have the standard in question retested, adjusted, or replaced.

SEC. 11. Section 12539 of the Business and Professions Code is amended to read:

12539. Five-eighths of the funds derived pursuant to this chapter shall be paid to counties that employ a sealer or director of weights and measures. The payment to each county shall be in proportion with the funds expended by the county in the enforcement of Division 5 (commencing with Section 12001).

SEC. 12. Section 12602 of the Business and Professions Code is amended to read:

12602. (a) It shall be unlawful for any person engaged in the packaging or labeling of any commodity for distribution or sale, or for any person (other than a common carrier for hire, a contract carrier for hire, or a freight forwarder for hire) engaged in the distribution of any packaged or labeled commodity, to distribute or to cause to be distributed any such commodity if the commodity is contained in a package, or if there is affixed to that commodity a

label, which does not conform to the provisions of this chapter or regulations promulgated under the authority of this chapter or provisions of, or regulations promulgated under, Chapters 6.6 (commencing with Section 12665), 14 (commencing with Section 13400), 15 (commencing with Section 13700), 16 (commencing with Section 13800), or 17 (commencing with Section 13900) of Division 5.

(b) The prohibition contained in subdivision (a) shall not apply to persons engaged in business as wholesale or retail distributors of commodities except to the extent that those persons (1) are engaged in the packaging or labeling of such commodities, or (2) prescribe or specify by any means the manner in which such commodities are packaged or labeled or (3) have knowledge of the violation of any provision of this chapter or of Chapters 6.6 (commencing with Section 12665), 14 (commencing with Section 13400), 15 (commencing with Section 13700), 16 (commencing with Section 13800), or Chapter 17 (commencing with Section 13900) of Division 5.

CHAPTER 98

An act making an appropriation in augmentation of Items 491 and 492 of the Budget Act of 1980, relating to contingencies or emergencies, to take effect immediately, usual current expenses.

[Approved by Governor June 26, 1981. Filed with Secretary of State June 27, 1981.]

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

SECTION 1. The sum of forty-eight million five hundred thousand dollars ($48,500,000) is hereby appropriated for expenditure in the 1980–81 fiscal year in augmentation of, and for the purposes of contingencies or emergencies as provided in, Items 491 and 492 of the Budget Act of 1980 as follows:

(a) From the General Fund to the reserve for contingencies or emergencies, in augmentation of Item 491	$47,500,000
(b) From special funds to the reserve for contingencies or emergencies, in augmentation of Item 492	1,000,000

SEC. 2. This act makes an appropriation for the usual current expenses of the state within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 99

An act making appropriations for the support of the government of the State of California and for several public purposes in accordance with the provisions of Section 12 of Article IV of the Constitution of the State of California, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1981 Filed with Secretary of State June 28, 1981.]

I object to the following sections contained in Senate Bill No 110:

Section 5.50—I eliminate this section

This appropriation duplicates funding already contained in the Contingent Funds of the Legislature

Section 21 30—Department of Consumer Affairs I eliminate this section

The language contained in this section does not reflect the Budget Conference Committee agreement on complaint disclosures by the Department of Consumer Affairs.

Section 32.30—I eliminate this section

Section 32.31—I eliminate this section.

Section 32 32—I eliminate this section.

Section 32 33—I eliminate this section

The restrictive language contained in Sections 32 30 through 32 33 constitutes a general legislative assumption of executive and judicial authority in violation of Section 3, Article III of the California Constitution

Section 32.50—I eliminate this section

The language of this section constitutes a substantive law change and as such violates Section 9, Article IV of the California Constitution.

With the above elimination of sections, I hereby approve Senate Bill No. 110

EDMUND G BROWN JR , Governor

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

Section 1. This act shall be known and may be cited as the "Budget Act of 1981."

Sec. 1.50. (a) This act has been modified in order to implement changes mandated by Chapter 1284 of the Statutes of 1978 (AB 3322). In accordance with Section 13338 of the Government Code, as added by Chapter 1284, it is the intent of the Legislature that this act reflect, and follow as closely as possible, the Governor's Budget including programs and elements itemized therein. It is also the intent of the Legislature that this act utilize a coding scheme compatible with the Governor's Budget and the records of the State Controller, and provide for the appropriation of Federal funds received by the state and deposited in the State Treasury.

(b) Essentially, the modifications are in format and style and are as follows:

(1) Sequential appropriation item numbers have been replaced by a code which is common to all the State's fiscal systems. For example, item number 186 in the Budget Act of 1980 is numbered using a common coding in this act. The meaning of this common coded item number is as follows:

272—Organization Code (this code represents the California Highway Patrol)
001—Reference Code (first appropriation for a particular fund for Support of each department)
044—Fund Code (Motor Vehicle Account, State Transportation Fund)

(2) Appropriation items are organized in organization code order as reflected in the Governor's Budget.

(3) All the appropriation items, reappropriation items and reversion items, if any, for each department or entity have been brought together and are adjacent to one another.

(4) Federal funds received by the state and deposited in the State Treasury are appropriated in separate items.

(5) In addition to those program scheduled appropriations (in lieu of traditional categories, e.g., Personal Services and Operating Expenses, as included in the Budget Act of 1980 for some support items, the support items for twelve additional departments are included as program scheduled appropriations in this act.

(6) The provisos, if any, for each department or entity are consolidated for the item or items for the department or entity according to the nature of the expense involved (Support, Local Assistance and Capital Outlay).

SEC. 2.00. The following sums of money, or so much thereof as may be necessary unless otherwise provided herein, are hereby appropriated for the use and support of the State of California for the 1981–82 fiscal year beginning July 1, 1981, and ending June 30, 1982. Appropriations for capital outlay, unless otherwise provided herein, shall be available for expenditure during the 1981–82, 1982–83, and 1983–84 fiscal years, except that appropriations for studies, planning, and working drawings, and minor capital outlay shall, except as provided herein, be available for expenditure only during the 1981–82 fiscal year. In addition, every appropriation made in this Act for construction, or working drawings and construction, that has not been approved by the State Public Works Board on or before June 30, 1982, shall, except as provided herein, revert as of that date to the fund from which the appropriation was made. All such appropriations, unless otherwise herein provided, shall be paid out of the General Fund in the State Treasury.

Whenever by constitutional or statutory provision the revenues or receipts of any institution, department, board, bureau, commission, officer, employee, or other agency, or any moneys in any special fund created by law therefor, are to be used for salaries, support or any proper purpose, expenditures shall be made therefrom for any such purposes, to the extent only of the amount herein appropriated, unless otherwise stated herein, or authorized pursuant to Section 11006 of the Government Code.

Appropriations for purposes not otherwise provided for herein which have been heretofore made by any existing constitutional or statutory provision shall continue to be governed thereby.

LEGISLATIVE/JUDICIAL/EXECUTIVE

Legislative

Item		Amount
011-001-001—For support of the Senate		29,887,300
Schedule:		
(a) 101001-Salaries of Senators	1,227,897	
(b) 317295-Mileage	1,800	
(c) 317292-Expenses	494,000	
(d) 500000-Contingent Expenses	27,400,856	
(e) 317296-Automotive Expenses	262,747	
(f) Special Session Costs	500,000	

Provisions applicable to Item 011-001-001—for support of the Senate:

1. Provided, that the funds appropriated in Schedule (d) are for contingent expenses of the Senate, including personal services for officers, clerks and all other employees, and legislative committees thereof composed in whole or in part of Members of the Senate, to be transferred by the State Controller to the Senate Contingent Fund.
2. Provided further, that the funds appropriated in Schedule (e) are for contingent expenses of the Senate relating to the lease, maintenance, repair, insurance, and other costs of operating automobiles for the use of Members of the Senate, to be transferred by the State Controller to the Senate Contingent Fund.
3. Provided further, that the funds appropriated in category (f), at the direction of the Senate Rules Committee, may be expended for any of the purposes for which funds appropriated in categories (a) to (d), inclusive, may be expended, if the Governor causes the Legislature to assemble in special session during the 1981–82 fiscal year, pursuant to the provisions of paragraph (b) of Section 3 of Article IV of the California Constitution.

012-011-001—For support of the Assembly		44,676,271
Schedule:		
(a) 101001-Salaries of Assemblymen	2,450,000	
(b) 317295-Mileage	4,000	
(c) 317292-Expenses	988,000	
(d) 500000-Contingent Expenses	40,690,411	
(e) 317296-Automotive Expenses	543,860	

Provisions applicable to Item 012-011-001—for support of the Assembly:

Item Amount

1. Provided, that the funds appropriated in Schedule (d) are for contingent expenses of the Assembly including personal services for officers, clerks and all other employees, and legislative committees thereof composed in whole or in part of Members of the Assembly, to be transferred by the State Controller to the Assembly Contingent Fund.
2. Provided further, that the funds appropriated in Schedule (e) are for contingent expenses of the Assembly relating to the lease, maintenance, repair, insurance, and other costs of operating automobiles for the use of Members of the Assembly, to be transferred by the State Controller to the Assembly Contingent Fund.

013-021-001—For support of joint expenses of the Legislature 21,551,880

Schedule:

(a) 317292-Expenses of Joint Committees 13,419,880
(b) 312241-Legislative Printing..... 7,950,000
(c) 400001-Revision of Penal Code 182,000

Provisions applicable to Item 013-021-001—for support of joint expenses of the Legislature:

1. Provided, that the funds appropriated in Schedule (a) are for the expenses of joint committees and their members and for any charges, expenses, or claims they may incur, to be transferred by the State Controller to the Contingent Funds of the Assembly and Senate, available without regard to fiscal years, to be paid on certification of chairmen of the committees to which allocations have been made by statute or concurrent resolution or by resolution of the Joint Rules Commitee.
2. Provided further, that the funds appropriated in Schedule (b) are for legislative printing, binding, duplicating, mailing and other necessary expenses; and in addition thereto, any amounts received from the sale of legislative publications and notwithstanding any other provision of Section 2 of this act, this appropriation shall be available without regard to fiscal years; provided further, that funds appropriated by this item shall not be expended for the purpose of providing the compilation of any California code or portion thereof in computer usable form, except as expressly authorized in writing by the Joint

Item			Amount
Rules Committee.			
016-001-001—For support of Legislative Counsel Bureau			9,499,470
Schedule:			
(a) 500000-Support		9,574,470	
(b) Reimbursements		−75,000	
017-001-001—For support of California Law Revision Commission			378,921
018-001-001—For support of California Commission on Uniform State Laws			46,162

JUDICIAL

025-001-001—For support of Judiciary, Judicial Council			30,249,210
Schedule:			
(a) 10-Supreme Court		4,143,173	
(b) 20-Courts of Appeal		19,321,447	
(1) 20-Total Courts of Appeal	19,334,903		
(2) Reimbursements	−13,456		
(c) 30-Judicial Council		6,544,422	
(1) 30-Total Judicial Council	6,789,762		
(2) Reimbursements	−245,340		
(d) 40-Commission on Judicial Performance		240,168	
025-001-044—For support of Judiciary, Program 30, for implementing uniformity and consistency of procedure in traffic courts, payable from the Motor Vehicle Account, State Transportation Fund			49,300

Provisions applicable to Items 025-001-001 through 025-001-044—for support of Judiciary:

1. Provided, that the funds appropriated from the General Fund by Item 025-001-001 for programs 10, 20, 30, and 40 may be allocated or reallocated between them by order of the Judicial Council subject to being reported to the Director of Finance.
2. Provided further, that $230,750 appropriated from the General Fund by Item 025-001-001 for program 30 is for reimbursement of any county, in whose superior court a judge of the municipal court of another county is assigned to sit and which is required by subdivision (b) of Section 68540 of the Government Code to reimburse the other county from which such assignment is made, of the cost of the regular salary of a municipal court judge (as specified in subdivision

Item		Amount
(b) of Section 68202 and in Section 68203 of the Government Code) for that period of time while serving on assignment in its superior court; and for payment to any county, in whose superior court a judge of its municipal court is assigned to sit, of the cost of the regular salary of a municipal court judge (as specified in subdivision (b) of Section 68202 and in Section 68203 of the Government Code) for that period of time while serving on assignment in its superior court; and for payment to any county, the cost of the regular salary of a municipal court judge (as specified in subdivision (b) of Section 68202 and in Section 68203 of the Government Code) for that period of time its municipal court judge serves on assignment on an appellate court; and for payment to any county, the transportation expenses of a judge assigned to sit on a municipal court to replace an absent municipal court judge who has been assigned to sit on a superior court or an appellate court; for payment by the State Controller.		
025-101-001—For local assistance, for Judicial Council activities, for reimbursement, in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs, which relate to activities of the Judicial Council, of any new program or increased level of service of an existing program mandated by statute, State Controller.....		2,598,408
Provisions applicable to Item 025-101-001—for local assistance, Judicial Council:		
1. Provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates the reimbursement of such costs and of subdivision (d) of Section 2231 of the Revenue and Taxation Code.		
025-301-036—For capital outlay, Judicial Council, payable from the Special Account for Capital Outlay Schedule:		349,985
Court of Appeal, Fourth Appellate District		
(a) Preliminary plans, working drawings, construct, and equip office alterations—Division I, San Diego..	244,530	
(b) Preliminary plans, working drawings, construct, and equip office alterations—Division II, San Bernardino	105,455	

Item	Amount
039-001-001—For support, for transfer by the State Controller to the Judges' Retirement Fund, for Supreme Court and appellate court judges	552,563
039-101-001—For local assistance, for transfer by the State Controller to the Judges' Retirement Fund for superior court and municipal court judges	4,222,993
042-101-001—For local assistance, for State's share of salaries of judges of superior courts as provided by Section 68206 of the Government Code	32,522,200
Provisions applicable to Item 042-101-001—for local assistance, Salaries of Superior Court Judges:	
1. Provided, that any funds which are unexpended due to vacancies in judgeships may be expended by the Judicial Council for extra compensation, expenses, and staff for judges assigned by the Chairperson of the Judicial Council.	
044-101-001—For local assistance, for payment to counties for the annual cost of superior court judgeships created subsequent to January 1, 1973, for disbursement as a block grant by the State Controller	8,460,000
046-001-001—For support, for State's share of cost for membership in National Center for State Courts, Judicial Council of California	14,000

EXECUTIVE

050-001-001—For support of Governor and of Governor's Office		4,858,353
Schedule:		
(a) 10-Support	3,999,525	
(b) 20-Contracted Legal Services	400,000	
(c) 30-Governor's Residence	17,400	
(d) 40-Special Contingent Expenses	15,000	
(e) 50-Workers' Compensation Appeals Board Award and Associated Administrative Expenses	1,428	
(f) 60-Governor's Budget Printing	425,000	
Provisions applicable to Item 050-001-001—for support of Governor and Governor's office:		
1. Provided, that the amounts appropriated for programs 10, 30, 40, and 50, are exempt from the provisions of Sections 925.6, 12410, and 13320 of the Government Code; provided further, that the funds appropriated in this item for program 20 shall be available for expenditure for contracted legal representation and related services only upon certification by the Governor that the Attorney General has declined, in writing, the		

Item	Amount
written request of the Governor or any State agency to represent the Governor or such State agency desiring such representation on the specific matter for which contracted legal services are to be used.	
2. Provided further, that failure by the Attorney General to positively respond in writing within 30 days upon receipt of written request (or such lesser time if a denial in writing is received) shall constitute denial; provided, however, that within such 30-day period, the Governor, or his designee, may undertake any action necessary, including, but not limited to, filing legal notices and papers necessary to protect and preserve rights in pending legal actions.	
3. Provided further, that nothing in this item shall be construed to affect constitutional rights or duties.	
4. Provided further, that contracts for legal representatives funded through this item shall be entered into by the Governor or his designee.	
5. Provided further, that in addition to the funds available in Schedule (f), any amounts received from the sale of publications are available for expenditure.	
051-001-001—For support of Secretary of State and Consumer Services	795,698
Provisions applicable to Item 051-001-001—for support of Secretary of State and Consumer Services:	
1. Provided, that the terms of the 6.5 positions budgeted for implementing the Statewide Disabled Compliance Program shall not extend beyond June 30, 1982.	
2. Provided further, that the terms of 2.0 support positions budgeted for the Building Standards Commission shall not extend beyond June 30, 1982.	
052-001-001—For support of Business, Transportation, and Housing Agency, to be transferred to Item 052-001-044	387,141
052-001-019—For support of Business and Transportation Agency, to be transferred to Item 052-001-044, payable from the State Energy Resources Conservation and Development Special Account, General Fund	91,000
052-001-044—For support of Business, Transportation, and Housing Agency, payable from the Motor Vehicle Account, State Transportation Fund	488,281

Item		Amount
Schedule:		
(a) 500000-Support		1,557,039
(b) Reimbursements		−518,267
(c) Amount payable from the General Fund (Item 052-001-001)		−387,141
(d) Amount payable from the State Energy Resources Conservation and Development Special Account, General Fund (Item 052-001-019)		−91,000
(e) Amount payable from the Transportation Planning and Development Account, State Transportation Fund (Item 052-001-046)		−72,350
052-001-046—For support of Business, Transportation, and Housing Agency, to be transferred to Item 052-001-044, payable from the Transportation Planning and Development Account, State Transportation Fund		72,350

Provisions applicable to Items 052-001-001 through 052-001-046—for support of the Business, Transportation, and Housing Agency:

1. Provided, that the annual alternative fuels program report required by Section 65 of Chapter 161, Statutes of 1979, shall be submitted to the Legislature by December 1 of each year. The report shall include, but not be limited to, a thorough discussion of (1) the agency's administration and evaluation of the program, (2) information pertaining to specific research projects, (3) a detailed schedule of program expenditures, and (4) any efforts to obtain fuel research grants from nonstate sources.
2. Provided further, that $50,000 of the funds appropriated in Item 052-001-001 for private legal services may only be expended by the agency upon receipt of a formal written statement by the Attorney General that attorney services of that office are not available as requested by the agency.
3. Provided further, that no funds shall be expended by the agency unless a bill is introduced by July 1, 1981, to establish all currently authorized positions. No borrowed positions other than those borrowed by the agency on May 6, 1981, may be borrowed during the 1981–82 fiscal year.

Item		Amount
053-001-001—For support of Secretary of Health and Welfare		3,081,940
Provisions applicable to Item 053-001-001—for support of Secretary of Health and Welfare:		
1. Provided, that funds appropriated by this item shall be reduced by the Director of Finance by the amount of actual General Fund savings from the purchase of special services category of Multipurpose Senior Service Project expenditures during the 1980–81 fiscal year.		
2. Provided further, that up to $631,000 shall be transferred from the unencumbered balance of the Special Needs and Priorities (SNAP) Fund, administered by the Department of Health Services, pursuant to Chapter 282, Statutes of 1979, to be used as follows:		
(a) Up to $231,000 of these funds shall be made available to Contra Costa County for the purpose of preparing a feasibility study report on a problem-oriented medical information system (PROMIS).		
(b) Up to $400,000 of these funds shall be made available to Contra Costa County for the purpose of implementing a problem-oriented medical information system (PROMIS), but no funds may be made available for this purpose any sooner than 30 days after Contra Costa County submits a feasibility study report to the Joint Legislative Budget Committee.		
054-001-001—For support of Secretary of Resources		1,160,934
Schedule:		
(a) 500000-Support	1,264,934	
(b) Reimbursements	−104,000	
055-001-001—For support of the Youth and Adult Correctional Agency		634,292
Schedule:		
(a) 100000-Personal Services	505,410	
(b) 300000-Operating Expenses and Equipment	178,422	
(c) Reimbursements	−49,540	
056-001-001—For support of Office for Citizen Initiative and Voluntary Action		30,397
(a) 500000-Support	55,397	
(b) Amount payable from the Federal Trust Fund (Item 056-001-890)	−25,000	

Item			Amount
056-001-890—For support of Office for Citizen Initiative and Voluntary Action, to be transferred to Item 056-001-001, payable from the Federal Trust Fund			25,000
Provisions applicable to Items 056-001-001 and 056-001-890—for support of Office of Citizen Initiative and Voluntary Action:			
1. Provided, that the amount appropriated by Item 056-001-001 shall be reduced by the Director of Finance by the amount of federal funds made available for the purposes of this item which is in excess of the amount transferred pursuant to Item 056-001-890.			
059-001-890—For support, Southwest Border Regional Commission, payable from the Federal Trust Fund			45,652
062-001-001—For support of Office of Employee Relations in the Governor's Office			788,003
065-001-001—For support of Office of Planning and Research			3,705,810
Schedule:			
(a) 10-State Planning and Policy Development		892,109	
(1) 10-Total State Planning and Policy Development	1,042,352		
(2) Reimbursements	−150,243		
(b) 20-Local Government Affairs		509,023	
(1) 20-Total Local Government Affairs	584,023		
(2) Reimbursements	−75,000		
(c) 30-Project Review and Coordination		746,711	
(1) 30-Total Project Revenue and Coordination	861,711		
(2) Reimbursements	−115,000		
(d) 40-Appropriate Technology		1,121,470	
(1) 40-Total Appropriate Technology	1,450,820		
(2) Reimbursements	−329,350		
(e) 50-Office of American Indian Coordinator		116,360	
(f) 60-Executive and Administration		884,828	
(1) 60-Total Executive and administration	940,828		
(2) Reimbursements	−56,000		
(g) 61-Distributed Executive and Administration		−564,691	

Item		Amount
065-001-019—For support of the Office of Planning and Research, Program 40, payable from the State Energy Resources Conservation and Development Special Account, General Fund		135,000
065-001-140—For support of the Office of Planning and Research, Program 40, payable from the California Environmental License Plate Fund		51,046
065-001-890—For support of Office of Planning and Research, payable from the Federal Trust Fund		1,738,713
a) 10-State Planning and Policy Development	202,061	
b) 20-Local Government Affairs	282,738	
c) 30-Project Review and Coordination	92,149	
d) 40-Appropriate Technology	1,141,765	
e) 50-Office of American Indian Coordinator	20,000	
065-101-890—For local assistance, Office of Planning and Research, Program 20, Local Government Affairs payable from the Federal Trust Fund		400,000
Provisions applicable to Item 065-101-890—for local assistance, Office of Planning and Research:		
1. Provided, that the amount specified by this item, constitutes federal funds as defined in Section 8.7.		
069-001-001—For support of Office of Emergency Services, California Emergency Council and Advisory Committees		4,080,714
Schedule:		
(a) 100000-Personal services	3,604,898	
(b) 300000-Operating expense and equipment	3,093,578	
(c) Reimbursements	−3,000	
(d) Amount payable pursuant to Government Code Section 8610.5	−150,000	
(e) Amount payable from the Resources Account, Energy and Resources Fund (Item 069-001-190)	−425,000	
(f) Amount payable from the Federal Trust Fund (Item 069-001-890)	−2,039,762	
069-001-190—For support of Office of Emergency Services, California Emergency Council and Advisory Committee, to be transferred to Item 069-001-001, payable from the Resources Account, Energy and Resources Fund		425,000

Item		Amount
069-001-890—For support of Office of Emergency Services, California Emergency Council and Advisory Committee, to be transferred to Item 069-001-001, payable from the Federal Trust Fund		2,039,762
Provisions applicable to Items 069-001-001 through 069-001-890—for support of Office of Emergency Services:		
1. Provided that funds appropriated by Item 069-001-001 may be reduced by the Director of Finance, after notice to the Chairman of the Joint Legislative Budget Committee, by the amount of federal funds made available for the purposes of this item in excess of the federal funds appropriated above.		
069-101-001—For local assistance, Office of Emergency Services		21,000
069-101-890—For local assistance, Office of Emergency Services, payable from the Federal Trust Fund		91,807,505
Provisions applicable to Items 069-101-001 through 069-101-890—for local assistance, Office of Emergency Services:		
1. Provided, that the amount specified by item 069-101-890 constitutes federal funds as defined in Section 8.7.		
075-001-001—For support of Lieutenant Governor		989,978
Schedule:		
(a) 100000-Personal Services	691,820	
(b) 300000-Operating Expenses and Equipment	298,158	
Provisions applicable to Item 075-001-001—for support of Lieutenant Governor:		
1. Provided, that if the Office of the Lieutenant Governor receives $6,613 in reimbursements from the Commission of the Californias for rental space, $5,572 of the funds appropriated in category (b) shall be made available for the buy-out purchase of two telecopiers.		
082-001-001—For support of Department of Justice		82,969,667
Schedule:		
(a) 100000-Personal Services	88,558,648	
(b) 300000-Operating Expense and Equipment	27,894,314	
(d) Reimbursements	−16,547,589	
(e) Amount payable from Item 864-001-001, Political Reform Act of 1974	−232,053	
(f) Amount payable from the Attorney General's Antitrust Account, General Fund (082-001-012)	−899,544	

Item		Amount
(g) Amount payable from fingerprint fees, General Fund (082-001-017)	−3,325,120	
(h) Amount payable from the Motor Vehicle Account, State Transportation Fund (082-001-044)	−8,703,111	
(i) Amount payable from the Federal Trust Fund (082-001-890)	−3,775,878	
082-001-012—For support of Department of Justice, to be transferred to Item 082-001-001, payable from the Attorney General's Antitrust Account, General Fund		899,544
082-001-017—For support of Department of Justice, to be transferred to Item 082-001-001, payable from fingerprint fees, General Fund, pursuant to subdivision (e) of Section 11105 of the Penal Code		3,325,120
082-001-044—For support of Department of Justice, to be transferred to Item 082-001-001, payable from the Motor Vehicle Account, State Transportation Fund		8,703,111
082-001-890—For support of Department of Justice, to be transferred to Item 082-001-001, payable from the Federal Trust Fund		3,775,878

Provisions applicable to Items 082-001-001 through 082-001-890—for support of Department of Justice:

1. Provided, that tuition fees collected from out-of-state students attending the department's Law Enforcement or Organized Crime Training Institutes shall be returned, on a prorated basis, to the funds supporting these institutes.
2. Provided further, that the Attorney General shall report within thirty (30) days after the end of each quarter of the 1981–82 fiscal year to the Governor and the Legislature on the number of prosecutions, convictions and dollars recovered by the Medi-Cal Fraud Unit.
3. Provided further, that the Department of Justice may expend a maximum of $175,000 of the indirect cost funds contained in categories (d) and (i) of Item 082-001-001 for grant-related administrative activities. Provided further, that any grant-related indirect cost funds in excess of $175,000 contained in categories (d) and (i) of Item 082-001-001 shall be transferred quarterly to the unappropriated surplus of the General Fund.

Item	Amount
4. Provided further, that $538,384 of the funds appropriated in categories (a) and (b) of Item 082-001-001 shall be expended only upon approval by the Director of Finance of an amended feasibility study, prepared by the Department of Justice in accordance with the provisions of Sections 4921 to 4928, inclusive, of the State Administrative Manual, regarding relocation of the data communications message-switching computing system, and upon notification to the Legislature pursuant to the provisions of Section 28.	
5. Provided further, that, notwithstanding the provisions of Section 22, the Department of Justice may purchase vehicles of any type or class, which in the judgment of the Attorney General or his designee are necessary to the performance of the investigatory and enforcement responsibilities of the Department of Justice, from the funds appropriated for that purpose in Item 082-001-001.	
6. Provided further, that any funds received by the Department of Justice as reimbursements for legal services provided by the Civil Law Division in excess of $11,434,557 shall revert to the unappropriated surplus of the General Fund, unless the Director of Finance authorizes the expenditure of such reimbursements and notification of such additional expenditure authority is provided to the Legislature pursuant to Section 28 of this act.	
082-101-001—For local assistance, for Department of Justice activities, for reimbursement in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs of any new program or increased level of service of an existing program mandated by statute, State Controller....	35,000
Provisions applicable to Item 082-101-001—for local assistance, Department of Justice:	
1. Provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates such costs and subdivision (d) of Section 2231 of the Revenue and Taxation Code.	
082-301-036—For minor capital outlay, Department of Justice payable from the Special Account for Capital Outlay.....	3,800
084-001-001—For support of State Controller	40,192,523

Item		Amount
Schedule:		
(a) 100000-Personal Services	34,233,774	
(b) 300000-Operating Expense and Equipment	16,531,764	
(c) 400001-Refunds of Taxes, Licenses and Other Fees	30,000	
(d) Reimbursements	−5,957,940	
(e) Amount payable from the Aeronautics Account, State Transportation Fund (Item 084-001-041)	−198,398	
(f) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 084-001-061)	−1,761,981	
(g) Amount payable from the Retail Sales Tax Fund (Item 084-001-094)	−110,795	
(h) Amount payable from the State School Building Aid Fund (Item 084-001-739)	−267,131	
(i) Amount payable from the Federal Trust Fund (Item 084-001-890)	−1,419,969	
(j) Amount payable from the Unclaimed Property Fund (Item 084-001-970)	−701,801	
(k) Amount payable from subdivision (b), Section 12, Chapter 797, Statutes of 1980 (reappropriated by Item 084-490)	−185,000	
084-001-041—For support of State Controller, to be transferred to Item 084-001-001, payable from the Aeronautics Account, State Transportation Fund		198,398
084-001-061—For support of State Controller, to be transferred to Item 084-001-001, payable from the Motor Vehicle Fuel Account, Transportation Tax Fund		1,761,981
084-001-094—For support of State Controller, to be transferred to Item 084-001-001, payable from the Retail Sales Tax Fund		110,795
084-001-739—For support of State Controller, to be transferred to Item 084-001-001, payable from the State School Building Aid Fund		267,131
084-001-890—For support of State Controller, to be transferred to Item 084-001-001, payable from the Federal Trust Fund		1,419,969
084-001-970—For support of State Controller, to be transferred to Item 084-001-001, payable from the Unclaimed Property Fund		701,801
Provisions applicable to Items 084-001-001 through 084-001-970—for support of State Controller:		

Item Amount

1. The appropriation made by Item 084-001-001 shall be in lieu of any allocation made pursuant to subdivision (b) of Section 30462 of the Revenue and Taxation Code during the 1981–82 fiscal year and no funds shall be allocated to the State Controller pursuant to Section 30462 during the 1981–82 fiscal year.
2. Provided, that the funds appropriated in Item 084-001-001, schedule (c) are for refunding of payments of taxes, licenses, fees and other receipts which have been erroneously collected and deposited in the General Fund for the refund of which no other provision is made by law, for refunding of amounts withheld and deposited in a fund in the State Treasury to any person who is determined to be liable to a taxpayer by reason of withholding and transmitting payments of taxes, interest, and penalties for the refund of which no other provision is made by law, and for payment of prior judgments, liens or encumbrances pursuant to Section 12516 of the Government Code; provided further, that expenditures made under schedule (c) of this item shall be charged to the year in which the warrant is issued by the State Controller.
3. The appropriation made by Item 084-001-001 shall be in lieu of the appropriation in Section 1564 of the Code of Civil Procedure for all costs, expenses, or obligations connected with the administration of the Unclaimed Property Law, with the exception of payment of owners' or holders' claims pursuant to Section 1540, 1542, 1560, or 1561 of that code.
4. Provided further, that the Controller shall audit local agency claims for the 1980–81 business inventory exemption reimbursement.
5. Provided.further, that the Controller shall audit claims for the veterans' property tax exemption statutes for the 1979–80 and 1980–81 fiscal years, and shall require counties to identify the amount of reimbursement claimed by statute.
6. Provided further, that three audit positions in the Unclaimed Property Program shall be limited to one-year terms, through June 30, 1982.
7. The Controller shall increase emphasis on the Local Government Fiscal Affairs program to achieve the following:
   (a) Provide more timely issuance of local government fiscal reports.

Item		Amount
(b) Assist and train local agencies in the preparation of their fiscal reports.		
(c) Evaluate the relevancy of local fiscal data reported.		
(d) Encourage the implementation of common accounting systems among the various entities of local government.		
(e) Enhance the consistency and reliability of local fiscal data reported.		
(f) Develop a system to correct current local government reporting deficiencies.		
084-490—Reappropriation, State Controller. Notwithstanding any other provisions of law, the unencumbered balance, on the effective date of this act, of the appropriation provided in the following citation, is reappropriated for the purposes provided for in the appropriation, and shall be available for expenditure until June 30, 1982:		
001—General Fund		
(1) subdivision (b), Section 12, Chapter 797, Statutes of 1980—special education audits.		
086-001-001—For support of State Board of Equalization Schedule:		64,418,007
(a) 100000-Personal Services	72,365,706	
(b) 300000-Operating Expenses and Equipment	17,379,854	
(c) Reimbursements	−20,329,300	
(d) Amount payable from the State Energy Resources Conservation and Development Special Account, General Fund (Item 086-001-019)	−291,379	
(e) Amount payable from the State Emergency Telephone Number Special Account, General Fund (Item 086-001-022)	−65,329	
(f) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (086-001-061)	−3,190,908	
(g) Amount payable from the Timber Tax Fund (Item 086-001-965)	−1,450,637	
086-001-019—For support of State Board of Equalization, to be transferred to Item 086-001-001, payable from the Energy Resources Conservation and Development Special Account, General Fund		291,379

Item	Amount
086-001-022—For support of State Board of Equalization, to be transferred to Item 086-001-001, payable from the State Emergency Telephone Number Special Account, General Fund	65,329
086-001-061—For support of State Board of Equalization, to be transferred to Item 086-001-001, payable from the Motor Vehicle Fuel Account, Transportation Tax Fund	3,190,908
086-001-965—For support of State Board of Equalization, to be transferred to Item 086-001-001, payable from the Timber Tax Fund	1,450,637

Provisions applicable to Items 086-001-001 through 086-001-965—for support of State Board of Equalization:

1. Provided, that the State Board of Equalization shall use the effectiveness criterion of net assessments per dollar of cost for the purpose of audit selection and resource allocation processes and in reporting accomplishments to the Legislature. The board may use other criteria in evaluating the effectiveness of other aspects of the audit program. The board shall select audits and allocate audit resources solely on the basis of incremental or marginal net assessments expected to be produced. Nothing in this proviso shall require the board to individually rank each audit eligible account against all other eligible accounts or preclude the board from selecting audits for training purposes, or from allocating audit staff to verify claims for refund or to meet necessary management information needs.
2. Provided further, that no funds shall be expended after December 31, 1981, to implement a full-scale program, as defined in budget change proposal number 9, by the Department of Motor Vehicles, to investigate the residency of owners of out-of-state registered automobiles in connection with the multi-agency registration compliance program, unless 30 days advance notification has been given to the Joint Legislative Budget Committee.
3. Provided further, that the 25 new audit positions in the sales tax program shall be limited to one year.

086-301-036—For minor capital outlay, State Board of Equalization, payable from the Special Account for Capital Outlay	19,000
089-001-001—For support of Secretary of State	10,625,408

Item		Amount
Schedule:		
(a) 100000-Personal Services	5,590,742	
(b) 300000-Operating Expenses and Equipment	2,508,623	
(c) 400001-Oral History Project	105,247	
(d) 400002-Ballot Pamphlet Printing..	2,103,000	
(e) 400003-Ballot Pamphlet Mailing (1982 Primary Election)	932,766	
(f) 400004-Printing, Voter Registration by Mail	296,173	
(g) 400005-Postage, Voter Registration by Mail	497,049	
(h) Amount payable from the Political Reform Act of 1974 (Item 864-001-001)	−514,107	
(i) Reimbursements	−894,085	

Provisions applicable to Item 089-001-001—for support of Secretary of State:

1. Provided, that the funds appropriated by this item for the project specified in schedule (c) shall not be reduced, pursuant to any provision requiring any reduction in appropriations made by this act or by subsequent executive order, in an amount which is disproportionate to the reduction made in any other category or project of this item.

089-101-001—For local assistance, Secretary of State, for payment by the State Controller		623,500
Schedule:		
(a) 40-Subventions for signatures in lieu of filing fees	23,500	
(b) 45-Subventions for registration by mail	600,000	

Provisions applicable to Item 089-101-001—for local assistance, Secretary of State:

1. Provided, that the funds provided by program 40 are to provide reimbursement, pursuant to Section 16100.6 of the Government Code, to local governments for the actual increased cost to such local governments caused by the provisions of Section 6555 of the Elections Code.
2. Provided further, that the appropriation made by this item for program 40 is in augmentation of, and in addition to, the funds continuously appropriated to the State Controller by Section 16100 of the Government Code.

Item		Amount
3. Provided further, that the funds provided in program 45 are for reimbursement of net costs to local government associated with the implementation of Chapter 704 of the Statutes of 1975, relating to voter registration and voting procedures, in accordance with Section 91 of that chapter, for such costs incurred during the 1981–82 fiscal year and that the Secretary of State shall determine the maximum reimbursement available to each local jurisdiction (and shall so advise the State Controller) for voter outreach programs which have been adopted and implemented pursuant to Section 304 of the Elections Code. The maximum reimbursement available to each local jurisdiction for voter outreach purposes shall be based on the proportional number of unregistered voters within each local jurisdiction as determined by the Secretary of State. For purposes of this item "net costs" are defined to be voter outreach expenditures up to the allowable maximum reimbursement plus other reasonable costs, less realized savings related to Chapter 704 of the Statutes of 1975.		
4. Provided further, that prior to the payment of any claim funded by program 45 the State Controller shall confer with the Secretary of State to determine whether the cost for which reimbursement is sought is properly reimbursable under Section 91 of Chapter 704 of the Statutes of 1975.		
5. Provided further, that the State Controller pursuant to Section 12410 of the Government Code, shall audit claims submitted by counties pursuant to reimbursements made pursuant to programs 40 and 45.		
091-011-001—For support of Commission on Voting Machines and Vote Tabulating Devices		10,850
095-001-001—For support of State Treasurer		3,120,495
Schedule:		
(a) 100000-Personal Services	3,166,075	
(b) 300000-Operating Expenses and Equipment	1,111,369	
(c) Reimbursements	−1,156,949	
STATE AND CONSUMER SERVICES		
110-001-001—For support of Museum of Science and Industry		4,229,218
Schedule:		
(a) 100000-Personal Services	3,012,815	

Item		Amount
(b) 300000-Operating Expenses and Equipment	882,573	
(c) 400000-Special Items of Expense	353,000	
(d) Reimbursements	−19,170	
110-301-036—For capital outlay, Museum of Science and Industry, payable from the Special Account for Capital Outlay		963,500
Schedule:		
(a) Preliminary plans and working drawings and Aerospace Science building	243,400	
(b) Preliminary plans and working drawings and Afro-American History and Culture Museum building	182,600	
(c) Elevator replacement	78,000	
(d) Preliminary plans, working drawings and construction—site improvements, between Edgerton Hall and the future Hall of Economics and Finance	300,000	
(e) Minor projects	159,500	
112-001-704—For support of Board of Accountancy, payable from the Accountancy Fund		1,928,813
Provisions applicable to Item 112-001-704—for support of Board of Accountancy:		
1. $45,089 of the funds appropriated in Item 112-001-704 may only be used in processing applications of persons filing pursuant to the stipulated judgment in the case [Filipino Accountants Association, Inc. et. al.] v. [State Board of Accountancy] (Sacto Sup. Ct. Case No. 274455).		
113-004-706—For support of California State Board of Architectural Examiners, payable from the California State Board of Architectural Examiners' Fund		918,176
114-006-001—For support of State Athletic Commission		551,470
Provisions applicable to Item 114-006-001—For support of State Athletic Commission:		
1. Provided that the amount appropriated by this item shall not exceed the amount of General Fund revenue related to commission activities which is received during the 1981–82 fiscal year.		
115-008-128—For support of Bureau of Automative Repair, Department of Consumer Affairs, payable from the Automotive Repair Fund		3,787,534
Schedule:		
(a) 100000-Personal Services	5,189,148	
(b) 300000-Operating Expenses and Equipment	2,925,376	

Item		Amount
(c) Reimbursements	−4,326,990	
Provisions applicable to Item 115-008-128—for support of Bureau of Automotive Repair:		
1. Provided, that none of the $95,620 authorized for expenditure to establish an automotive shop in Southern California shall be expended for that purpose unless fee revenue sufficient to support the existing and proposed investigation program is collected.		
116-010-713—For support of State Board of Barber Examiners, payable from the State Board of Barber Examiners' Fund		622,219
117-012-773—For support of Board of Behavioral Science Examiners of the State of California, payable from the Behavioral Science Examiners Fund		443,663
118-014-717—For support of Cemetery Board, payable from the Cemetery Fund		196,179
119-016-157—For support of Bureau of Collection and Investigative Services, Department of Consumer Affairs, payable from the Collection Agency Fund		526,523
Schedule:		
(a) 500000-Support	560,967	
(b) Reimbursements	−34,444	
119-016-769—For support of Bureau of Collection and Investigative Services, Department of Consumer Affairs, payable from the Private Investigator and Adjuster Fund		1,093,925
Schedule:		
(a) 500000-Support	1,366,925	
(b) Reimbursements	−273,000	
123-018-735—For support of Contractors' State License Board, payable from the Contractors' License Fund		14,454,407
Schedule:		
(a) 100000-Personal services	8,904,105	
(b) 300000-Operating Expenses and Equipment	5,550,302	
Provisions applicable to Items 123-018-735 through 123-019-735—for support of Contractors' State License Board:		
1. Provided, that no funds may be expended from the appropriation made in Item 123-018-735 for the implementation of enhancements to the board's computer processing capability, as recommended in a March 1981 Feasibility Study Report prepared at the board's request, sooner than 30 days after the board has provided the Joint Legislative Budget Committee and the fis-		

Item		Amount
cal committees in each house with (1) an amended feasibility study report, approved by the Department of Finance, which includes the evaluation of alternatives to on-line computer access; (2) justification for outside consulting services; and (3) clarification of staffing levels where different than that identified in the Feasibility Study Report.		
2. Provided further, that total consulting services on the enhancement of the board's computer processing capability shall not exceed $130,000.		
3. Provided further, that 15 positions funded through Item 123-018-735 are to be established as limited-term, to be deleted when the board's enhanced computer processing system is implemented.		
4. For every 200 complaints received less than 33,000 on a seasonally adjusted annualized basis, one vacant deputy registrar position shall not be filled. Additionally, for every 200 complaints received less than 33,000, $7,900 in enforcement services shall be unallotted.		
5. The Department of Finance shall present a zero base budget for the board by February 1, 1982.		
124-020-738—For support of State Board of Cosmetology, payable from the Board of Cosmetology's Contingent Fund		1,817,722
Schedule:		
(a) 100000-Personal services	723,072	
(b) 300000-Operating Expenses and Equipment	1,094,650	
125-022-380—For support of Board of Dental Examiners of California, payable from the Dental Auxiliary Fund		386,226
125-022-741—For support of Board of Dental Examiners of California, payable from the State Dentistry Fund		1,397,468
Schedule:		
(a) 500000-Support	1,404,958	
(b) Reimbursements	−7,490	
128-024-325—For support of Bureau of Electronic and Appliance Repair, Department of Consumer Affairs, payable from the Electronic and Appliance Repair Fund		859,931
130-026-180—For support of Bureau of Employment Agencies, Department of Consumer Affairs, payable from the Bureau of Employment Agencies Fund		477,617

Item		Amount
Schedule:		
(a) 500000-Support	483,028	
(b) Reimbursements	−5,411	
Provisions applicable to Item 130-026-180—for support of Bureau of Employment Agencies:		
1. Provided, that no funds may be expended from the appropriation made by this item for the purpose of conducting undercover investigations.		
131-028-258—For support of Nurses' Registry, payable from the Nurses' Registry Fund		21,728
132-030-745—For support of State Board of Fabric Care, payable from the Fabric Care Fund		563,295
Provisions applicable to Item 132-030-745—for support of State Board of Fabric Care:		
1. Provided that $60,000 of the amount appropriated above shall be in lieu of the amounts which would otherwise be appropriated pursuant to Section 9575.6 of the Business and Professions Code.		
133-032-750—For support of State Board of Funeral Directors and Embalmers, payable from the State Funeral Directors and Embalmers Fund		470,503
134-034-205—For support of State Board of Registration for Geologists and Geophysicists, payable from the Geology and Geophysics Fund		134,997
135-036-001—For support of State Board of Guide Dogs for the Blind		23,455
136-038-752—For support of Bureau of Home Furnishings, Department of Consumer Affairs, payable from the Bureau of Home Furnishings Fund		1,128,995
137-040-757—For support of California State Board of Landscape Architects, payable from the State Board of Landscape Architects Fund		242,405
138-042-108—For support of Board of Medical Quality Assurance of the State of California, payable from the Acupuncturists Fund		177,709
138-042-208—For support of Board of Medical Quality Assurance of the State of California, payable from the Hearing Aid Dispensers Fund		101,130
Schedule:		
(a) 500000-Support	101,555	
(b) Reimbursements	−425	
138-042-280—For support of Board of Medical Quality Assurance of the State of California, payable from the Physicians Assistant Fund		117,299
138-042-295—For support of Board of Medical Quality Assurance of the State of California, payable from the Podiatry Fund		183,491

Item		Amount
138-042-310—For support of the Board of Medical Quality Assurance of the State of California, payable from the Psychology Fund		520,057
Schedule:		
(a) 500000—Support	523,267	
(b) Reimbursements	−3,210	
138-042-376—For support of Board of Medical Quality Assurance of the State of California, payable from the Speech Pathology and Audiology Examining Committee Fund		127,173
Schedule:		
(a) 500000—Support	143,201	
(b) Reimbursements	−16,028	
138-042-758—For support of Board of Medical Quality Assurance of the State of California, payable from the Contingent Fund of the Board of Medical Quality Assurance		9,197,786
Schedule:		
(a) 100000-Personal Services	4,714,924	
(b) 300000-Operating Expenses and Equipment	4,668,545	
(c) Reimbursements	−185,683	
138-042-759—For support of Board of Medical Quality Assurance of the State of California, payable from the Physical Therapy Fund		223,092
Schedule:		
(a) 500000-Support	225,767	
(b) Reimbursements	−2,675	

Provision applicable to Items 138-042-108 through 138-042-759—for support of Board of Medical Quality Assurance:

1. Provided that the unencumbered balance of any funds, on July 1, 1981, in the Contingent Fund of the Board of Medical Quality Assurance derived from revenues received under Section 2980 of the Business and Professions Code shall be transferred by the State Controller to the Psychology Fund.
2. Provided further, that if the unencumbered balance in the Acupuncturists Fund, on July 1 of a fiscal year in which licenses are renewed, exceeds 50 percent of the annual operating budget for the Acupuncture Advisory Committee, the Division of Allied Health Professions of the Board of Medical Quality Assurance shall reduce license or other fees in an amount which will reduce the surplus funds by the amount that the surplus exceeds 50 percent of the annual operat-

Item		Amount
ing budget of the committee.		
147-044-260—For support of State Board of Examiners of Nursing Home Administrators, payable from the Nursing Home Administrator's State License Examining Board Fund		216,586
148-046-763—For support of State Board of Optometry, payable from the State Optometry Fund		257,387
149-048-767—For support of California State Board of Pharmacy, payable from the Pharmacy Board Contingent Fund		1,626,494
Schedule:		
(a) 500000-Support	1,639,094	
(b) Reimbursements	−12,600	
Provisions applicable to Item 149-048-767—for support of California State Board of Pharmacy:		
1. The California State Board of Pharmacy shall reduce expenditures as necessary to avoid a fund deficit situation if a statute to increase fees is not enacted.		
2. The appropriation made by Item 149-048-767 shall be in lieu of the appropriation in Section 7 of Chapter 883 of the Statutes of 1973 and no funds shall be appropriated to the California State Board of Pharmacy pursuant to Chapter 883 of the Statutes of 1973 during the 1981–82 fiscal year.		
150-050-770—For support of State Board of Registration for Professional Engineers, payable from the Professional Engineers' Fund		1,492,395
Schedule:		
(a) 100000-Personal services	897,141	
(b) 300000-Operating Expenses and Equipment	595,254	
151-052-761—For support of Board of Registered Nursing, payable from the Board of Registered Nursing Fund		2,727,328
152-054-771—For support of Certified Shorthand Reporters Board, payable from the Shorthand Reporters' Fund		158,946
153-056-775—For support of Structural Pest Control Board, payable from the Structural Pest Control Fund		1,629,043
Schedule:		
(a) 100000-Personal services	455,683	
(b) 300000-Operating Expenses and Equipment	1,173,360	
154-058-406—For support of Tax Preparers Program, Department of Consumer Affairs, payable from the Tax Preparers Fund		1

Item			Amount
155-060-118—For support of Board of Examiners in Veterinary Medicine, payable from the Animal Health Technician Examining Committee Fund ..			66,999
155-060-777—For support of Board of Examiners in Veterinary Medicine, payable from the Board of Veterinary Examiners' Contingent Fund			407,817
Schedule:			
(a) 500000-Support		416,317	
(b) Reimbursements		−8,500	
158-062-779—For support of Board of Vocational Nurse and Psychiatric Technician Examiners of the State of California, payable from the Vocational Nurse and Psychiatric Technician Examiners' Fund, Vocational Nurse Account			1,433,850
Schedule:			
(a) 500000-Support		1,500,865	
(b) Reimbursements		−67,015	
158-062-780—For support of Board of Vocational Nurse and Psychiatric Technicians Examiners of the State of California, payable from the Vocational Nurse and Psychiatric Technicians Examiners' Fund, Psychiatric Technicians Account			338,179
Schedule:			
(a) 500000-Support		345,679	
(b) Reimbursements		−7,500	
Provisions applicable to Item 158-062-779 through 158-062-780—for support of Board of Vocational Nurse and Psychiatric Technician Examiners of the State of California:			
1. Provided the amount appropriated from the Vocational Nurse and Psychiatric Technicians Examiners' Fund, Psychiatric Technicians Account by Item 158-062-780 is from the moneys deposited under the provisions of Section 4547 of the Business and Professions Code.			
2. Provided further, that the Board of Vocational Nurse and Psychiatric Technician Examiners shall reduce expenditures from the Vocational Nurse Account as necessary to avoid a deficit if legislation to increase fees is not enacted.			
163-064-001—For support of Department of Consumer Affairs			1,423,878
Schedule:			
(a) 98.10-Division of Consumer Services		1,349,561	
(b) 98.20-Consumer Advisory Council		74,317	
163-064-702—For support of Department of Consumer Affairs, payable from the Consumer Affairs Fund			5,389,290

Item			Amount
Schedule:			
(a) 98.10-Division of Consumer Services			453,986
(1) 98.10-Total Division of Consumer Services		523,986	
(2) Reimbursements		−70,000	
(b) 98.30-Division of Investigation			0
(1) 98.30-Total Division of Investigation		3,227,147	
(2) Reimbursements		−3,227,147	
(c) 98.40-Division of Administration			3,781,890
(1) 98.40-Total Division of Administration		4,943,634	
(2) Reimbursements		−1,161,744	
(d) 98.50-Building Maintenance and Operation			1,153,414

Provisions applicable to Item 163-064-702—for support of Department of Consumer Affairs:

1. Provided, that to the extent that the programs and services provided by the Division of Consumer Services can legally be funded by assessments to the boards, bureaus, and commissions within the Department of Consumer Affairs, the appropriations made in this act to the boards, bureaus, and commissions and the appropriation to the Division of Consumer Services in Item 163-064-702 shall be reduced by amounts not to exceed a total of $1,217,764.
2. Provided further, that no funds appropriated for the administration of the Department of Consumer Affairs shall be expended after August 1, 1981, unless and until the Secretary of the State and Consumer Services Agency adopts a plan which requires that all new programs and policies of the Division of Consumer Services receive written approval from the Secretary prior to implementation. No funds shall be reduced unless the Secretary reports to the Legislature any failure to comply with this proviso.

163-064-890—For support of Department of Consumer Affairs, Division of Consumer Services, Program 98.10 payable from the Federal Trust Fund 13,546

163-301-702—For minor capital outlay, Department of Consumer Affairs, payable from the Consumer Affairs Fund 46,800

Item		Amount
170-001-001—For support of Department of Fair Employment and Housing		7,635,153
Schedule:		
(a) 10-Prevention and Elimination of Discrimination in Employment and Housing	6,559,203	
(b) 20-Fair Employment and Housing Commission	290,735	
(c) 30-Administration	785,215	
170-001-890—For support of Department of Fair Employment and Housing, payable from the Federal Trust Fund		3,219,396
Schedule:		
(a) 10-Prevention and Elimination of Discrimination in Employment of Housing	2,849,430	
(b) 20-Fair Employment and Housing Commission	104,656	
(c) 30-Administration	265,310	
171-001-001—For support of State Fire Marshal		3,581,622
Schedule:		
(a) 100000-Personal Services	3,833,456	
(b) 300000-Operating Expenses and Equipment	960,401	
(c) Reimbursements	−1,212,235	
173-001-001—For support of Franchise Tax Board		78,534,493
Schedule:		
(a) 100000-Personal Services	65,078,231	
(b) 300000-Operating Expenses and Equipment	17,092,401	
(c) Reimbursements	−2,523,428	
(d) Amount payable from Item 864-001-001 Political Reform Act of 1974	−1,112,711	
Provisions applicable to Item 173-001-001—for support of Franchise Tax Board:		
1. Provided that not more than $1,112,711 shown in schedules (a) and (b) of this schedule and any other amounts appropriated for salary and benefit increases may be expended for purposes of the Political Reform Act of 1974 (Title 9 (commencing with Section 81000) of the Government Code).		

Item	Amount
2. Provided further, that the Franchise Tax Board shall use the effectiveness criterion of net assessments per dollar cost in its audit selection and resource allocation processes and in reporting accomplishments to the Legislature. The board may use other criteria in evaluating the effectiveness of other aspects of the audit program. The board shall select audits and allocate audit resources solely on the basis of the incremental or marginal net assessments expected to be produced. Nothing in this proviso shall require the board to individually rank each return or preclude the board from conducting sample or discovery audits to the extent necessary.	
3. Provided further, that $240,000 of the funds appropriated in this item shall be expended solely for the recomputation of the bank tax rates for income years 1978 and 1979.	
Provisions applicable to Item 173-101-001 for local assistance, Franchise Tax Board:	
1. Provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates the reimbursement of such costs and subdivision (d) of Section 2231 of the Revenue and Taxation Code.	
2. Provided further, that the funds appropriated in this item may be expended only to reimburse mandated costs in excess of any revenues distributed pursuant to Schedule (i) of Item 910-101-001.	
173-101-001—For local assistance, Franchise Tax Board, for reimbursement, in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs of any new program or increased level of service of an existing program mandated by statute, for payment by the State Controller....	5,000
173-495—Reversion, Franchise Tax Board, As of June 30, 1981, the unencumbered balance of the appropriation provided in the following citation shall revert to the unappropriated surplus of the fund from which the appropriation was made.	
001—General Fund	
(1) Section 7(b), Chapter 1182, Statutes of 1979.	
176-001-001—For support of the Department of General Services for activities other than the Office of State Printing, to be transferred to Item 176-001-666	6,083,541

Item			Amount
176-001-003—For support of Department of General Services for activities other than the Office of State Printing, payable from Motor Vehicle Parking Facilities Moneys Account, General Fund			1,320,031
176-001-022—For support of Department of General Services for activities other than the Office of State Printing, to be transferred to Item 176-001-666, payable from State Emergency Telephone Number Account, General Fund			216,636
176-001-119—For support of Department of General Services for activities other than the Office of State Printing, to be transferred to Item 176-001-666, payable from Architecture Public Building Fund			1,515,592
176-001-190—For support of Department of General Services for activities other than the Office of State Printing, to be transferred to Item 176-001-666, payable from the Resources Account, Energy and Resources Fund			70,000
176-001-189—For support of Department of General Services for activities other than the Office of State Printing, to be transferred to Item 176-001-666, payable from the Energy Account, Energy and Resources Fund			915,000
176-001-344—For support of Department of General Services for activities other than the Office of State Printing, to be transferred to Item 176-001-666, payable from the State School Building Lease Purchase Fund			1,090,427
176-001-602—For support of Department of General Services for activities other than the Office of State Printing, to be transferred to Item 176-001-666, payable from the Architecture Revolving Fund			9,366,686
176-001-666—For support of Department of General Services for activities other than the Office of State Printing, payable from the Service Revolving Fund			161,601,559
	(a) 100000-Personal Services	87,883,333	
	(b) 300000-Operating Expenses and Equipment	96,565,224	
	(c) Amount payable from the General Fund (Item 176-001-001)	−6,083,541	
	(d) Amount payable from the State Emergency Telephone Number Account, General Fund (Item 176-001-022)	−216,636	
	(e) Amount payable from the Architecture Public Building Fund (Item 176-001-119)	−1,515,592	

Item		Amount
(f) Amount payable from the Energy and Resources Fund (Item 176-001-188)	−985,000	
(g) Amount payable from the Architecture Revolving Fund (Item 176-001-602)	−9,366,686	
(h) Amount payable from the State School Building Aid Fund (Item 176-001-739)	−1,271,201	
(i) Amount payable from the Federal Trust Fund (Item 176-001-890)	−100,000	
(j) Amount payable from the Deferred Compensation Plan Fund (Item 176-001-915)	−267,272	
(k) Amount payable from the State School Deferred Maintenance Fund (Item 176-001-961)	−287,643	
(*l*) Amount payable from the State School Lease Purchase Fund (Item 176-001-344)	−1,090,427	
(m) Amount payable from the General Fund (Item 176-011-001)	−1,525,000	
(n) Unallocated reduction (Item 176-001-001)	−138,000	
176-001-739—For support of Department of General Services for activities other than the Office of State Printing, to be transferred to Item 176-001-666, payable from the State School Building Aid Fund		1,271,201
176-001-890—For support of Department of General Services for activities other than the Office of State Printing, to be transferred to Item 176-001-666, payable from the Federal Trust Fund		100,000
176-001-915—For support of Department of General Services for activities other than the Office of State Printing, to be transferred to Item 176-001-666, payable from the Deferred Compensation Plan Fund portfolio earnings or Account for Administrative Services Fees		267,272
176-001-961—For support of Department of General Services for activities other than the Office of State Printing, to be transferred to Item 176-001-666, payable from the State School Deferred Maintenance Fund		287,643
Provisions applicable to Item 176-001-001 through 176-001-961—for support of Department of General Services for activities other than the Office of State Printing:		

Item Amount

1. Provided that the amounts appropriated in schedules (a) and (b) $6,405,931 is for transfer from the original fund in the Service Revolving Fund, to be transferred by the State Controller in such amounts as the Department of Finance may authorize; provided, that the money so transferred shall not be available for expenditure after June 30, 1982, and any unencumbered balances as of June 30, 1982, shall be returned to the General Fund.
2. Provided further, that the appropriation from the Architecture Revolving Fund Item 176-001-602 is for expenditure by the Office of State Architect for the purposes specified in Section 14957 of the Government Code.
3. Provided further, that any balances in the Architecture Revolving Fund continue to be appropriated by and subject to Section 14957 of the Government Code, and are available for construction and for augmentation of this appropriation; and provided further, that during the 1981–82 fiscal year the Office of State Architect, Department of General Services, shall maintain expenditures for staff to a level commensurate with the funds necessary to maintain a staff sufficient to perform a basic architectural and engineering services workload volume of $48,606,000, as projected to June 30, 1982, provided, that no funds appropriated by this act shall be expended to implement regulations developed by the State Architect pursuant to Chapter 7 (commencing with Section 4450) of Division 5 of Title 1 of the Government Code and Part 5.5 (commencing with Section 19955) of Division 13 of the Health and Safety Code, unless and until the appropriate subcommittee of the committee in each house which considers appropriations and the policy committee hold interim hearings or otherwise review, as deemed appropriate by the respective subcommittees and policy committees, the subject regulations.
4. Provided further, that from any balance in the Service Revolving Fund, the Director of General Services, with the approval of the Director of Finance, may expend funds in excess of the amount appropriated in this item for the purchase of office copier machines, and provided

Item Amount

further, that any such amounts authorized by the Director of Finance for the purchase of officer copier machines are hereby appropriated from the Service Revolving Fund as a loan to be repaid upon such terms and conditions as prescribed by the Director of Finance.

5. Provided further, that if the projected safety engineering workload does not materialize, staff reductions shall be made commensurate with the workload reduction.

176-011-001—For reimbursement to the Service Revolving Fund for purchase of vehicles for the Legislature 1,525,000

Provisions applicable to Item 176-011-001:

1. Provided, that of the amount appropriated in Item 176-011-001, $700,000 shall revert to the General Fund on or before June 30, 1982.

176-011-666—For augmentation of the Service Revolving Fund, to be transferred by the State Controller in such amounts and at such times as funds are made available. Upon approval of the State Board of Control, the State Controller shall transfer to this item from any appropriation made from the General Fund, or any special fund, by the provisions of this act that part of such appropriation which is intended to be used and is available, for the purchase or replacement of automobiles and reproduction equipment, and provided, any funds in the Service Revolving Fund may be used to purchase equipment from the General Fund or special funds of the State at the depreciated value at the time of purchase payable at the option of the Service Revolving Fund over the remaining depreciation period.

176-021-666—For support of Office of State Printing, Department of General Services, payable from the Service Revolving Fund 34,161,118

Schedule:

(a) 100000-Personal Services 14,919,121

(b) 300000-Operating Expenses and Equipment 19,241,997

176-101-022—For local assistance, Department of General Services, for reimbursement of local agencies and service suppliers or communications equipment companies for costs incurred pursuant to Sections 41137, 41137.1, 41138, and 41140 of the Revenue and Taxation Code, payable from the State Emergency Telephone Number Account,

Item			Amount
General Fund			7,059,621
176-301-036—For capital outlay, Department of General Services, payable from the Special Account for Capital Outlay, General Fund			43,839,938
(b) 80.10-Statewide—elevator modifications (Earthquake Safety)		85,500	
(c) 80.15-Purchase Option—Department of Water Resources Building, Red Bluff		305,000	
(d) 80.20-Purchase Option—Department of Water Resources building, Fresno		860,000	
(f) 80.30-Preliminary studies—Franchise Tax Board Building, Sacramento		285,000	
(h) 80.36-Construction—new state building, San Francisco		34,434,786	
(i) 80.40-Minor Capital Outlay		79,622	
(j) 80.50-Statewide—fire and life safety alterations		6,390,030	
(1) Resources Building, Sacramento—construction	1,255,482		
(2) Los Angeles Building—construction	3,393,300		
(4) San Diego Building—construction	463,795		
(5) OB#1, Sacramento—construction	701,300		
(6) Employment Development Department Building—working drawings	38,623		
(7) OB#8, Sacramento—working drawings	35,800		
(8) OB#9, Sacramento—working drawings	35,800		
(9) Santa Ana Building—working drawings and construction	475,930		
(k) 80.60-Site 4, Sacramento—preliminary plans and working drawings		1,400,000	

Provisions applicable to Item 176-301-036—Capital Outlay, Department of General Services:

Item Amount

1. Provided, that funds appropriated by Item 176-301-036, schedule (f), shall be available for expenditure on July 1, 1981, for development of studies relating to the alternative means of acquiring or constructing adequate facilities to accommodate the Franchise Tax Board at its present site east of Sacramento.
The Department of General Services shall submit the studies to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee.

176-311-036—For capital outlay, Department of General Services, replacement of PCB-contaminated equipment, payable from the Special Account for Capital Outlay, General Fund 3,647,900
Schedule:

(a) Department of General Services..	2,100
(b) California State University and Colleges	2,104,900
(c) Department of the Youth Authority.....	99,300
(d) Department of Developmental Services	581,900
(e) Department of Veterans Affairs ..	45,700
(f) Department of Corrections.....	686,200
(g) Department of Mental Health.....	127,800

Provisions applicable to Item 176-311-036—for capital outlay, Department of General Services:

1. Provided, that the funds appropriated by Item 176-311-036 are subject to the provisions of Section 8.00 of this act.
2. Provided further, that no funds appropriated by Item 176-311-036 may be expended sooner than 30 days, unless and until an expenditure plan is submitted by the Director of Finance in writing to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.

176-490—Reappropriation, Department of General Services. Notwithstanding any other provisions of law, the unencumbered balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in such appropriations and

Item	Amount
shall be available for expenditure until June 30, 1982:	
036-Special Account for Capital Outlay, General Fund	
(2) Item 506.1, Budget Act of 1980—new State Building, Los Angeles.	
Provisions applicable to project (2), Item 176-490—Reappropriation, Department of General Services:	
1. Provided, that notwithstanding Section 28.20, the Director of General Services may enter into a joint powers agreement with the Community Redevelopment Agency of the City of Los Angeles for the purposes of financing the acquisition of land and the construction of new office space and parking facilities in the City of Los Angeles if such agreement is approved by the State Public Works Board and the director notifies the chairman of the Joint Legislative Budget Committee or his designee of his intention to execute the proposed agreement at least 20 days prior to its execution.	
176-495—Reversion, Department of General Services. As of June 30, 1981, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriations were made.	
036—Special Account for Capital Outlay	
(1) Item 507(a), (1) through (10) Budget Act of 1980, construction, fire and life safety alterations (statewide).	
(2) Item 509.1, Budget Act of 1980, state share of the cost of installing street lights within the Capitol area described in subdivision (d) of Section 8160.1 of the Government Code.	
186-001-890—For support of Intergovernmental Personnel Act Advisory Council, payable from the Federal Trust Fund	703,610
186-101-890—For local assistance, Intergovernmental Personnel Act Advisory Council, payable from the Federal Trust Fund	810,390
Provisions applicable to Items 186-001-890 through 186-101-890—for support and local assistance, Intergovernmental Personnel Act Advisory Council:	

Item			Amount
1. Provided, that if funds in the amount budgeted are not provided by the federal government for activities of the Intergovernmental Personnel Act Advisory Council, expenditure authorization pursuant to Items 186-001-890 and 186-101-890 shall be commensurately reduced.			
2. Provided further, that if federal funds for the activities of the Intergovernmental Personnel Act Advisory Council are reduced or eliminated, position authorizations for the Council shall be commensurately reduced or eliminated.			
3. Provided further, that no funds other than federal funds may be used for the activities of the Intergovernmental Personnel Act Advisory Council.			
188-001-001—For support of State Personnel Board.....			22,861,694
Schedule:			
(a) 10-Merit System Administration ..		20,782,969	
(1) 10-Total Merit System Administration	22,976,033		
(2) Reimbursements ..	−2,193,064		
(b) 20-Appeals.....		1,702,225	
(1) 20-Total Appeals ..	1,710,631		
(2) Reimbursements ..	−8,406		
(c) 30-Personnel Development.....		288,000	
(1) 30-Total Personnel Development	1,658,221		
(2) Reimbursements ..	−1,370,221		
(d) 40-Local Government Services		88,500	
(1) 40-Total Local Government Services	2,797,678		
(2) Reimbursements ..	−1,519,781		
(3) Amount payable from the Cooperative Personnel Services Revolving Fund (Item 188-001-677)	−1,189,397		
(e) 50-Management Services.....		3,779,556	
(f) 51-Distributed Management Services		−3,779,556	
188-001-677—For support of State Personnel Board, for Program 40-Local Government Services, payable from the Cooperative Personnel Services Revolving Fund			1,189,397
Provisions applicable to Item 188-001-001 through 188-001-677—for support of State Personnel Board:			

Item	Amount
1. Provided, that calculations of specific percentage differences in salaries between state civil service employees and non-state employees shall be submitted to the Legislature upon the request of the chairman of the committee in each house which considers appropriations or the Chairman of the Joint Legislative Budget Committee, or his designee, unless such information pertains to civil service classes represented by an exclusive bargaining agent under the provisions of the State Employer-Employee Relations Act and a memorandum of understanding has not yet been submitted to the Legislature for approval; however, information relative to those classes shall be released by the State Personnel Board and submitted to the Legislature, upon request as herein specified, immediately following the time a memorandum of understanding affecting those classes is submitted to the Legislature; provided further, that, if funds appropriated in Item 188-001-001 are transferred to the Department of Personnel Administration pursuant to the provisions of Section 32.20, the requirements, responsibilities and restrictions provided by this proviso shall also be transferred and apply to that department.	
2. Provided further, that $147,200 of the funds appropriated in Item 188-001-001, Program 20 for Personal Services is authorized for 4.6 analysts positions and one clerical position, which positions may only be used for the purpose of continuing the conduct of the State Personnel Board's compensation surveys to provide data to enable the Legislature to evaluate compensation increases negotiated by the Governor or his representative; provided further, that, if funds appropriated in Item 188-001-001 are transferred to the Department of Personnel Administration pursuant to the provisions of Section 32.20, the requirements, responsibilities and restrictions provided by this proviso shall also be transferred and apply to that department.	
3. Provided further, that none of the funds specified in Item 188-001-001, Program 10 for the jobs program shall be used for defraying the payroll cost of a participant unless the employer of the participant pays at least 20 percent of such payroll cost.	

Item Amount

4. Provided further, that, to maximize the use of federal funds in the state, the State Personnel Board shall enter into an agreement with the Department of Rehabilitation for transfer of $1,752,225 of the funds appropriated in Item 188-001-001, category (a), which the department shall use to match available Rehabilitation "110" federal funds; provided further, that the interagency agreement shall require the Department of Rehabilitation to purchase on-the-job training services from the State Personnel Board in the amount of $1,752,225, to be paid from these matched funds, and to provide the State Personnel Board $350,445 of these matched funds to support administrative activities and related costs in the Board's Disabled Unit.
5. Provided further, that salary increases for trainees in the career opportunities development program shall be 7 percent or the average percentage increase granted state civil service employees for the 1981–82 fiscal year, whichever is less.
6. Provided further, that the State Personnel Board may receive unbudgeted reimbursements from state agencies pursuant to interagency agreements for the provision of additional personnel services only upon approval of the Director of Finance and notification to the Legislature pursuant to the provisions of Section 28, except for services which are related to training, and except for reimbursements for which funding originates from nonstate sources.

188-495—Reversion, State Personnel Board. As of June 30, 1981, the unencumbered balance of the appropriation provided in the following citation shall revert to the unappropriated surplus of the fund from which the appropriation was made:

001—General Fund

(1) Section 15204 (d), Chapter 579, Statutes of 1971 for administration and development costs of the Career Opportunities Development Program and the provision of technical assistance and support to local jurisdiction.

190-001-001—For support of Board of Administration of the Public Employees' Retirement System, to be transferred to Item 190-001-830 52,186

Item			Amount
190-001-820—For support of Board of Administration of the Public Employees' Retirement System, to be transferred to Item 190-001-830, payable from the Legislators' Retirement Fund			79,819
190-001-830—For support of Board of Administration of the Public Employees' Retirement System, payable from the Public Employees' Retirement Fund			19,639,732
Schedule:			
(a) 100000-Personal Services		15,084,633	
(b) 300000-Operating Expense and Equipment		7,990,506	
(c) Reimbursements		−1,092,634	
(d) Amount payable from the General Fund (Item 190-001-001)		−52,186	
(e) Amount payable from the Judges' Retirement Fund (Item 190-011-001)		−121,166	
(f) Amount payable from the Legislators' Retirement Fund (Item 190-001-820)		−79,819	
(g) Amount payable from the Public Employees Contingency Reserve Fund (Item 190-001-950)		−2,011,416	
(h) Amount payable from the Volunteer Firefighters Length of Service Award System Fund (Item 190-001-962)		−78,186	
190-001-950—For support of Board of Administration of the Public Employees' Retirement System, to be transferred to Item 190-001-830, payable from the Public Employees' Contingency Reserve Fund			2,011,416
190-001-962—For support of Board of Administration of the Public Employees' Retirement System, to be transferred to Item 190-001-830, payable from the Volunteer Firefighters Length of Service Award System Fund			78,186

Provisions applicable to Items 190-001-001 through 190-001-962—for support of Board of Administration of the Public Employees' Retirement System:

1. Provided further, that the appropriation from the Public Employees' Contingency Reserve Fund Item 190-001-950, is for support of the Board of Administration pursuant to Section 22840 of the Government Code.
2. Provided further, that the appropriation from the Legislators' Retirement Fund Item 190-001-820, is for support of the Board of Administration in accordance with Section 9354 of the Government Code.

Item		Amount
190-011-001—For support of Board of Administration of the Public Employees' Retirement System, for costs incurred by the Board of Administration of the Public Employees' Retirement System in administering the provisions of the Judges' Retirement Law pursuant to Section 75005 of the Government Code, to be transferred to Item 190-001-830, the sum of $121,166 is appropriated from the General Fund to the Judges' Retirement Fund		121,166
Provision applicable to Item 190-011-001—for support of Board of Administration of the Public Employees' Retirement System:		
1. Provided further, that the appropriation from the Judges' Retirement Fund Item 190-011-001, is for costs incurred by the Board of Administration of the Public Employees' Retirement System in administering the provisions of the Judges' Retirement Law pursuant to Section 75005 of the Government Code.		
190-101-001—For local assistance, for Public Employees' Retirement System activities, for reimbursement, in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs of any new program or increased level of service of an existing program mandated by statute, State Controller		8,265,000
Provision applicable to Item 190-101-001—for local assistance for Public Employees' Retirement System activities:		
1. Provided that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates the reimbursement of such costs and of subdivision (d) of Section 2231 of the Revenue and Taxation Code.		
192-001-835—For support of State Teachers' Retirement System, payable from the State Teachers' Retirement Fund		9,973,958
Schedule:		
(a) 100000-Personal Services	6,455,169	
(b) 300000-Operating Expenses and Equipment	3,808,354	
(c) Reimbursements	−190,000	
(d) Amount payable from the Teacher Tax Sheltered Annuity Fund (Item 192-001-963)	−99,565	

Item		Amount
192-001-963—For support of State Teachers' Retirement System, to be transferred to Item 196-001-835 payable from the Teacher Tax Sheltered Annuity Fund		99,565
Provisions applicable to Items 192-001-835 through 192-001-963— for support of State Teachers' Retirement System:		
1. Provided, the appropriation from the Teacher Tax Sheltered Annuity Fund, Item 192-001-963, is for costs incurred in operating the tax-sheltered annuity program pursuant to Section 22231 of the Education Code.		
196-001-001—For support of Department of Veterans Affairs		1,683,057
Schedule:		
(a) 100000-Personal Services	1,569,838	
(b) 300000-Operating Expenses and Equipment	302,749	
(c) 400001-Educational Assistance to Veterans' Dependents	434,263	
(d) Amounts payable from the Veterans' Farm and Home Building Fund of 1943 (Item 196-001-592)	−582,535	
(e) Reimbursements	−12,385	
(f) Amounts payable from the California National Guard Farm and Home Building Fund of 1978	−28,873	
196-001-592—For support of Department of Veterans' Affairs to be transferred to Item 196-001-001 payable from the Veterans' Farm and Home Building Fund of 1943		582,535
Provisions applicable to Items 196-001-001 through 196-001-592—for support of Department of Veterans Affairs:		
1. Provided that, expenditures pursuant to Item 196-001-001, schedule (c) are for educational assistance to veterans' dependents, Department of Veterans Affairs, to be expended under the provisions of Sections 890 through 899 of the Military and Veterans Code provided, that no funds appropriated by this item, except as specified, may be expended to provide financial assistance for the education of dependents of non-California veterans killed or totally disabled as a result of active military service and of non-California servicemen currently missing in action.		

Item Amount

2. Provided further, that this restriction shall not apply to dependents receiving such financial assistance in, or prior to, fiscal year 1978–79. Provided further, that "non-California veteran" means persons not meeting the requirements of Section 980 of the Military and Veterans Code.
3. Provided further, that no funds shall be expended for educational assistance program grants to persons whose family incomes exceed the following limits:
   (a) $25,000 for three or fewer family members.
   (b) $27,000 for four family members.
   (c) $29,000 for five family members.
   (d) $31,000 for six or more family members.
   (e) $33,000 for three or more family members, if at least two members are attending college.

   As used in this provision, the term "family member" shall include only the dependent applicant; the parents, either natural or adoptive, of the dependent applicant; the dependent brothers and sisters, either natural or adoptive, of the dependent applicant; the spouse of the dependent applicant, if married; and any other persons who are dependent upon the family income for more than 50 percent of their support. The term "family income" shall include only the income of the dependent applicant; the parents, either natural or adoptive, of the dependent applicant; and, if married, the spouse of the dependent applicant; and shall mean "adjusted gross income" as that term is defined in Section 17072 of the Revenue and Taxation Code.
4. Upon order of the Department of Veterans Affairs, funds appropriated by Item 196-001-001 may be transferred to Item 196-101-001, and funds appropriated by Item 196-101-001 may be transferred to Item 196-001-001, except that not more than $420,000 of the funds appropriated by Item 196-001-001 may be transferred to Item 196-101-001.

196-101-001—For local assistance, Department of Veterans Affairs, for contribution to counties toward compensation and expenses of county service officers, to be expended in accordance with Section 972 of the Military and Veterans Code 420,000

Item		Amount
196-490—Reappropriation, Department of Veterans Affairs. Notwithstanding any other provisions of law, the unencumbered balance, on the effective date of this act, of the appropriation provided in the following citation, is reappropriated for the purposes provided for in the appropriation, and shall be available for expenditure until June 30, 1982: 001—General Fund (1) Item 151, Budget Act of 1980, educational assistance to veterans' dependents, not to exceed $496,987.		
197-011-001—For support of Veterans' Home of California		15,879,087
Schedule:		
(a) 100000-Personal Services	19,532,397	
(b) 300000-Operating Expenses and Equipment	7,705,106	
(c) Reimbursements	−3,799,309	
(d) Amount payable from the Federal Trust Fund (Item 197-011-890)	−7,559,107	
197-011-890—For support of Veterans' Home of California, to be transferred to Item 197-011-001, payable from the Federal Trust Fund		7,559,107
Provisions applicable to Items 197-011-001 through 197-011-890—for support of Veterans' Home of California: 1. Provided, that the Veterans' Home of California shall collect from home members, after due consideration of income and family status, fees and charges of domiciliary, nursing home, and hospital care. 2. Provided, that any reimbursements or federal funds received by the Veterans' Home of California in excess of the amounts set forth in item 197-011-001 shall revert to the unappropriated surplus of the General Fund in a manner prescribed by the Department of Finance, unless expenditure of such funds is authorized by the Department of Finance. Such authorization shall not become effective sooner than 30 days after notification in writing of the Joint Legislative Budget Committee or such lesser time as the committee or its designee may, in each instance, determine.		

Item		Amount
3. Provided further, that no funds budgeted in support of further automation of the Veterans' Home cost accounting system may be expended sooner than 30 days after the Department of Finance has provided the Joint Legislative Budget Committee a feasibility study report in support of further automation; provided further, that the feasibility study report shall have been approved by the Department of Finance and prepared in accordance with the State Administrative Manual (Secs. 4921 to 4928, inclusive).		
Provided further, that the feasibility study report shall address the following: (1) the extent to which hospital automation efforts underway or planned by the Departments of Mental Health and Developmental Services will develop systems that can be used by the Veterans' Home in support of its automation efforts, (2) whether automation of the cost accounting system at the Veterans' Home will reduce the home's gross annual operating cost, and (3) the number of the requested positions that should be hired on a limited-term basis.		
197-301-036—For capital outlay, Veterans' Home of California, Department of Veterans Affairs payable from the Special Fund for Capital Outlay, General Fund		996,640
Schedule:		
(a) Minor Capital Outlay	385,220	
Major Capital Outlay:		
(b) Preliminary plans and working drawings, hosp addition (Acute Care Facility)	314,150	
(c) Preliminary plans and working drawings, cooling plant piping for hosp addition (Vets Home)	-0-	
(d) Preliminary plans and working drawings, section A (Domiciliary) Vets Home	134,635	
(e) Preliminary plans and working drawings, section C (Domiciliary) Vets Home	162,635	
Provisions applicable to Item 197-301-036 for capital outlay, Veterans' Home of California:		

Item Amount

1. Provided, that no funds shall be expended pursuant to category (b) of Item 197-301-036, unless the Department retains a private architect or engineer who shall:
   a. Reduce the cost and scope of the proposed hospital addition by (1) deleting the carport area, (2) reducing the building space by retaining non-acute care functions within the existing hospital, and (3) reducing the mechanical area; and
   b. Develop schematic drawings and cost estimates to renovate Holderman Hospital to meet licensing requirements
2. Provided further, that the department shall submit the schematic plans and cost estimates for the revised hospital addition, and the Holderman Hospital renovation, to the Chairman of the Joint Legislative Budget Committee 30 days prior to releasing preliminary plans, and shall also provide a detailed justification for the alternative it proposes to undertake.
3. Provided further, that no funds shall be expended pursuant to category (a) of Item 197-301-036, unless the department submits an application to the federal government for a 65 percent federal matching grant for the remodeling of hospital ward IA.
4. Provided further, that the State Public Works Board shall not release funds for working drawings for any major project under this item, prior to 30-days' written notification to the Chairman of the Joint Legislative Budget Committee certifying that the Veterans Administration, under the Notice of Preapplication Review Action, has given written notification to the Department of Veterans Affairs that the project qualifies for 65 percent federal matching grant funds.
5. Provided further, that categories (b), (d), and (e) preliminary plans for an acute hospital addition, and preliminary plans and working drawings for remodeling the section A and section C domiciliaries shall meet the following:
   (a) That the preliminary plans for the construction of an acute hospital addition shall include sufficient refrigerated air conditioning cooling capacity such that the average ambient temperature in the acute hospital addition can be maintained at 72

Item		Amount
degrees.		
b. That the preliminary plans for the renovation of the section A and section C domiciliaries shall include sufficient comfort conditioning (such as indirect evaporative cooling) capacity such that the average ambient temperature in the section A and section C domiciliaries can be maintained at 78 degrees.		

BUSINESS, TRANSPORTATION AND HOUSING

210-001-001—For support of Department of Alcoholic Beverage Control		13,497,394
Schedule:		
(a) 10-Total Administration of the Alcoholic Beverage Control Act	13,724,394	
(b) Reimbursements	−227,000	
212-001-001—For support of Alcoholic Beverage Control Appeals Board, Program 10		279,351
214-001-136—For support of State Banking Department, payable from the State Banking Fund		5,941,142
Schedule:		
(a) 100000-Personal Services	4,745,904	
(b) 300000-Operating Expenses and Equipment	1,320,238	
(c) Reimbursements	−125,000	
218-001-001—For support of Department of Corporations		8,001,732
Schedule:		
(a) 100000-Personal Services	10,249,365	
(b) 300000-Operating Expenses and Equipment	2,099,348	
(c) Reimbursements	−4,346,981	

Provisions applicable to Item 218-001-001—for support of Department of Corporations:

1. Provided, that notwithstanding the provisions of Section 1382 of the Health and Safety Code, any payments received pursuant to that section shall be credited to this item as reimbursements and are hereby appropriated for the purposes of this item.
2. Provided further, that no funds appropriated by this act shall be used for the support of the Department of Corporations unless the Department retains its San Diego District office and employs adequate staff to fulfill the needs of that office.

Item			Amount
218-101-001—For local assistance, Department of Corporations, for reimbursement, in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs of any new program or increased level of service of an existing program mandated by statute, for payment by the State Controller			3,780
Provision applicable to Item 218-101-001—for local assistance, Department of Corporations:			
1. Provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates the reimbursement of such costs and of subdivision (d) of Section 2231 of the Revenue and Taxation Code.			
220-001-001—For support of Department of Economic and Business Development			7,604,173
Schedule:			
(a) 400001-Support		4,945,342	
(b) 400005-For transfer to the Small Business Expansion Fund (918) for the purposes of Chapter 924, Statutes of 1977		2,974,176	
(c) Reimbursements		−6,000	
(d) Amount payable from the Federal Trust Fund (Item 220-001-890)		−309,345	
Provisions applicable to Item 220-001-001—For support of Department of Economic and Business Development:			
1. Provided, that of the amount appropriated by this item, $1,000,000 shall be available for encumbrance solely for purposes specified in Section 14029.8 of the Corporations Code.			
220-001-890—For support of Department of Economic and Business Development, to be transferred to Item 220-001-001 payable from the Federal Trust Fund			309,345
220-101-001—For local assistance, Department of Economic and Business Development, for transfer to the California Economic Development Grant and Loan Fund (922)			325,000
Schedule:			
(a) State Share		540,346	
(b) Amount payable from the Federal Trust Fund (Item 220-101-890)		−215,346	
220-101-890—For local assistance, Department of Economic and Business Development, for transfer to Item 220-101-001, payable from the Federal Trust Fund			215,346

Item		Amount
224-001-001—For support of Department of Housing and Community Development		10,067,317
Schedule:		
(a) 100000-Personal Services	14,880,899	
(b) 300000-Operating Expenses and Equipment	12,151,599	
(bx) Special items of expense, loan repayment	1,500,000	
(c) Reimbursements	−4,898,945	
(d) Amount payable from Housing Predevelopment Fund	−139,187	
(e) Amount payable from Mobilehome Revolving Fund	−9,291,055	
(f) Amount payable from Housing Rehabilitation Loan Fund	−305,666	
(g) Amount payable from Urban Housing Development Loan Fund	−62,962	
(h) Amount payable from Chapter 1043, Statutes of 1979	−200,000	
(i) Amount payable from Homeownership Assistance Fund	−135,000	
(j) Amount payable from Mobilehome Parks Revolving Fund	−1,315,342	
(k) Amount payable from the Federal Trust Fund (Item 224-001-890)	−717,024	
(*l*) Amount payable from the Mobilehome and Commercial Coach License Fee Fund	−1,400,000	
224-001-890—For support of Department of Housing and Community Development, to be transferred to Item 224-001-001, payable from the Federal Trust Fund		717,024
Provisions applicable to Items 224-001-001 through 224-001-890—for support of Department of Housing and Community Development:		
1. Provided, that the department may fund 5 new positions in the Remote Rural Demonstration Program if, but only if, federal funds are made available for this purpose.		
224-101-001—For local assistance, Department of Housing and Community Development		3,855,000
Schedule:		
(a) 20.10.10-Low Income Home Management Training Program	175,000	
(b) 20.10.20-Housing Advisory Service	200,000	
(c) 20.20-Farm Worker Housing Grant Program, for transfer to the Farmworker Housing Grant Fund	2,500,000	

Item		Amount
(e) 20.30.20-Urban Housing Development Loan Program, for transfer to the Urban Housing Development Loan Fund	980,000	

Provisions applicable to Item 224-101-001—for local assistance, Department of Housing and Community Development:

1. Provided, that an amount, not to exceed $425,000 may be loaned to the Housing Predevelopment Loan Fund for local assistance, from the unencumbered balance of funds appropriated to the Department of Housing and Community Development by Chapter 1043, Statutes of 1979.
2. Provided further, that no funds in the Housing Predevelopment Loan Fund may be loaned to limited dividend corporations.

224-101-890—For local assistance, Department of Housing and Community Development payable from the Federal Trust Fund		8,433,500
(a) 20.10.30-Housing Assistance	8,136,000	
(b) 20.20-Indian Assistance	297,500	

224-495—Reversion, Department of Housing and Community Development. Notwithstanding any other provisions of law, as of June 30, 1981, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made:

001—General Fund

(1) Section 60, Chapter 1149, Statutes of 1980, Mobilehomes and Commercial Coaches: titling: registration: taxation.

(2) $1.5 million of the amount appropriated by Chapter 1043 of 1979 and allocated for use by the California Housing Finance Agency pursuant to former subdivision (b) of Section 50740 of the Health and Safety Code shall revert to the General Fund on the effective date of this act.

229-001-001—For support of Department of Insurance Schedule:		9,986,404
(a) 10-Regulation of Insurance Companies and Insurance Producers	9,925,404	
(1) 10-Total—Regulation of Insurance Companies and Insurance Producers	14,020,634	
(2) Reimbursements	—4,095,230	
(b) 30-Tax Collection and Audit	61,000	
(c) 40-Administration	3,131,700	

Item		Amount
(d) 41-Distributed Administration	−3,131,700	
229-001-218—For support of Department of Insurance, Program 20, Fraud Control, payable from the Insurance Commissioners Regulatory Trust Fund		477,122
Provisions applicable to Items 229-001-001 through 229-001-218—for support of Department of Insurance:		
1. Provided, that the amount appropriated from the Insurance Commissioners Regulatory Trust Fund, Item 229-001-218 is in lieu of the appropriation made by Section 12995 of the Insurance Code.		
232-001-317—For support of Department of Real Estate, payable from the Real Estate Fund		16,670,060
Schedule:		
(a) 100000-Personal Services	11,464,485	
(b) 300000-Operating Expenses and Equipment	4,236,373	
(c) 400001-Education and Research....	672,202	
(d) 400002-Recovery Act	537,000	
(e) Reimbursements	−240,000	
Provisions applicable to Item 232-001-317—for support of Department of Real Estate:		
1. Provided, that $93,320 of the funds appropriated in this item for time-share regulation positions shall be available for expenditure only upon certification by the Director of Finance that such positions are justified on the basis of workload.		
2. Provided further, that $283,000 of the funds appropriated in this item for education and research shall only be available to the department upon the enactment of Assembly Bill No. 1157 and Assembly Bill No. 1500.		
234-001-337—For support of Department of Savings and Loan, payable from the Savings and Loan Inspection Fund		7,047,617
Schedule:		
(a) 100000-Personal Services	5,230,307	
(b) 300000-Operating Expenses and Equipment	1,836,731	
(c) Reimbursements	−19,421	
260-001-046—For support of California Transportation Commission, payable from the Transportation Planning and Development Account, State Transportation Fund		1,050,988

Item			Amount
260-490—Reappropriation, California Transportation Commission. Notwithstanding any other provisions of law, the unencumbered balances on the effective date of this act, of the appropriation provided in the following citation, is reappropriated for the purposes provided for in said appropriation, and shall be available for expenditure until June 30, 1982:			
046—Transportation Planning and Development Account, State Transportation Fund:			
(1) Section 71 (c) (1), Chapter 161, Statutes of 1979 —Interface projects.			
264-001-046—To Business, Transportation and Housing Agency, for support of Special Transportation Programs, Program 40, payable from the Transportation Planning and Development Account, State Transportation Fund			200,000
266-001-041—For support of Program 10, Aeronautics, of Department of Transportation, payable from the Aeronautics Account, State Transportation Fund			1,675,602
266-001-042—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund, upon certification of the Controller that no funds from any source have been expended to pay the salary of the Director of Transportation and, upon certification of the Controller that no funds from any source have been expended after April 2, 1981, for the California Corridor High-Speed Rail Project, or any other high-speed rail passenger service			519,638,574
Schedule:			
(a) 20-Highway Transportation		519,413,768	
(1) 20-Total Highway Transportation	528,370,826		
(2) Reimbursements	−8,957,058		
20.10-Rehabilitation	(28,823,732)		
20.20-Operational Improvements	(47,499,321)		
20.30-Local Assistance	(5,837,230)		
20.40-Program Development	(4,880,719)		
20.50-New Facilities	(47,393,053)		
20.60-Administration	(76,660,215)		
20.70-Operations	(33,909,751)		
20.80-Maintenance	(274,409,747)		
(b) 30-Mass Transportation		224,806	

Item			Amount
266-001-046—For support of Department of Transportation, payable from the Transportation Planning and Development Account, State Transportation Fund			15,442,176
Schedule:			
(a) 30-Mass Transportation		11,013,221	
(1) 30-Total Mass Transportation	12,433,971		
(2) Reimbursements	−1,070,220		
(3) Reimbursements Section 7204.4 of the Revenue and Taxation Code	−350,530		
(b) 40-Transportation Planning		4,428,955	
(1) 40-Total Transportation Planning	8,353,540		
(2) Reimbursements	−3,924,585		
266-001-140—For support of Program 20, Highway Transportation, Department of Transportation, payable from the California Environmental License Plate Fund			47,725
266-001-890—For support of Department of Transportation, payable from the Federal Trust Fund			77,709,489
Schedule:			
(a) 10-Aeronautics		26,500	
(b) 20-Highway Transportation		76,888,890	
20.10-Rehabilitation	(12,618,426)		
20.20-Operational Improvements	(20,417,588)		
20.40-Program Development	(8,147,443)		
20.50-New Facilities	(35,705,433)		
(c) 30-Mass Transportation		794,099	

Provisions applicable to Items 266-001-041 through 266-001-890—for support of Department of Transportation:

1. For program 20—Highways, up to 10 percent of any of the amounts scheduled within the program as appropriated from the State Highway Account, State Transportation Fund, Item 266-001-042, may be transferred to Item 266-101-042 or Item 266-301-042 as authorized under the provisions of Section 168 of the Streets and Highways Code.

Item Amount

2. Provided further, that funds appropriated by Items 266-001-042 and 266-001-890 Program 20 shall be available for support of those projects which have been included in a State Transportation Improvement Plan adopted by the California Transportation Commission.

   Provided further, from Program 20—Highways up to 10 percent of the amounts scheduled within the program as appropriated from the Federal Trust Fund, Item 266-001-890 may be transferred to Item 266-101-890 or Item 266-301-890 as authorized pursuant to Section 168 of the Streets and Highways Code.

   Provided further, that any federal reimbursements shall be from federal funds deposited in the State Highway Account, State Transportation Fund.
3. Provided, that if federal funds are received in excess of the amount appropriated by this act and are available for expenditure in lieu of state funds appropriated by this act, the state funds shall not be encumbered for the purpose for which they were appropriated or any other purpose and shall revert to the unappropriated surplus of the fund from which the appropriation was made.
4. Provided, that except as otherwise provided below, no funds appropriated by this act or made available for encumbrance from any other source may be used to pay the salary of the Director of Transportation after January 31, 1982.

   Provided further, that the Director of Transportation shall take significant remedial actions to improve the following aspects of the administration and operation of the Department of Transportation:

   (a) Develop a plan and take the necessary actions, including sponsoring any necessary legislation, to fund future highway, mass transportation, and aeronautics projects programmed for state financial assistance through the 1985–86 fiscal year.
   (b) Submit complete budget documentation to the Legislature which meets the deadlines adopted in the Supplemental Report to the 1981 Budget Act and complies with all provisions of the State Administrative Manual related to budgeting.

Item Amount

(c) Implement the budget for the department as adopted in this act, unless prior notification is given to the Legislature pursuant to the provisions of Section 28 of this act.

(d) Comply with all requirements imposed on the department by the Legislature in the 1981 Budget Act and the Supplemental Report to the 1981 Budget Act.

(e) Provide prior notification to the Legislature of significant changes in (1) department policies concerning administration and operation and (2) the scope and implementation of programmed capital outlay projects.

Provided further, that the Director of Transportation shall prepare a comprehensive report and submit this report to the members of the committees which consider appropriations in each house of the Legislature, the Joint Legislative Budget Committee and to the Director of the Department of Finance no later than November 1, 1981. The report shall clearly indicate the significant remedial actions which have been taken to improve and will continue to improve the administration and operation of the department as delineated above.

Provided further, that the Director of Finance may authorize the payment of the salary of the Director of Transportation for the period February 1, 1982 through June 30, 1982, not sooner than 30 days after the notification in writing to the chairperson of the committee in each house which considers appropriatrions and the chairperson of the Joint Legislative Budget Committee, if the Director of Finance certifies in writing that the actions of the department and the report submitted by the department conform with the requirements of the above provisions.

5. Provided, that the department shall retain a consultant with existing resources who shall assist in reviewing the financial forecasting capabilities of the department and recommend improvements to the current procedures. Special emphasis shall be placed upon: (1) analyzing the assumptions used in the department's cash flow model, (2) improving the department's capability to develop forecasts based on alternative assumptions, (3) increasing the level of automation in the system, and (4) utilizing,

Item Amount

to the extent possible, procedures already in use by the department. Provided further, that the department shall commit the required staff resources with existing resources to implement the consultant's recommendations.

6. Provided, that, notwithstanding Section 20, if before October 31, 1981, (1) no legislation is chaptered which is estimated by the Department of Finance to increase revenue to the State Highway Account in the State Transportation Fund by a total of more than $95 million during the 1982–83 and 1983–84 fiscal years, and (2) expenditures of federal highway funds are not estimated by the Department of Finance to increase by a total of more than $200 million in the 1982–83 and 1983–84, as compared to the 1980 State Transportation Improvement Program, as adopted by the California Transportation Commission, all positions related to the development of highway capital outlay projects which are vacated after October 31, 1981, shall no longer be authorized.

Provided further, that the department may reclassify an authorized position to a project-related position as the department deems appropriate, consistent with existing law, so that the total number of department positions no longer authorized pursuant to this provision equals the number of project-related positions vacated after October 31, 1981.

Provided further, that all unencumbered personal services funds which are budgeted for the positions which are no longer authorized pursuant to this provision, shall be spent for no other purposes and shall revert to the unencumbered balance of the State Highway Account in the State Transportation Fund.

Provided further, that notwithstanding any other provision of the law, the department shall continue project development work on all projects contained in the 1980 State Transportation Improvement Program. However, if personnel year capability is reduced, individual project activities may be curtailed with the consent of the California Transportation Commission.

Item Amount

7. Provided, that a reserve shall be established in the amount of $340,000 for telecommunications equipment. No funds from this reserve shall be expended before September 1, 1981. If the Federal Communications Commission approves conversion to a higher capacity, lower cost communications system, this money shall revert to the State Highway Account, and shall not be available for expenditure for telecommunications equipment. The Department of Transportation shall notify the Chairman of the Joint Legislative Budget Committee 10 days prior to expenditure of funds from this reserve.
8. The Department of Transportation shall expend no funds for, and shall withhold approval of, any portion of its project development consolidation proposal for Transportation Districts 1, 2, 5, 6, 9, 10, and shall postpone implementation of that proposal until all ramifications of that proposal have been carefully studied and a report thereon has been submitted to the Joint Legislative Budget Committee.

   The report shall be submitted by the Department of Transportation to the Joint Legislative Budget Committee by July 1, 1981, and shall include an assessment of the economic impact of the department's proposal on local communities in the affected transportation districts (Districts 1, 2, 5, 6, 9, 10), the provisions being made by the department for the employment of those individuals currently employed in the project development divisions of the affected districts, the additional long-range costs for the department resulting from the project development transfer, the impact of the project development transfer on services currently being provided to the affected transportation districts, and the other cost-saving proposals currently under consideration by the department.

   The Chairman of the Joint Legislative Budget Committee shall make a recommendation by August 1, 1981, to the Director of Finance whether to proceed with the proposal.
9. Provided, that the department shall contract with the Department of Finance for the services of a person who will supervise the preparation of the department budget and who will report directly to the agency secretary.

Item Amount

10. Provided, that the Department of Transportation shall complete its intercity passenger bus plan by March 1, 1982. This plan shall contain, at a minimum: (1) alternatives for future state involvement in the intercity bus area, (2) projected state capital and operating costs and revenues for each of these alternatives, and (3) a recommended approach for future state action.

    Provided further, that the 6.1 personnel-years requested to prepare this plan shall be authorized only through June 30, 1982.

11. Provided further, that 30 days prior to allocation of funds for any capital rail project, the Department of Transportation shall provide to the Joint Legislative Budget Committee, the committee in each house which considers appropriations, the California Transportation Commission, and the Department of Finance the following information:
    (a) A description of the project.
    (b) The cost of the project.
    (c) Funding sources for the project.
    (d) A time schedule for completion of the project.

12. Provided further, that the department shall subsidize a new rail passesnger route only after it has submitted a report to the Legislature, reviewed by the California Transportation Commission, that documents the financial stability over a period of five years of existing services, and demonstrates, on the basis of reasonable and explicit assumptions, that the proposed new service can reasonably expect to capture farebox revenues equal to 40 percent of operating expenses by the end of the third year of service. The department shall subsidize only one commuter service at any one time which has less than a 40 percent farebox/operating cost ratio, and that has less than 50 percent local participation on the operating subsidy.

13. Provided further, that the department shall include as part of its budget documentation for the 1982–83 fiscal year an explanation and the rationale used to develop the rail marketing budgets. The working documents will explain the proposed media expenditures in terms of

Item	Amount

objectives for the budget year, including, but not limited to, the following elements: ridership objectives; condition of services, new, changing, and existing; condition of market; cost of media coverage; and target audience.

14. Provided further, that no funds from any source shall be expended for the California Corridor High-Speed Rail Project, or any other high-speed rail passenger service.
15. Provided further, that if funds from any source are expended after April 2, 1981, for any high-speed rail passenger project, all funds appropriated by this act for the administration of the Department of Transportation shall revert to the funds from which the appropriation was made.
16. Provided, that the unencumbered balance of $108,171 appropriated to prepare a report pursuant to Section 2156 of the Streets and Highways Code shall revert to the unencumbered balance of the Transportation Planning and Development Account if Section 2156 of the Streets and Highways Code is repealed.

    Provided further, that any personnel requested to prepare this report shall be authorized only through December 31, 1981.
17. Provided further, that the department shall make all emergency and habitability repairs on residential units in the Route 2 corridor no later than July 1, 1981, and all other needed repairs no later than August 15, 1981.

    Provided further, that the department shall adhere to the schedule set forth in the supplemental language relating to Item 266-001-042 provided in the Supplemental Report of the Committee of Conference on the Budget Bill (1981–82) in disposing of single-family units in the Route 2 corridor.

    Provided further, that the department shall establish a Route 2 work unit which shall report at least twice a month, commencing no later than July 1, 1981, to the committee of each house which considers appropriations on the department's progress in adhering to the disposition schedule referred to in this provision and in making the repairs required by this provision.

Item	Amount
18. Provided further, that notwithstanding any other provision of law, the selection of alternatives pursuant to the environmental asessment process specified by the California Environmental Quality Act and the National Environmental Policy Act shall be subject to the approval of the California Transportation Commission. The department shall report monthly to the California Transportation Commission on the status of all environmental assessment documents in preparation.	
19. Provided further, that $149,000 shall be appropriated into a reserve in the Transportation Planning and Development Account to be expended only if rail commuter service is commenced between Los Angeles and Oxnard.	
266-011-041—For transfer by the State Controller from the Aeronautics Account, State Transportation Fund (041), to the Transportation Planning and Development Account, State Transportation Fund (046), as prescribed by Section 21682.5 of the Public Utilities Code for appropriation as specified in this act for expenditures by the California Transportation Commission and the Department of Transportation for transportation planning and research	(30,000)
266-021-042—For transfer by the State Controller from the State Highway Account, State Transportation Fund (042), to the Transportation Planning and Development Account, State Transportation Fund (046) as prescribed by Section 194 of the Streets and Highways Code for appropriation as specified in this act for expenditures by the California Transportation Commission and the Department of Transportation for transportation planning and research	(3,943,833)
266-021-890—For transfer by the State Controller from the Federal Trust Fund (890), to the Transportation Planning and Development Account, State Transportation Fund (046), as prescribed by Section 194 of the Streets and Highways Code, for appropriation as specified in this act for expenditures by the California Transportation Commission and the Department of Transportation for transportation planning and research	(4,000,000)
266-101-041—For local assistance, Program 10, Aeronautics, Department of Transportation, payable from the Aeronautics Account, State Transportation Fund	900,000

Item	Amount
266-101-042—For local assistance, Department of Transportation, payable from the State Highway Account, State Transportation Fund	75,500,000
Schedule:	
(a) 20-Highway Transportation 26,000,000	
20.30-Local Assistance (26,000,000)	
(b) 30-Mass Transportation 49,500,000	
266-101-046—For local assistance, the Department of Transportation, payable from the Transportation Planning and Development Account, State Transportation Fund	63,046,500
Schedule:	
(a) 30-Mass Transportation 61,015,000	
(b) 40-Transportation Planning 2,031,500	
266-101-890—For local assistance, Department of Transportation, payable from the Federal Trust Fund	233,380,000
Schedule:	
(a) 20-Highway Transportation 229,200,000	
20.30-Local Assistance (229,200,000)	
(b) 30-Mass Transportation 180,000	
(c) 40-Transportation Planning 4,000,000	

Provisions applicable to Items 266-101-041 through 266-101-890—for local assistance, Department of Transportation:

1. For Program 30—Mass Transportation. The Department shall disburse from the State Highway Account, in accordance with the allocation by the California Transportation Commission with the provisions of Sections 199 and 199.1 of the Streets and Highways Code.
2. For Program 10—Aeronautics. The Department shall disburse funds in accordance with Section 21602 and 21684.5 of the Public Utilities Code.
3. For Program 20—Highways, up to 10 percent of any amounts within Item 266-101-042 may be transferred to Item 266-001-042 or Item 266-301-042 as authorized under the provisions of Section 168 of the Streets and Highways Code.
4. Provided further, that funds appropriated by Items 266-101-042 and 266-101-890, Program 20 shall be available for allocation by the California Transportation Commission to those projects which have been included in a State Transportation Improvement Plan adopted by the Commission.

Item Amount

5. Provided further, that for Program 20—Highways, up to 10 percent of the amounts scheduled within the program as appropriated from the Federal Trust Fund, Item 266-101-890, may be transferred to Item 266-001-890 or Item 266-301-890 as authorized pursuant to Section 168 of the Streets and Highways Code.
6. Provided further, that any federal reimbursements shall be from federal funds deposited in the State Highway Account, State Transportation Fund.
7. Provided further, that funds appropriated for intermodal facility projects by Item 266-101-046 shall be allocated only to those projects in which the local agency pays 25 percent of the project cost.

   Provided further, that the department shall give priority to those projects in which the sponsoring agency has, by April 2, 1981, (1) completed plans, specifications, and cost estimates, (2) possessed environmental clearances, (3) received local, regional, and state approval, (4) obtained a funding commitment from a nonstate agency, and (5) acquired the necessary right-of-way.
8. Provided further, that the $5,000,000 appropriated by Item 266-101-046 for intermodal transfer facilities shall be allocated by the California Transportation Commission.
9. Provided further, that no funds from any source shall be expended for the California Corridor High-Speed Rail Project, or any other high-speed rail passenger service.

   Provided further, if funds from any source are expended after April 2, 1981, for any high-speed rail passenger project, all funds appropriated by this act for the administration of the Department of Transportation shall revert to the funds from which the appropriation was made.
10. Provided further, that the California Transportation Commission shall not allocate funds to the Department of Transportation pursuant to Section 99317.5 of the Public Utilities Code until the department has encumbered all funds appropriated to it pursuant to Section 71c(2)C of Chapter 161, Statutes of 1979.

Item	Amount
11. Provided further, that of the amount allocated by the Secretary of the Business, Transportation, and Housing Agency to the California Tahoe Regional Planning Agency (CTRPA), $100,000 shall be spent only to assist the Tahoe Regional Planning Agency (TRPA) in carrying out its work program as adopted on April 23, 1981. Provided further, that the Secretary of the Business, Transportation, and Housing Agency shall not allocate any local assistance funds to CTRPA for long range planning activities not included in the $100,000 assistance to TRPA.	
266-301-042—For capital outlay, Department of Transportation, payable from the State Highway Account, State Transportation Fund	91,500,000
Schedule:	
(a) 20-Highway Transportation 91,500,000	
(1) 20-Total Highway Transportation .. 146,500,000	
(2) Reimbursements —55,000,000	
20.10-Rehabilitation ..... (31,500,000)	
20.20-Operational Improvements ..... (24,500,000)	
20.50-New Facilities ..... (35,500,000)	
266-301-140—For capital outlay, Program 20, Highway Transportation, Department of Transportation, payable from the California Environmental License Plate Fund	150,000
266-301-890—For capital outlay, Department of Transportation, payable from the Federal Trust Fund ..	422,500,000
Schedule:	
(a) 20-Highway Transportation 422,500,000	
20.10-Rehabilitation ..... (54,600,000)	
20.20-Operational Improvements ..... (85,300,000)	
20.50-New Facilities ..... (282,600,000)	
Provisions applicable to Items 266-301-042 through 266-301-890-for capital outlay, Department of Transportation:	
1. For program 20—Highways. Provided that up to 10 percent of the amounts within Item 266-301-042 may be transferred to Item 266-101-042 or Item 266-001-042 of this act as authorized under the provisions of Section 168 of the Streets and Highways Code.	
2. Provided further, that the appropriations made in these items shall be available for expenditure during the 1981–82, 1982–83 and 1983–84 fiscal years.	

Item | Amount

3. Provided further, that funds appropriated by Items 266-301-042 and 266-301-890 shall be available for allocation by the California Transportation Commission to those projects which have been included in a State Transportation Improvement Plan adopted by the commission.
4. Provided further, that for Program 20—Highways up to 10 percent of the amounts scheduled within the program as appropriated from the Federal Trust Fund, Item 266-301-890, may be transferred to Item 266-101-890 or Item 266-001-890 as authorized pursuant to Section 168 of the Streets and Highways Code.
5. Provided further, that any federal reimbursements shall be from federal funds deposited in the State Highway Account, State Transportation Fund.
6. Provided further, that $45,000,000 of the amount appropriated by Item 266-301-042 shall be appropriated to a reserve in the State Highway Account (SHA). This amount shall not be expended until the Department of Finance provides a revised fund condition statement for the SHA to the Chairman of the Joint Legislative Budget Committee and the committee of each house which considers appropriations. The statement shall be provided not later than August 1, 1981. The amount which may be expended from this reserve shall be limited to the amount which is deemed by Department of Finance to be available for expenditure on the basis of the revised fund condition statement.
7. Provided further, that no funds from any source shall be expended for the California Corridor High-Speed Rail Project, or any other high-speed rail passenger service.

   Provided further, that if funds from any source are expended after April 2, 1981, for any high-speed rail passenger project, all funds appropriated by this act for the administration of the Department of Transportation shall revert to the funds from which the appropriation was made.

Item Amount

266-490—Reappropriation, Department of Transportation. Notwithstanding any other provisions of law, the unencumbered balances, or the portion thereof as specified in this item, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in said appropriations, and shall be available for expenditure until June 30, 1982, except that no funds from any source shall be expended for the California Corridor High-Speed Rail Project, or any other high-speed rail passenger service, and, if funds from any source are expended after April 2, 1981, for any high-speed rail passenger project, all funds appropriated by this act for the administration of the Department of Transportation shall revert to the funds from which the appropriation was made:

042—State Highway Account, State Transportation Fund:

(1) $500,000 of Item 156, Budget Act of 1978—Local Assistance.

(2) $500,000 of Item 169, Budget Act of 1979—Local Assistance.

(2.5) The unencumbered balance of the $300,000 appropriated by Item 169, Budget Act of 1979—Local Assistance, grade crossing protection.

(3) Section 5.8, Budget Act of 1979—San Diego Metropolitan Transit Development Board.

(4) $500,000 of Item 180, Budget Act of 1980—Local Assistance.

(4.5) The unencumbered balance of the $1,500,000 appropriated by Item 180, Budget Act of 1980—Local Assistance, maintenance of grade crossing protection.

(5) Section 5.8, Budget Act of 1980—San Diego Metropolitan Transit Development Board

(5.5) Chapter 1364, Statutes of 1978—Capital Outlay

(5.6) $553,100 of the amount appropriated by Item 172, Budget Act of 1980—Support

046—Transportation Planning and Development Account, State Transportation Fund:

(6) Section 71(c)(2)(A), Chapter 161, Statutes of 1979—Rail Services Contracts.

(7) Section 71(c)(2)(B), Chapter 161, Statutes of 1979—Intercity Bus Services.

Item Amount

(8) Section 71(c)(2)(C), Chapter 161, Statutes of 1979—Rail Capital Projects, Cars and Track Lines.

(8.1) Section 71(c)(2)(F), Chapter 161, Statutes of 1979—Specified Intermodal Projects.

(8.2) Section 1, Chapter 460, Statutes of 1978—Specified Intermodal Projects.

(8.3) Item 182.1, Budget Act of 1980—Unspecified Intermodal Projects.

(8.4) Section 16(h), Chapter 1130, Statutes of 1975—Bikeways, except that any unencumbered funds shall revert on December 31, 1981.

Notwithstanding any other provisions of law, the unencumbered balance, on the effective date of this act, of the appropriation provided in the following citations, shall revert to the unappropriated surplus of the fund from which the appropriation was made. The remaining encumbered amounts are continued for expenditure for the 1981–82, 1982–83, and 1983–84 fiscal years, and any project savings shall be available for the enlargement of other projects previously encumbered from these appropriations. The funds continued for expenditure from the appropriations in the following citations shall be available for allocation by the California Transportation Commission to those projects which may or may not be included in an adopted State Transportation Improvement Program:

042—State Highway Account, State Transportation Fund

(1) Item 160.1, Budget Act of 1977—State Operations.

(2) Item 447, Budget Act of 1978—Capital Outlay.

(3) Item 169.1, Budget Act of 1979—Local Assistance.

266-495—Reversion. Department of Transportation. As of June 30, 1982, the unencumbered balance of the appropriations provided in Chapter 1349, Statutes of 1976, and any reimbursements made by local agencies pursuant to these appropriations, shall revert to the unappropriated surplus of the Transportation Planning and Development Account, State Transportation Fund.

As of June 30, 1981, $12,011,000 from the amount appropriated in Item 453 of the Budget Act of 1979 shall revert to the unappropriated surplus of the State Highway Account, State Transportation Fund.

Item			Amount
270-001-044—For support of Office of Traffic Safety, payable from the Motor Vehicle Account, State Transportation Fund			208,966
Schedule:			
(a) State Share		208,966	
(1) Total State Operations	7,878,487		
(2) Amount payable from the Federal Trust Fund (Item 270-001-890)	−7,669,521		
270-001-890—For support of Office of Traffic Safety, to be transferred to Item 270-001-044, payable from the Federal Trust Fund			7,669,521
Provisions applicable to Items 270-001-044 through 270-001-890—for support of Office of Traffic Safety:			
1. Provided, that the funds appropriated from the Federal Trust Fund, Item 270-001-890 constitute federal funds as defined in Section 8.7.			
270-101-890—For local assistance, Office of Traffic Safety, payable from the Federal Trust Fund			9,566,000
Provisions applicable to Item 270-101-890—for local assistance, Office of Traffic Safety:			
1. Provided, that the amount specified by Item 270-101-890 constitutes federal funds as defined by Section 8.7.			
272-001-044—For support of Department of the California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund			295,567,463
Schedule:			
(a) 100000-Personal Services		237,187,306	
(b) 300000-Operating Expenses and Equipment		60,760,898	
(c) 400001-Special Items of Expense		1,700,684	
(d) Reimbursements		−3,870,259	
(e) Amount payable from the Federal trust Fund (Item 272-001-890)		−211,166	
Provisions applicable to Item 272-001-044—for support of the Department of the California Highway Patrol:			
1. Provided, that none of the funds in schedule (c) shall be spent or transferred to schedule (b) unless and until authorized in writing by the Director of Finance.			

Item Amount

2. Provided further, that none of the $120,000 appropriated for leased space for the Golden Gate Division office shall be expended unless the terms and details of the lease are approved by the Director of Finance and 30 days' prior written notification is provided to the Joint Legislative Budget Committee.

Provided further, that if actual or negotiated costs are lower than reserves provided for in this item, any unencumbered balance shall not be encumbered for any other purpose and shall revert to the Motor Vehicle Account in the State Transportation Fund.

Provided further, that the unencumbered balance of rental funds for the Monterey area office shall be reverted to the Motor Vehicle Account of the State Transportation Fund, if funds are provided for the purchase of that office.

Provisions applicable to Item 272-001-107—for support of the Abandoned Vehicle Abatement Program in the Department of the California Highway Patrol.

1. Provided, that the appropriation made by this item shall be in lieu of any allocation made pursuant to subdivision (b) of Section 9250.7 of the Vehicle Code during the 1981–82 fiscal year.

272-001-890—For support of the Department of California Highway Patrol, to be transferred to Item 272-001-044, payable from the Federal Trust Fund 211,166

272-011-044—For payments of deficiencies in appropriations for the Department of the California Highway Patrol which may be authorized by the Director of Finance, with the consent of the Governor, payable from the Motor Vehicle Account, State Transportation Fund ..... (1,000,000)

Provision applicable to Item 272-011-044—for support of the Department of the California Highway Patrol:

1. Provided, that the Director of Finance shall report allocations from this item in the same manner as required for reporting allocations from Item 984-001-494 of this act.

272-021-044—For the Department of the California Highway Patrol, for advance authority for the department to incur automotive equipment purchase obligations in an amount not to exceed $5,000,000 during the 1981–82 fiscal year, for delivery beginning in the 1982–83 fiscal year, payable from the Motor Vehicle Account, State Transportation Fund (5,000,000)

Item		Amount
272-301-044—For capital outlay, Department of California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund		1,128,244
Schedule:		
(d) Purchase of Leased Facility—Monterey	445,000	
(e) Site acquisition and working drawings—Santa Rosa	343,046	
(f) Minor Projects	264,268	
(g) Preliminary plans and working drawings—Hollister/Gilroy	75,930	
272-495—Reversion. Department of the California Highway Patrol. As of June 30, 1981, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made:		
044—Motor Vehicle Account, State Transportation Fund		
(1) Item 455(c), Budget Act of 1979—Purchase leased Facility—Chico		
(2) Item 455(d), Budget Act of 1979—Purchase leased Facility—Banning		
(3) Item 445(e), Budget Act of 1979—Purchase leased Facility—Mojave		
(4) Item 455(i), Budget Act of 1979—Land Acquisition—Academy		
(5) Item 455(b), Budget Act of 1979—site acquisition and working drawings—Hollister/Gilroy		
(6) Item 516(S), Budget Act of 1980—construct area facility—Hollister/Gilroy		
274-001-001—For support of Department of Motor Vehicles, to be transferred to Item 274-001-044		253,681
274-001-044—For support of Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund		150,145,966
Schedule:		
(a) 100000-Personal Services	146,238,979	
(b) 300000-Operating Expenses and Equipment	50,482,488	
(c) Reimbursements	−15,372,134	
(d) Amount payable from the General Fund (Item 274-001-001)	−253,681	
(e) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 274-001-064)	−24,477,806	

Item		Amount
(f) Amount payable from the California Environmental License Plate Fund (Item 274-001-140)	−4,374,999	
(g) Amount payable from the State Bicycle License and Registration Fund (Item 274-001-378)	−68,469	
(h) Amount payable from the Harbors and Watercraft Revolving Fund (Item 274-001-516)	−2,028,412	
274-001-064—For support of Department of Motor Vehicles, to be transferred to Item 274-001-044, payable from the Motor Vehicle License Fee Account, Transportation Tax Fund		24,477,806
274-001-140—For support of Department of Motor Vehicles, to be transferred to Item 274-001-044, payable from the California Environmental License Plate Fund		4,374,999
274-001-378—For support of Department of Motor Vehicles, to be transferred to Item 274-001-044, payable from the State Bicycle License and Registration Fund		68,469
274-001-516—For support of Department of Motor Vehicles, to be transferred to Item 274-001-044, payable from the Harbors and Watercraft Revolving Fund		2,028,412

Provisions applicable to Items 274-001-001 through 274-001-516—for support of Department of Motor Vehicles:

1. Provided, that the funds appropriated from the General Fund, Item 274-001-001, are for anatomical donor designation program and petit jury panel selection.
2. Provided further, that the funds appropriated from the Motor Vehicle License Fee Account, Transportation Tax Fund, Item 274-001-064, are as provided by Section 11003 of the Revenue and Taxation Code.
3. Provided further, that the funds appropriated from the California Environmental License Plate Fund, Item 274-001-140, are as provided by Section 21191 of the Public Resources Code.
4. Provided further, that the funds appropriated from the State Bicycle License and Registration Fund, Item 274-001-378, are as provided by Section 39001 of the Vehicle Code.
5. Provided further, that the funds appropriated from the Harbors and Watercraft Revolving Fund, Item 274-001-516, are for undocumented vessel registration and fee collection.

Item Amount

274-011-044—For payment of deficiencies in appropriations for the Department of Motor Vehicles which may be authorized by the Director of Finance, with the consent of the Governor, payable from the Motor Vehicle Account, State Transportation Fund .. (1,700,000)

Provisions applicable to Item 274-011-044—for support of Department of Motor Vehicles:

1. Provided, that the Director of Finance shall report allocations from this appropriation in the same manner as required for reporting allocations from Item 984-001-494 of this act.

274-301-044—For capital outlay, Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund 276,800

Schedule:

(a) Preliminary plans—Los Angeles (Hope Street)	106,000
(b) Preliminary Plans—Santa Barbara	20,800
(c) Minor projects	150,000

Provisions applicable to Item 274-301-044—for capital outlay, Department of Motor Vehicles:

1. Notwithstanding Section 28.20 of this act, the Director of General Services, acting on behalf of the Department of Motor Vehicles, may enter into a lease with a purchase option agreement for the purpose of providing an office building and parking facilities in Corona; provided, that such agreement is approved by the State Public Works Board and the Chairman of the Joint Legislative Budget Committee, or his designee, has been provided a 20-day review of the proposed agreement.

274-490—Reappropriation, Department of Motor Vehicles. Notwithstanding any other provisions of law, the undisbursed balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in said appropriations, and shall be available for expenditure until June 30, 1982:

044—Motor Vehicle Account, State Transportation Fund:

(5) Item 450(f), Budget Act of 1978—Site Acquisition and Working Drawings—San Clemente.

(7) Item 517(j), Budget Act of 1980—Site Acquisition and Working Drawings—Mission Viejo.

(8) Item 517(k), Budget Act of 1980—Site Acquisition and Working Drawings—San Jose.

(9) Item 517(f), Budget Act of 1980—Elevator renovation—Sacramento

Item		Amount
274-495—Reversion. Department of Motor Vehicles. As of June 30, 1981, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made:		
044—Motor Vehicle Account, State Transportation Fund		
(1) Item 362(e), Budget Act of 1975—Sites, Acquisition and working drawings—South Lake Tahoe		
(2) Item 362(j), Budget Act of 1975—Site Acquisition and working drawings—Oroville		
(3) Item 362(k), Budget Act of 1975—Site Acquisition and working drawings—Davis		
(4) Item 450(b), Budget Act of 1978—Construct Office Building and Parking Facilities—Torrance		
(5) Item 450(m), Budget Act of 1978—Purchase leased facility—Roseville		
(6) Item 450(p), Budget Act of 1978—Purchase leased facility—Fontana		
(7) Item 456(h), Budget Act of 1979—Construct Office Building and parking facilities—San Fernando		
(8) Item 362(*l*), Budget Act of 1975—Site Acquisition and working drawings—Santa Barbara		
(9) Item 450(o), Budget Act of 1978—Purchase leased facility—Fremont		
276-001-178—For support of Traffic Adjudication Board, payable from the Driver Training Penalty Assessment Fund		1,393,747
Schedule:		
(a) 100000-Personal Services	904,829	
(b) 300000-Operating Expenses and Equipment	749,918	
(c) Reimbursements	−261,000	
278-001-001—For transfer to the Stephen P. Data Center Revolving Fund upon written approval of the Department of Finance, to provide for any shortfall of revenues from CALSTARS user departments		1,835,879
Provisions applicable to Item 278-001-001 for transfer to Stephen P. Teale Data Center Revolving Fund:		
1. Provided, that the amount transferred pursuant to this item shall be a temporary loan to be repaid by the Stephen P. Teale Data Center Revolving Fund from revenues received from CALSTARS user departments upon such terms and conditions as may be prescribed by the De-		

Item Amount

partment of Finance.

2. Provided further, that the amount transferred shall not exceed the difference between the total expenditures required to operate the Stephen P. Teale Data Center-Site II for the 1981–82 fiscal year and the total of all income derived from all Stephen P. Teale Data Center-Site II user departments.
3. Provided further, that the repayment of the amount transferred, plus interest, shall be made by June 30 of the fiscal year following the fiscal year of final CALSTARS implementation.
4. Provided further, that the unexpended balance appropriated in Item 888-011-001 for the Implementation of the California State Accounting and Reporting System may be transferred to Item 278-001-001 and be made available for transfer to the Stephen P. Teale Data Center Revolving Fund, in addition to the amount provided for in this item, upon written order of the Director of Finance.

278-001-683—For support of the Stephen P. Teale Data Center, Business, Transportation and Housing Agency, payable from the Stephen P. Teale Data Center Revolving Fund 30,822,314

Provisions applicable to Item 278-001-683—for support of the Stephen P. Teale Data Center:

1. Provided, that the limitations of Item 984-001-988 shall not apply to any deficiency expenditure authorization for the Stephen P. Teale Consolidated Data Center.

RESOURCES

311-001-001—For support of Resources Agency 500,000
Schedule·
(a) For transfer to Item 360-001-001 .. 250,000
(b) 30-Sea Grant Program 250,000

Provisions applicable to Item 311-001-001—for support of Resources Agency:

1. Provided, that the amount appropriated in category (b) is in lieu of any amount which would otherwise be received pursuant to Section 6217 of the Public Resources Code.

311-001-140—To the Resources Agency, for support of the San Joaquin Community Gardens, in cooperation with the University of California Cooperative Extension Service, payable from the California Environmental License Plate Fund 27,344

Item	Amount
311-101-001—To the Tahoe Regional Planning Agency, a Special Resources Program, for local assistance..	165,287
311-101-140—To the Tahoe Regional Planning Agency, a Special Resources Program, for local assistance, payable from the California Environmental License Plate Fund	134,713

Provisions applicable to Items 311-101-001 and 311-101-140—for local assistance, Special Resources Program:

1. Provided, that not to exceed $12,000 of the amount appropriated by Item 311-101-001 shall be used to compensate California members of the Tahoe Regional Planning Agency appointed pursuant to the provisions of paragraph (B), subdivision (1), Section (a), Article III of the Tahoe Regional Planning Compact (Sec. 2, Chapter 872, Statutes of 1980), for actual and necessary expenses in connection with the performance of their official duties.
2. Provided further, that only the amount appropriated from the California Environmental License Plate Fund, Item 311-101-140, shall be expended for environmental threshold activities.
3. Provided, that the amount appropriated by schedule (a) of Item 311-001-001 shall only be used for preparation of waterways management plans and other activities required pursuant to the provisions of Chapter 1259, Statutes of 1972.
4. Provided further, that no funds appropriated in schedule (a) of Item 311-001-001, or any other appropriations made by this act, shall be expended for any activity pursuant to the designation on January 19, 1981 by the federal governent of components of the National Wild and Scenic Rivers System, pursuant to Section 2(a) (ii) of Public Law 90-542, as amended, unless such activities are specifically authorized by state law.

315-101-001—To the Resources Agency, for local assistance, Special Resources Program, for subvention to California Tahoe Regional Planning Agency		408,245
Schedule:		
(a) Local Assistance	204,245	
(b) Attorney General Contract Services	204,000	

Provisions applicable to Item 315-101-001—for local assistance Special Resources Program, for subvention to California Tahoe Regional Planning Agency.

Item		Amount
1. Provided, that expenditures from the appropriation made by this item shall be subject to Sections 15, 16, 18, and 28.		
334-001-001—For support of California Conservation Corps		27,046,923
Schedule:		
(a) 100000—Personal Services	10,626,185	
(b) 300000—Operating Expenses and Equipment	28,716,542	
(c) Reimbursements	−11,291,050	
(d) Amount payable from the State Energy Resources Conservation and Development Special Account, General Fund (Item 334-001-019)	−1,004,754	
334-001-019—For support of California Conservation Corps, to be transferred to Item 334-001-001, payable from the State Energy Resources Conservation and Development Special Account, General Fund		1,004,754
334-301-036—For minor capital outlay, California Conservation Corps, payable from the Special Account for Capital Outlay		290,908
336-001-019—For support of State Energy Resources Conservation and Development Commission, payable from the State Energy Resources Conservation and Development Special Account, General Fund		21,507,375
Schedule:		
(a) 100000—Personal Services	16,367,783	
(b) 300000—Operating Expenses and Equipment	14,989,634	
(c) Reimbursements	−152,872	
(d) Transfer from the State Energy Resources Conservation and Development Reserve Account	−390,475	
(e) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 336-001-044)	−1,040,861	
(f) Amount payable from the Federal Trust Fund (Item 336-001-890)	−5,741,316	
(g) Amount payable from the Energy Account, Energy and Resources Fund (Item 336-001-189)	−2,250,000	
(h) Amount payable from the Transportation Rate Fund (Item 336-001-412)	−225,000	
(i) Unallocated budget reduction	−49,518	

Item	Amount
336-001-044—For support of State Energy Resources Conservation and Development Commission, to be transferred to Item 336-001-019, payable from the Motor Vehicle Account, State Transportation Fund	1,040,861
336-001-140—For support of State Energy Resources Conservation and Development Commission, for the support of ongoing projects in research development and testing of the lean combustion principle for internal combustion engines, payable from the California Environmental License Plate Fund	275,000
336-001-189—For support of State Energy Resources Conservation and Development Commission, to be transferred to Item 336-001-019, payable from the Energy Account of the Energy and Resources Fund	2,250,000
336-001-412—For support of State Energy Resources Conservation and Development Commission, to be transferred to Item 336-001-019, payable from the Transportation Rate Fund	225,000
336-001-890—For support of State Energy Resources Conservation and Development Commission, to be transferred to Item 336-001-019, payable from the Federal Trust Fund	5,741,316

Provisions applicable to Items 336-001-019 through 336-001-890—for support of State Energy Resources Conservation and Development Commission:

1. No state funds appropriated in Item 336-001-019 for the Rancho Seco Photovoltaic Power Plant Project shall be encumbered for this project until full federal funding to develop the one megawatt photovoltaic power plant at the Rancho Seco Site is received by the Sacramento Municipal Utility District and the district makes full commitment of its funding to the project.
2. $190,000 of the funds appropriated in category (b) of Item 336-001-019 shall not be expended unless the federal government prohibits the redirection of $190,000 of federal funds appropriated in Item 336-001-890 for contracts for commercial and industrial appliance standards which have been specifically denied by the Legislature to any other purpose authorization by that Item.
3. No funds appropriated in Item 336-001-140 shall be expended for a contract unless the contract provides for the retention by the State of a portion of any royalties derived from the commercialization of any direct product of the research.

Item		Amount
336-101-034—To State Energy Resources Conservation and Development Commission, for local assistance, to be allocated to the Board of Water Commissioners of the City of San Bernardino, for construction and development of a demonstration geothermal heating project, payable from the Geothermal Resources Development Account		390,600
Provisions applicable to Item 336-101-034—for local assistance, State Energy Resources Conservation and Development Commission:		
1. The funds appropriated in Item 336-101-034 shall be used to pay a maximum of 90 percent of the actual cost incurred and the remaining 10 percent shall be from non-state sources.		
338-001-389—For support of Solid Waste Management Board, payable from the Solid Waste Management Fund		9,019,319
Schedule:		
(a) 100000-Personal Services	3,089,270	
(b) 300000-Operating Expenses and Equipment	8,451,093	
(c) 900001-Amount payable from the Federal Trust Fund (Item 338-001-890)	−2,521,044	
338-001-890—For support of Solid Waste Management Board, to be transferred to Item 338-001-001, payable from the Federal Trust Fund		2,521,044
Provisions applicable to Items 338-001-001 through 338-001-890—for support of Solid Waste Management Board.		
1. Notwithstanding the provisions of Title 7.8 (commencing with Section 68000) of the Government Code, the board shall adhere closely to the following allocations in distributing litter control, recycling and resource recovery funds.		
Litter control	0	
Resource recovery	2,987,948	
Recycling	1,466,153	
Public Awareness	977,736	
340-001-001—For support of State Air Resources Board		4,447,168
Schedule:		
(a) 100000—Personal Services	17,391,168	
(b) 300000—Operating Expenses and Equipment	29,623,859	
(c) Reimbursements	−680,818	

Item		Amount
(d) Amount payable from the State Energy Resources Conservation and Development Special Account, General Fund (Item 340-001-019)		−143,319
(e) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 340-001-044)		−20,222,750
(f) Amount payable from the Air Pollution Control Fund (Item 340-001-115)		−1,636,594
(g) Amount payable from the Automotive Repair Fund (Item 340-001-128)		−1,489,165
(h) Amount payable from the California Environmental License Plate Fund (Item 340-001-140)		−1,443,450
(i) Amount payable from the Vehicle Inspection Fund (Item 340-001-420)		−14,947,154
(j) Amount payable from the Federal Trust Fund (Item 340-001-890)		−2,004,609
340-001-019—For support of State Air Resources Board, to be transferred to Item 340-001-001, payable from the State Energy Resources Conservation and Development Special Account, General Fund		143,319
340-001-044—For support of State Air Resources Board, to be transferred to Item 340-001-001, payable from the Motor Vehicle Account, State Transportation Fund		20,222,750
340-001-115—For support of State Air Resources Board, to be transferred to Item 340-001-001, payable from the Air Pollution Control Fund		1,636,594
340-001-128—For support of State Air Resources Board, to be transferred to Item 340-001-001, payable from the Automotive Repair Fund		1,489,165
340-001-140—For support of State Air Resources Board, to be transferred to Item 340-001-001, payable from the California Environmental License Plate Fund		1,443,450
340-001-420—For support of State Air Resources Board, to be transferred to Item 340-001-001, payable from the Vehicle Inspection Fund		14,947,154
340-001-890—For support of State Air Resources Board, to be transferred to Item 340-001-001, payable from the Federal Trust Fund		2,004,609
Provisions applicable to Items 340-001-001 through 340-001-890—for support of State Air Resources Board:		

Item		Amount
1. Provided that the funds appropriated from the Vehicle Inspection Fund Item 340-001-420, are for the purposes of Chapter 20.4 (commencing with Section 9889.50) of Division 3 of the Business and Professions Code.		
340-101-001—For local assistance, State Air Resources Board, for assistance to counties in the operation of local air pollution control districts		4,033,000
340-101-044—for local assistance, State Air Resources Board, for assistance to counties in the operation of local air pollution control districts, payable from the Motor Vehicle Account, State Transportation Fund		3,311,420
Provisions applicable to Items 340-101-001 through 340-101-044—for local assistance, State Air Resources Board:		
1. Provided, that the assistance to counties is in accordance with Chapter 5 (commencing with Section 39800) of Part 2 of Division 26 of the Health and Safety Code.		
2. Provided further, that the amount appropriated from the General Fund, Item 340-101-001 shall be reduced by order of the Director of Finance by the amount of any other funds that become available for the purposes of this item during the 1981–82 fiscal year.		
346-001-001—For support of the Colorado River Board of California		173,666
Schedule:		
(a) 100000—Personal Services	420,375	
(b) 300000—Operating Expenses and Equipment	100,260	
(c) Reimbursements	−346,969	
348-001-001—For support of Department of Conservation		9,143,197
Schedule:		
(a) 100000-Personal Services	9,779,694	
(b) 300000-Operating Expenses and Equipment	4,196,639	
(c) 400001-California Institute of Technology Seismograph Network	57,000	
(d) Reimbursements	−1,013,175	
(e) Amount payable from the State Highway Account, State Transportation Fund (Item 348-001-042)	−11,400	
(f) Amount payable from the California Environmental License Plate Fund (Item 348-001-140)	−145,000	

Item		Amount
(g) Amount payable from the California Water Fund (Item 348-001-144)	−11,400	
(h) Amount payable from the Resources Account, Energy and Resources Fund (Item 348-001-190)	−718,203	
(i) Amount payable from the Strong-Motion Instrumentation Program Fund (Item 348-001-398)	−1,470,360	
(j) Amount payable from the Surface Mining and Reclamation Account (Item 348-001-035)	−1,100,000	
(k) Amount payable from the Federal Trust Fund (Item 348-001-890)	−420,598	
348-001-035—For support of the Department of Conservation, to be transferred to Item 348-001-001, payable from the Surface Mining and Reclamation Account		1,100,000
348-001-042—For support of Department of Conservation, to be transferred to Item 348-001-001, payable from the State Highway Account, State Transportation Fund		11,400
348-001-140—For support of Department of Conservation, to be transferred to Item 348-001-001, payable from the California Environmental License Plate Fund		145,000
348-001-144—For support of Department of Conservation, to be transferred to Item 348-001-001, payable from the California Water Fund		11,400
348-001-190—For support of Department of Conservation, to be transferred to Item 348-001-001, payable from the Resources Account, Energy and Resources Fund		718,203
348-001-398—For support of Department of Conservation, to be transferred to Item 348-001-001, payable from the Strong-Motion Instrumentation Program Fund		1,470,360
348-001-890—For support of Department of Conservation, to be transferred to Item 348-001-001, payable from the Federal Trust Fund		420,598
Provisions applicable to Items 348-001-001 through 348-001-890—for support of Department of Conservation:		
1. Provided, that the funds appropriated from the State Highway Account, State Transportation Fund, Item 348-001-042, and the California Water Fund Item, 348-001-144, are for the State's share of the California Institute of Technology seismograph network.		

Item		Amount
2. Provided further, that the funds appropriated from the California Environmental License Plate Fund, Item 348-001-140, are for wind erosion and fugitive dust suppression projects.		
3. Provided further, that the funds appropriated from the Strong-Motion Instrumentation Program Fund, Item 348-001-398, are to be used in carrying out the functions of the Division of Mines and Geology.		
4. Provided further that the funds appropriated from the Energy and Resources Fund, Item 348-001-190, are for soils data and digitized mapping activities.		
5. Provided further, that any unexpended balance of funds appropriated to the Surface Mining and Reclamation Account in the General Fund pursuant to Chapter 800, Statutes of 1980 shall be made available in the 1981–82 fiscal year for any salary and staff benefit increases which may be appropriated by the Legislature. Provided further, that any salary and staff benefit increases which apply to the Surface Mining and Reclamation Act shall be paid from the Surface Mining and Reclamation Account in the General Fund.		
6. Provided further, that support of soil resources data gathering and planning activities funded by Item 348-001-190 shall be limited to the 1981–82 fiscal year, unless legislation is enacted providing the Department of Conservation a statutory basis for conducting a program relating to soil resources.		
354-001-001—For support of Department of Forestry ..		110,466,103
Schedule:		
(a) 100000-Personal Services	103,130,953	
(b) 300000-Operating Expenses and Equipment	39,005,424	
(c) 400001-Fire Protection Contract—Counties	9,301,598	
(d) 400002-Fire Protection Contract—U.S. Forest Services	3,017,680	
(e) 400003-Emergency Fire Suppression	5,000,000	
(f) Reimbursements	−38,358,430	
(g) Amount payable from the Renewable Resources Investment Fund (Chapter 1104/79)	−138,380	
(h) Amount payable from the California Environmental License Plate Fund (Item 354-001-140)	−100,000	

Item		Amount
(i) Amount payable from the Energy Account, Energy and Resources Fund (Item 354-001-190)	−3,094,035	
(j) Amount payable from the Professional Forester Registration Fund (Item 354-001-300)	−75,263	
(k) Amount payable from the Federal Trust Fund (Item 354-001-890)	−1,595,019	
(*l*) Amount payable from the Forest Resources Improvement Fund (Item 354-001-928)	−5,610,464	
(m) Amount payable from the Timber Tax Fund (Item 354-001-965)	−17,961	
354-001-140—For support of Department of Forestry, to be transferred to Item 354-001-001 payable from the California Environmental License Plate Fund		100,000
354-001-190—For support of Department of Forestry, to be transferred to Item 354-001-001, payable from the Resources Account, Energy and Resources Fund		3,094,035
354-001-300—For support of Department of Forestry, to be transferred to Item 354-001-001, payable from the Professional Forester Registration Fund		75,263
354-001-890—For support of Department of Forestry, to be transferred to Item 354-001-001, payable from the Federal Trust Fund		1,595,019
354-001-928—For support of Department of Forestry, to be transferred to Item 354-001-001, payable from the Forest Resources Improvement Fund		5,610,464
354-001-965—For support of Department of Forestry, to be transferred to Item 354-001-001, payable from the Timber Tax fund		17,961

Provisions applicable to Items 354-001-001 through 354-001-965—for support of Department of Forestry:

1. Provided, that an amount not more than $100,000 in emergency fire suppression and detection costs and related emergency revegetation costs may be expended from the amounts appropriated for Schedules (a) and (b) without approval of the Department of Finance.
2. Provided further, that the funds appropriated from the Professional Forester Registration Fund, Item 354-001-500, are for carrying out the function of forester registration.

Item Amount

3. Provided further, that the funds appropriated from the Forest Resources Improvement Fund, Item 354-001-928, are for the Forest Resources Improvement Program and that:
   a. $320,000 shall be used to continue support of the reforestation project on State school lands administered by the State Lands Commission.
   b. $214,475 shall be used for support of the timber harvest plan review program.
4. Provided further, that the funds appropriated from the Energy and Resources Fund, Item 354-001-188, are for vegetation management, land conservation projects, and urban nurseries.
5. Provided further, that the funds appropriated in Schedule (c) from Item 354-001-001 are for allocation by the Director of Finance.
6. Provided further, that as much of the $3,587,000 expended by the department in prior fiscal years for fire protection services provided to the U.S. Forest Service on an assistance by hire basis for (a) the Pinecrest and Sage fires of 1979 and (b) for the series of major fires in Southern California in November of 1980, as may be recovered by the department in the 1981–82 fiscal year is hereby appropriated for expenditure as a portion of the reimbursements in schedule (f), Item 354-001-001.
7. Provided further, that at least $253,537 in expenditures for support of timber harvest plan review activities, required pursuant to the Forest Practice Act and the California Environmental Quality Act, shall be financed during the 1981–82 fiscal year through a system of graduated permit fees established and administered by the Department of Forestry.

354-011-928—For transfer to the General Fund in accordance with subdivision (a) of Section 4799.13 of the Public Resources Code, for the costs of operation of the State forests for the period July 1, 1981 through June 30, 1982; payable from the Forest Resources Improvement Fund ..... (1,453,047)

354-301-036—For capital outlay, Department of Forestry, payable from the Special Account for Capital Outlay 592,735

Schedule:

(a) 40.10	Minor Capital Outlay	502,735
(b) 40.20	Land Acquisition—statewide opportunity purchases	10,000

Item		Amount
(d) 40.40 Land acquisition—Witch Creek Forest Fire Station	80,000	
Provisions applicable to Item 354-301-036—for capital outlay, Department of Forestry:		
1. Provided, that the funds appropriated by Schedules (a) and (b) from the Special Account for Capital Outlay, Item 354-301-036, shall be available for expenditure only during the 1981–82 fiscal year.		
1. Provided further, that the funds appropriated from the Special Account for Capital Outlay by Schedule (b), Item 354-301-036, may be used for obtaining purchase options, but only upon the approval of the Department of Finance and only for expenditure for those major capital outlay projects which are anticipated to be included in the 1982–83 Governor's Budget.		
356-001-001—For support of State Lands Commission Schedule:		7,252,733
(a) 100000-Personal Services	7,963,613	
(b) 300000-Operating Expenses and Equipment	2,380,418	
(c) Reimbursements	−3,016,298	
(d) Amount payable from the Federal Trust Fund (Item 356-001-890)	−75,000	
356-001-890—For support of State Lands Commission, to be transferred to Item 356-001-001, payable from the Federal Trust Fund		75,000
Provisions applicable to Items 356-001-001 through 356-001-890—for support of State Lands Commission:		
1. Provided, that $2,653,577 in reimbursements scheduled in Item 356-001-001, General Fund are payable under the provisions of Chapter 138, Statutes of 1964 (First Extraordinary Session).		
356-301-189—For capital outlay, State Lands Commission, payable from the Energy Account, Energy and Resources Fund		1,000,000
Schedule:		
(a) Solar Pond—Owens Dry Lake.....	1,000,000	
356-490—Reappropriation, State Lands Commission. Notwithstanding any other provision of law, the unencumbered balance, on the effective date of this act, of the appropriation provided in the following citation, is reappropriated for the purpose provided for in the appropriation, and any additional purposes provided in this item, and shall be available for expenditure until June 30, 1982:		
036—Special Account for Capital Outlay		

Item			Amount
(1) Item 396.5(a), Budget Act of 1977—Partial land acquisition or restoration, or both—Bolsa Bay.			
358-001-001—For support of Seismic Safety Commission, Program 10			346,498
Schedule:			
(a) 100000-Personal Services		264,014	
(b) 300000-Operating Expenses		82,484	
360-001-001—For support of Department of Fish and Game, to be transferred to Item 360-001-200			4,254,848
360-001-140—For support of Department of Fish and Game, to be transferred to Item 360-001-200, payable from the California Environmental License Plate Fund			1,756,227
360-001-190—For support of Department of Fish and Game, to be transferred to Item 360-001-200, payable from the Resources Account, Energy and Resources Fund			4,745,300
360-001-200—For support of Department of Fish and Game, and for the maintenance and construction of fish screens and other stream improvements, and for the purchase of land for game production, improvement of waterfowl areas and research in game management under provisions of the Pittman-Robertson Act, fish restoration and management projects under the provisions of the Dingell-Johnson Act, and for commercial fisheries research and development projects under the provisions of the Commercial Fisheries Research and Development Act (Bartlett Act), Department of Fish and Game, payable from moneys in the Fish and Game Preservation Fund, including revenues subject to the provisions of Section 13005 of the Fish and Game Code, which revenues are hereby appropriated to the extent required to meet the appropriation made by this item			37,995,573
Schedule:			
(a) 100000-Personal Services		40,464,230	
(b) 300000-Operating Expenses and Equipment		28,340,625	
(c) Reimbursements		−5,730,729	
(d) Amount payable from Renewable Resources Investment Fund (Chapter 1104/79)		−125,080	
(e) Amount payable from the General Fund (Item 360-001-001)		−4,800,848	
(f) Amount payable from the California Environmental License Plate Fund (Item 360-001-140)		−1,756,227	

Item		Amount
(g) Amount payable from the Resources Account, Energy and Resources Fund (Item 360-001-190)	−4,745,300	
(h) Amount payable from the Federal Trust Fund (Item 360-001-890)	−12,726,098	
(i) Amount payable from the Renewable Resources Investment Fund (Item 360-001-940)	−925,000	
360-001-890—For support of Department of Fish and Game, to be transferred to Item 360-001-200, payable from the Federal Trust Fund		12,726,098
360-001-940—For support of the Department of Fish and Game, to be transferred to Item 360-001-200 for salmon and steelhead habitat restoration, payable from the Renewable Resources Investment Fund		925,000

Provisions applicable to Items 360-001-001 through 360-001-890—for support of Department of Fish and Game:

1. Provided, that the $4,800,848 of the funds appropriated from the General Fund, Item 360-001-001, are solely for the support of existing programs devoted to nongame species management and protection and environmental protection.
2. Provided further, that the funds appropriated from the California Environmental License Plate Fund Item 360-001-140 are for the support of programs relating to environmental protection, management of nongame species Natural Areas Management program, the Environmental Review and Evaluation program and the Instream Flow Analysis program.
3. Provided further, that the funds appropriated from the Resources Account of the Energy and Resources Fund, Item 360-001-190, are for the implementation of Salmon/Habitat Restoration program, data development for the California Wildlife Habitat Relationship System, support of the Wildlife Habitat improvement, the Suisun Resource Center District and the Buena Vista Lagoon Ecological Reserve programs.
4. Provided further, of the funds appropriated from the Fish and Game Preservation Fund, Item 360-001-200, that:
   a. $91,065 is for the support of investigations into the decline of the market crab in State waters,
   b. $583,900 is for the support of projects for the

Item		Amount
	purpose of protecting and propagating migratory waterfowl and for the preservation of wetlands, payable from the Fish and Game Preservation Fund from revenues derived under the provisions of Section 3700 of the Fish and Game Code,	
	c. $402,030 is for the support of the education or training of department employees, payable from the Fish and Game Preservation Fund from revenues derived under the provisions of Section 12018 of the Fish and Game Code, and	
	d. $35,343 is for the support of programs related to native species conservation and enhancement as prescribed in the Native Species Conservation and Enhancement Act, payable from the Native Species Conservation and Enhancement Account in the Fish and Game Preservation Fund.	
	5. Provided further, that of the funds appropriated in Item 360-001-140, $58,462 shall be available for support of the natural areas program through December 31, 1981.	
	Provided further, that of the funds appropriated in Item 360-001-140, $190,351 shall not be available for expenditure for support of the natural areas program unless legislation is enacted on or before January 1, 1982, providing the department a statutory basis for conducting the programs.	
	Provided further, that if legislation providing a statutory basis for the natural areas program is not effective on or before January 1, 1982, $109,-351 of the funds appropriated in Item 360-001-140 shall revert to the Environmental License Plate Fund on that date.	
360-301-140—For capital outlay, Department of Fish and Game, payable from the California Environmental License Plate Fund		250,000
Schedule:		
(a) Land acquisition-ecological reserves	250,000	
360-301-190—For capital outlay, Department of Fish and Game, payable from Resources Account, Energy and Resources Fund		3,818,000
Schedule:		
(a) Preliminary plans to modernize Nimbus Fish Hatchery	118,000	

Item		Amount
(c) Preliminary plans, Big Springs Hatchery	200,000	
(d) Land acquisition-rare and endangered species	3,500,000	
360-301-200—For capital outlay, Department of Fish and Game, payable from the Fish and Game Preservation Fund		3,147,642
Schedule:		
(a) Project planning	30,000	
(b) Minor Capital Outlay	572,941	
(c) Construct new regional office Region I	1,292,151	
(d) Replace ponds Moccasin Hatchery	464,130	
(e) Construct nursery ponds, American River Hatchery	575,670	
(f) Plans and working drawings for Regional Office Region III	87,750	
(g) Plans and construction of irrigation well Honey Lake WLA	125,000	

Provisions applicable to Items 360-301-140 through 360-301-200—for capital outlay, Department of Fish and Game:

1. Provided, that the $200,000 appropriated pursuant to Item 360-301-188 for the first phase of the Big Springs Hatchery shall be available only if a comprehensive Anadromous Fisheries management plan for the Indian and non-Indian Fisheries within the Hoopa Indian Reservation is developed by the U.S. Department of Interior and approved by the Department of Fish and Game with emphasis on the salmon resource.

   The plan must contain provisions for accurately assessing in-river harvests by both Indian and non-Indian users as well as provisions to meet needed adult spawning escapement goals, as determined by the Department of Fish and Game, for resource maintenance.
2. Provided further, that funds appropriated in Item 360-301-200(b) for minor capital outlay for the Crystal Lake Hatchery shall not be expended prior to the completion of an analysis to determine the payback period of each energy savings element proposed for the department's staff residences, and such funds shall be expended for the installation of only those projects which would be feasible.

360-490—Reappropriation, Department of Fish and Game.

Item		Amount

188—Energy and Resources Fund

(1) Notwithstanding any other provisions of law, an amount not to exceed $212,300 of the unencumbered balance of the appropriation made in Item 524 of the Budget Act of 1980, on the effective date of this act, is reappropriated for the purpose of developing environmental studies, preliminary plans, and working drawings for the restoration of Bolsa Chica wetlands. These funds shall be available for expenditure until June 30, 1982.

360-495—Reversion, Department of Fish and Game. As of June 30, 1981, the unencumbered balance of the appropriation provided in the following citation shall revert to the unappropriated surplus of the fund from which the appropriation was made:

200—Fish and Game Preservation Fund

(1) Item 522(e), Budget Act of 1980—Working drawings for nursery ponds and well for American River Hatchery.

364-001-447—For support of Wildlife Conservation Board, payable from the Wildlife Restoration Fund 393,494

Schedule:

(a) 100000-Personal Services	330,211
(b) 300000-Operating Expenses and Equipment	115,717
(c) Reimbursements	−52,434

Provisions applicable to Item 364-001-447—for support of Wildlife Conservation Board:

1. Provided, that any money in the Wildlife Restoration Fund in excess of the appropriation made by Item 364-001-447 shall continue to be available pursuant to Section 1352 of the Fish and Game Code.
2. Provided, that $69,400 of the amount appropriated by Item 364-001-447 shall not be utilized for support of the Wildlife Conservation Board in the event that federal Land and Water Conservation Funds are received in reimbursement for administrative costs associated with bond projects.

364-301-190—For capital outlay, Wildlife Conservation Board, for construction and renovation of fishing piers, payable from the Resources Account, Energy and Resources Fund, in accordance with the provisions of the Wildlife Conservation Law of 1947 1,948,000

Schedule:

(a) Sierra Point Fishing Pier	590,000
(b) Clay St. Fishing Pier	608,000

Item		Amount
(c) Berkeley Fishing Pier	750,000	
364-490—Reappropriation, Wildlife Conservation Board. Notwithstanding any other provisions of law, the undisbursed balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in such appropriations and shall be available for expenditure until June 30, 1982; provided, however, that these appropriations shall be available for acquisition and development: 742—State, Urban and Coastal Park Fund		
(1) Item 510(a), Budget Act of 1978—Coastal wetlands, acquisition.		
(2) Item 510(c), Budget Act of 1978—Interior wetlands and riparian habitat, acquisition.		
(3) Item 510(d), Budget Act of 1978—Wild trout, salmon, and steelhead habitat, acquisition.		
368-001-001—For support of Department of Boating and Waterways, to be transferred to Item 368-001-516		268,581
368-001-190—For support of Department of Boating and Waterways, to be transferred to Item 368-001-516, payable from the Resources Account, Energy and Resources Fund		50,000
368-001-516—For support of Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund		2,555,035
Schedule:		
(a) 100000-Personal Services	1,933,796	
(b) 300000-Operating Expenses and Equipment	934,820	
(c) Reimbursements	−15,000	
(d) 400001-Feasibility Determinations	20,000	
(e) Amount payable from the General Fund (Item 368-001-001)	−268,581	
(f) Amount payable from Resources Account, Energy and Resources Fund (Item 368-001-190)	−50,000	
Provisions applicable to Items 368-001-001 through 368-001-516—for support of Department of Boating and Waterways:		
1. Provided, that any amounts received from federal grants or other sources shall be available for support of the Department of Boating and Waterways.		
368-101-190—For beach erosion control, local assistance, Department of Boating and Waterways, payable from the Resources Account, Energy and Resources Fund		2,805,000

Item			Amount
Schedule:			
(a) Alameda Beach project—Alameda County		1,355,000	
(b) Imperial Beach project—San Diego County		750,000	
(d) Rio del Mar project—Santa Cruz County		700,000	
368-101-516—For local assistance, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund			17,932,965
Schedule:			
(a) Launching facility grants		1,742,000	
(1) Doran Park	280,000		
(2) Floating Restrooms	100,000		
(3) Gold Lake	300,000		
(4) Lake Nacimiento	250,000		
(5) Needles	275,000		
(6) Ramp Repairs	100,000		
(7) Redbud Park	150,000		
(8) Rio Vista Sandy Beach	100,000		
(9) Ruth Lake	50,000		
(10) Shasta Lake	45,000		
(11) Shelter Cove	92,000		
(b) Loans: local government		12,800,000	
(1) Diesel Street Marina	1,000,000		
(2) Downtown Shoreline Marina	3,500,000		
(3) Richmond Marina	1,500,000		
(4) Spud Point, Bodega Bay	1,400,000		
(5) West Channel, Cabrillo Beach Marina	4,000,000		
(6) Planning loans	100,000		
(7) Emergency Storm Repair	100,000		
(8) Santa Cruz Harbor	700,000		
(9) Channel Island Marina—Phase IV	500,000		
(c) Loan: private recreational marinas (statewide)		1,000,000	
(d) Boating safety and enforcement		2,390,965	
Provisions applicable to Items 368-101-190 through 368-101-516—for local assistance, Department of Boating and Waterways:			

Item Amount

1. Provided that the loans in Item 368-101-516 are loans to cities, counties, or districts pursuant to Section 70.2 and 71.4 of the Harbors and Navigation Code, Department of Boating and Waterways.
2. Provided further, that the grants are for construction and development of small craft launching facilities to cities, counties, districts, or other public agencies pursuant to Section 72.5 of the Harbors and Navigation Code, Department of Boating and Waterways.
3. Provided further, that the funds allocated for boating safety and enforcement programs are pursuant to Section 663.7 of the Harbors and Navigation Code.
4. Provided further, that Schedule (b) (7) of Item 368-101-516 is for allocation by the Director of Finance to provide for repairs, authorized by the Director of Finance, of damage at small craft harbor facilities constructed pursuant to Sections 70.2, 71.4, and 72.5 of the Harbors and Navigation Code, caused by emergency conditions, including but not limited to tidal waves or severe storms, and for payment of deficiencies in appropriations for the Department of Boating and Waterways which may be authorized by the Director of Finance; the sum of $100,000, or so much thereof as may be necessary, is appropriated from the Harbors and Watercraft Revolving Fund.
5. Provided further, that the amount payable by the Department of Boating and Waterways pursuant to Schedule (d) of Item 368-101-190 shall not exceed 50 percent of the project cost.
6. Provided further, that state funding in Schedule (d) of Item 368-101-190 is contingent upon the formation of an assessment district to assist in financing the project.
7. Provided further, that none of the funds in Schedule (b) of Item 368-101-190 may be encumbered unless and until all project permits are received.

368-301-516—For capital outlay, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund 703,500

Schedule:

(a) Project Planning	10,000
(b) Minor Capital Outlay	503,500
(c) Battle Creek, Tehama County	95,000

Item		Amount
(d) Bidwell Bar State Park	95,000	

NEJEDLY-HART STATE, URBAN, AND COASTAL PARK BOND ACT PROGRAM

368-301-742—For capital outlay, Department of Boating and Waterways, payable from the State, Urban and Coastal Park Fund		295,400
Schedule:		
(a) Project Planning	10,000	
(b) Minor capital outlay	285,400	
Provisions applicable to Items 368-301-516 through 368-301-742—for capital outlay, Department of Boating and Waterways:		
1. Provided, that the projects appropriated from the State, Urban, and Coastal Park Fund, Item 308-301-742, are for the purposes set forth in paragraph (3) of subdivision (e) of Section 5096.124 of the Public Resources Code.		
2. Provided further, that upon receipt of any reimbursements applicable to any of the projects specified in the State, Urban, and Coastal Park Fund, Item 368-301-742 from the Federal land and water conservation funds, such reimbursements shall be deposited in the 1976 State, Urban, and Coastal Park Fund to the credit of the Department of Boating and Waterways.		
372-001-001—For support of California Coastal Commission		5,494,693
Schedule:		
(a) 100000-Personal Services	5,417,388	
(b) 300000-Operating Expenses and Equipment	2,232,567	
(d) 400002-BCDC Grants	422,038	
(e) Reimbursements	−38,700	
(f) Amount payable from the California Environmental License Plate Fund (Item 372-001-140)	−188,600	
(g) Amount payable from the Federal Trust Fund (Item 372-001-890)	−2,350,000	
372-001-140—For support of California Coastal Commission, to be transferred to Item 372-001-001, payable from the California Environmental License Plate Fund		188,600

Item	Amount
372-001-890—For support of California Coastal Commission, to be transferred to Item 372-001-001, payable from the Federal Trust Fund	2,350,000

Provisions applicable to Items 372-001-001 through 372-001-890—for support, California Coastal Commission:

1. Provided, that the commission shall, to the extent legally possible, utilize categorical exclusions, permit exemptions, and administrative permits authorized by Division 20 (commencing with Section 30000) of the Public Resources Code to reduce the commission's regulatory workload and to achieve overall cost savings to the state.
2. Provided further, that the commission shall, to the extent resources are available, undertake efforts to expedite the transfer to local governments of coastal development permit authority pursuant to Division 20 (commencing with Section 30000) of the Public Resources Code by providing training and any other assistance it deems appropriate to assist local governments in the assumption of this coastal permit responsibility.
3. Provided further, that if legislation is enacted and becomes operative during the 1981 calendar year which requires local government to assume the coastal development permit issuing responsibilities pursuant to Division 20 (commencing with Section 30000) of the Public Resources Code prior to the certification of its complete local coastal program, an amount not to exceed $500,000 shall be transferred from Item 372-001-001 to Item 372-101-001 for assistance to local governments.

372-101-001—For local assistance, California Coastal Commission		850,000
Schedule:		
(a) Assistance to Local Planning Agencies	450,000	
(b) Legislative Mandates	400,000	
372-101-890—For local assistance, California Coastal Commission, for Assistance to Local Planning Agencies, payable from the Federal Trust Fund		1,800,000

Provisions applicable to Items 372-101-001 through 372-111-001—for local assistance, California Coastal Commission:

Item Amount

1. Provided, that the funds appropriated in Item 372-101-001, schedule (a) are for coastal planning assistance as provided in Section 16 of Chapter 1330 of the Statutes of 1976, as amended by Section 28 of Chapter 1331 of the Statutes of 1976.
2. Provided further, that the funds appropriated in Item 372-101-001, schedule (b) are for reimbursement, in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs, which relate to activities of the California Coastal Commission, of any new program or increased level of service of an existing program mandated by statute, for payment by the State Controller and that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates the reimbursement of such costs and of subdivision (d) of Section 2231 of the Revenue and Taxation Code.
3. Provided further, that none of the funds appropriated in Item 372-101-001, schedule (b) may be approved for disbursement to any local entity unless the California Coastal Commission has first determined that federal funds are not available.
4. Provided further, that the funds appropriated pursuant to Item 372-111-001 shall be available to the commission for assistance to local government only if legislation is enacted and becomes effective during the 1981 calendar year which requires local government to assume the coastal development permit issuing responsibilities required pursuant to Division 20 (commencing with Section 30000) of the Public Resources Code prior to the certification of its complete local coastal program.
5. Provided further, that the Legislature, in approving Item 372, expresses its intent and expectations that all local coastal programs required pursuant to Division 20 (commencing with Section 30000) of the Public Resources Code, be completed no later than July 1, 1982.

372-111-001—For local assistance, California Coastal Commission, from funds reverted to the General Fund pursuant to Item 224-495 1,500,000

Item		Amount
STATE COASTAL CONSERVANCY		
376-001-565—For support of the State Coastal Conservancy, for the purposes set forth in Sections 5096.125(f) and 5096.151(d) of the Public Resources Code, payable from the State Coastal Conservancy		927,088
Schedule:		
(a) 100000-Personal Services	968,687	
(b) 300000-Operating Expenses and Equipment	194,901	
(c) 400001-Preproject feasibility planning	200,000	
(d) Amount payable from the Parklands Fund of 1980 (Item 376-001-721)	−436,500	
PARKLANDS ACQUISITION AND DEVELOPMENT PROGRAM		
376-001-721—For support of the State Coastal Conservancy, pursuant to category (2) of subdivision (c) of, and subdivision (d) of, Section 5096.151 of the Public Resources Code, payable from the Parklands Fund of 1980		626,231
Provisions applicable to Item 376-001-565 through 376-001-721—for support of State Coastal Conservancy:		
1. Provided that of the funds appropriated in item 376-001-721, an amount not to exceed $350,000 shall be used for administration of Sections 509.173 through 5096.177 of the Public Resources Code.		
376-101-140—For local assistance, State Coastal Conservancy, payable from the Environmental License Plate Fund		170,750
Schedule:		
(a) Aliso Greenbelt Trail System, Orange County	170,750	
376-101-189—For local assistance, State Coastal Conservancy, payable from the Energy Account, Energy and Resources Fund		1,500,000
Schedule:		
(a) San Dieguito Lagoon, San Diego County	500,000	
(b) Nonprofit public land trusts program	1,000,000	

Item Amount

PARKLANDS ACQUISITION AND DEVELOPMENT PROGRAM

376-101-721—For local assistance, State Coastal Conservancy, pursuant to category (2) of subdivision (c) of Section 5096.151 of the Public Resources Code, payable from the Parklands Fund of 1980 .. 15,000,000

Provisions applicable to Item 376-101-140 through 376-101-721—for local assistance, State Coastal Conservancy:

1. Provided that the funds appropriated in Item 376-101-721 be used for grants to counties, cities, and districts for the acquisition, development, rehabilitation, or restoration of real property, or the acquisition of any interest in real property, necessary for the implementation of local coastal programs; for the implementation of projects in San Francisco Bay, as defined in subdivisions (a) and (b) of Section 31006, of the Public Resources Code.

PARKLANDS ACQUISITION AND DEVELOPMENT PROGRAM

376-301-721—For capital outlay, State Coastal Conservancy, pursuant to category (2) of subdivision (c) of, and subdivision (d) of, Section 5096.151 of the Public Resources Code, payable from the Parklands Fund of 1980 8,000,000

Provisions applicable to Item 376-301-190 through 376-301-721—for capital outlay, State Coastal Conservancy:

1. Provided, that expenditures of funds for local assistance grants and grants to nonprofit organizations from Item 376-301-721 are exempt from State Public Works Board review
2. Provided further, that no funds allocated to Item 376-301-721 may be encumbered unless and until each project and the plan therefor is approved by the State Coastal Conservancy and, if required, is reviewed, approved, or certified by the California Coastal Commission, pursuant to Section 31152, 31206, 31208, 31213, 31255, 31258, 31263, or 31304, or any combination thereof, of the Public Resources Code.

Item Amount

3. Provided further, that upon the receipt of any federal reimbursement applicable to any of the projects specified in Item 376-301-721, such reimbursement is hereby appropriated for expenditure by the State Coastal Conservancy for the types of projects specified in this item.
4. Provided further, that of the funds appropriated in Item 376-301-721, an amount not to exceed $1,000,000 is available for implementation of projects in the coastal zone of the Santa Monica Mountains Zone, as described in Section 33105 of the Public Resources Code.

376-490—Reappropriations, State Coastal Conservancy. Notwithstanding any other provisions of law, the unencumbered balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in such appropriations, and shall be available for expenditure until June 30, 1982:

140—Environmental License Plate Fund

(1) Item 526, Budget Act of 1980. For capital outlay, State Coastal Conservancy.

188—Energy and Resources Fund

(1) Item 527, Budget Act of 1980. For capital outlay, State Coastal Conservancy.

565—State Coastal Conservancy

(1) Item 520.1, Budget Act of 1978. For capital outlay, for the purposes set forth in subdivisions (a), (b), (c), (d), and (e) of Section 5096.125 of the Public Resources Code.

Provisions applicable to Item 376-490—for reappropriation, State Coastal Conservancy:

1. Provided, that expenditures of funds for local assistance grants and grants to nonprofit organizations are exempt from State Public Works Board review.
2. Provided further, that no funds may be encumbered unless and until each project and the plan therefor is approved by the State Coastal Conservancy and, if required, is reviewed, approved, or certified by the California Coastal Commission, pursuant to Section 31152, 31206, 31208, 31213, 31255, 31258, 31263, or 31304, or any combination thereof, of the Public Resources Code.

Item		Amount
3. Provided further, that upon the receipt of any federal reimbursement applicable to any of the projects specified, such reimbursement is hereby appropriated for expenditure by the State Coastal Conservancy for the types of projects specified in this item.		
4. Provided further, that funds reappropriated for Item 527, Budget Act of 1980, shall be used exclusively for grants to public agencies for coastal access projects.		
5. Provided further, that funds reappropriated for Item 526, Budget Act of 1980, shall be used exclusively for the Aliso Greenbelt Trail System, Orange County.		
379-001-001—For support of Department of Parks and Recreation		68,757,110
Schedule:		
(a) 100000-Personal Services	64,218,268	
(b) 300000-Operating Expenses and Equipment	25,131,350	
(c) 400001-Pre-negotiation Planning, Outside Appraisal, and Legal Services	572,450	
(d) Reimbursements	−8,667,270	
(e) Amount payable from the Off-Highway Vehicle Fund (Item 379-001-263)	−2,591,894	
(f) Amount payable from the State Parks and Recreation Fund (Item 379-001-392)	−6,739,460	
(g) Amount payable from the Harbors and Watercraft Revolving Fund (Item 379-001-516)	−311,662	
(h) Amount payable from the Federal Trust Fund (Item 379-001-890)	−2,674,672	
(i) Amount payable from operating revenues (Item 379-011-001)	−180,000	
379-001-263—For support of Department of Parks and Recreation, to be transferred to Item 379-001-001, payable from the Off-Highway Vehicle Fund		2,591,894
379-001-392—For support of Department of Parks and Recreation, to be transferred to Item 379-001-001, payable from the State Parks and Recreation Fund		6,739,460
379-001-516—For support of Department of Parks and Recreation, to be transferred to Item 379-001-001, payable from the Harbors and Watercraft Revolving Fund		311,662

Item	Amount
379-001-890—For support of Department of Parks and Recreation, to be transferred to Item 379-001-001, payable from the Federal Trust Fund	2,674,672

Provisions applicable to Items 379-001-001 through 379-001-890—for support of Department of Parks and Recreation:

1. Provided, that contracts for outside legal services related to land acquisition projects are exempt from approval by the Attorney General.
2. Provided further, that the funds appropriated from the Harbors and Watercraft Revolving Fund, Item 379-001-516, are pursuant to subdivision (d) of Section 663.7 of the harbors and Navigation Code, Harbors and Watercraft Revolving Fund.
3. Of the $450,000 appropriated in Item 379-001-001 for the State Capitol interpretive program, $219,982 shall be used for support of the Capitol and Capitol tour guide program in cooperation with the Joint Rules Committee.
4. Provided further, that the Department of Parks and Recreation shall increase fee revenues by $600,000 to offset a like amount of increased operation and maintenance costs for patrol of new acquisitions and operation of new facilities throughout the state park system.
5. The Department of Parks and Recreation shall provide a 12-month relocation notice to all nonpermanent part-time residents (lessor who maintains his or her principal residence at another location) residing at Crystal Cove, Crystal Cove State Park on July 1, 1981, and shall complete relocation within 24 months extending relocation benefits as provided in the 1980–81 Supplemental Language Report to the Budget Act of 1980.

   Consistent with the Supplemental Language Report, Item 256 of the Budget Act of 1980, the department shall submit to the Legislature by January 1, 1982, its plan for development at Crystal Cove and Morro Cove for public use and its recommendation for disposition of permanent tenants (lessor who maintained his or her principal residence at Crystal Cove prior to December 31, 1979) at Crystal Cove.

Item			Amount
379-011-001—For support of Department of Parks and Recreation, to be transferred to Item 379-001-001 by the State Controller			180,000
Provisions applicable to Item 379-011-001—for support, Department of Parks and Recreation:			
1. The State Controller shall not make a transfer to Item 379-001-001 pursuant to Item 379-011-001 unless and until the parking fee is increased by the Director of Parks and Recreation to more than $2 at one or more state-owned beaches in Santa Barbara County, Ventura County, Los Angeles County, Orange County, or San Diego County.			
2. The amount transferred pursuant to Item 379-011-001 shall not exceed the amount of revenue attributable to parking fees in excess of $2 at state-owned beaches in Santa Barbara County, Ventura County, Los Angeles County, Orange County, or San Diego County.			
379-011-062—For transfer by the State Controller from the Highways Users Tax Account in the Transportation Tax Fund to the State Parks and Recreation Fund, as prescribed by subdivision (a) of Section 2107.7 of the Streets and Highways Code for the support of the Department of Parks and Recreation, for expenditure by the department for maintenance and repair of highways in units of the State park systems; payable from the Highway Users Tax Account, Transportation Tax Fund			(1,500,000)
Provisions applicable to Item 379-011-062—for transfer to the State Parks and Recreation Fund:			
1. Provided, that of the funds transferred to the State Parks and Recreation Fund pursuant to Item 379-011-062, up to $100,000 shall be used to pave the access road to the Los Banos Creek Retention Dam.			
379-101-140—For local assistance, Department of Parks and Recreation, payable from the California Environmental License Plate Fund			1,890,000
Schedule:			
Projects in Alameda County			
(a) City of Oakland, Oakland Museum Department		300,000	
(b) Alameda County, urban marsh		240,000	
(c) City of Berkeley, Echo Lake		250,000	
Projects in Los Angeles County			
(d) City of Torrance, Madrona Marsh		1,100,000	

Item		Amount
379-101-190—For local assistance, Department of Parks and Recreation, payable from the Resources Account, Energy and Resources Fund		10,000,000
(a) Roberti-Z'berg Urban Open-Space and Recreation Program	4,000,000	
(b) Urban fishing program	6,000,000	
379-101-263—For grants to federal agencies, counties, cities, or special districts, pursuant to Division 7.8 (commencing with Section 8700) of the Public Resources Code, Department of Parks and Recreation, payable from the Off-Highway Vehicle Fund, to be available for expenditure during the 1981–82, 1982–83, and 1983–84 fiscal years		2,851,857
Schedule:		
(a) City of Huron, Huron Cycle Park	268,297	
(b) County of Los Angeles, San Gabriel River OHV Staging Area	121,200	
(c) City of Porterville, Porterville Regional OHV Park	458,064	
(d) County of Sacramento, Prairie City OHV Park Operation and Maintenance	165,945	
(e) County of Santa Clara, Motorcycle Park	20,216	
(f) Bureau of Land Management, California Desert District	20,000	
(g) Bureau of Land Management, Ukiah District	1,307,000	
(h) U.S. Forest Service, Los Padres National Forest	491,135	

PARKLANDS ACQUISITION AND DEVELOPMENT PROGRAM

379-101-721—For grants to counties, cities, and districts, as defined, in Section 5096.144, pursuant to subdivisions (a) and (e) of Section 5096.151, of the Public Resources Code, Department of Parks and Recreation, and for project review, payable from the Parklands Fund of 1980		89,810,540
Schedule:		
(a) Project review	157,365	
(b) Roberti-Z'berg Urban Open-space and Recreational Program Grants	30,000,000	
(c) Project Grants	59,653,175	
Projects in Alameda County		
(1) City of Alameda, Washington Park	221,407	

Item		Amount
	(2) City of Albany, Middle School Park	46,326
	(3) City of Berkeley, Greg Brown Park	37,685
	(4) City of Berkeley, Grove Street Park	125,000
	(5) City of Berkeley, James Kenny Park	50,000
	(6) City of Berkeley, Live Oak Park	80,000
	(7) City of Berkeley, San Pablo Park	30,000
	(8) East Bay Regional Park District, Alameda Creek Quarry	200,000
	(9) City of Fremont, Ardenwood Park	53,817
	(10) City of Fremont, Central Park	302,734
	(11) Hayward Area Recreation and Park District, Ashland Park	20,000
	(12) Hayward Area Recreation and Park District, Ashland Community Center	21,123
	(13) Hayward Area Recreation and Park District, Canyon View Park	20,000
	(14) Hayward Area Recreation and Park District, Carlos Bee Park and Botany Grounds	35,348
	(15) Hayward Area Recreation and Park District, Castro Valley Community Park	23,000
	(16) Hayward Area Recreation and Park District, Centennial Park	67,399

Item		Amount
(17) Hayward Area Recreation and Park District, Christian Penke Park		20,000
(18) Hayward Area Recreation and Park District, College Heights Park		33,407
(19) Hayward Area Recreation and Park District, Earl Warren Park		20,332
(20) Hayward Area Recreation and Park District, Greenridge Park		20,000
(21) Hayward Area Recreation and Park District, Meek Park		65,000
(22) Hayward Area Recreation and Park District, Mt. Eden Park		50,000
(23) Hayward Area Recreation and Park District, Mt. Eden Swim Center		40,000
(24) Hayward Area Recreation and Park District, Rowell Ranch Rodeo Park		20,000
(25) Hayward Area Recreation and Park District, San Lorenzo Park		20,000
(26) Hayward Area Recreation and Park District, San Lorenzo Swim Center		30,000
(27) Hayward Area Recreation and Park District, Shapell Park		35,000

Item		Amount
	(28) Hayward Area Recreation and Park District, Tenneyson Swim Center	30,000
	(29) Livermore Area Recreation and Park District, Livermore Area Parks	156,550
	(30) Livermore Area Recreation and Park District, Veterans Park	33,075
	(31) City of Newark, Newark Parks	87,860
	(32) City of Oakland, Camron-Stanford	50,000
	(33) City of Oakland, Peralta Hacienda	150,000
	(34) City of Oakland, Shepherd Canyon	50,000
	(35) City of Piedmont, Piedmont Parks	31,310
	(36) City of Pleasanton, Amador Community Park	101,598
	(37) City of San Leandro, Pacific High Recreation Complex	188,819
	(38) City of Union City, Alvarado Community Center	95,208
	Projects in Alpine County	
	(39) County of Alpine, Bear Valley Community Recreation Center	100,000
	Projects in Amador County	
	(40) County of Amador, Amador County Fair Park	20,000
	(41) County of Amador, Howard Park	20,000

Item		Amount
(42) County of Amador, Jackson School Park		20,000
(43) County of Amador, Mollie Joyce Park		20,000
(44) County of Amador, Sutter Creek Historic Park		20,000
Projects in Butte County		
(45) City of Chico, Bidwell Park		197,822
(46) Feather River Recreation and Park District, Municipal Auditorium		27,947
(47) Feather River Recreation and Park District, Neighborhood Parks		50,000
(48) City of Oroville, Hammon Park		28,322
(48.1) City of Biggs, Biggs Recreation Area		20,000
Projects in Calaveras County		
(49) County of Calaveras, County Fairgrounds		20,000
(50) County of Calaveras, Mountain Ranch Park		20,000
(51) Calaveras County Water District, White Pines Lake		20,000
(52) San Andreas Recreation and Park District, San Andreas Community Park		20,000
Projects in Colusa County		
(53) City of Colusa, Fairgrounds/School Recreation Area		40,000

Item		Amount
	(54) County of Colusa, Grimes/Arbuckle/ Pierce High School Areas	20,000
	(55) County of Colusa, Stonyford/Maxwell and Princeton High Park Areas	20,000
	(56) City of Williams, Museum Park	20,000
	Projects in Contra Costa County	
	(57) Brentwood Recreation and Park District, Brentwood District Parks	20,000
	(58) City of Concord, Newhall Community Park	286,920
	(59) County of Contra Costa, Clyde Neighborhood Park	20,000
	(60) County of Contra Costa, Crockett Community Center	20,000
	(61) County of Contra Costa, Gehringer Community Park	20,000
	(62) County of Contra Costa, Orinda Community Center	23,500
	(63) County of Contra Costa, Tibros Park	105,493
	(64) East Bay Regional Park District, Black Diamond Mines	190,000
	(65) City of El Cerrito, El Cerrito Recreation Area	63,909
	(66) City of Martinez, Martinez Regional Shoreline Park	61,315
	(67) Town of Moraga, Moraga, Common	43,395

Item		Amount
(68) Pleasant Hill Recreation and Park District, Pleasant Hill Park		85,055
(69) City of Richmond, City Park Areas		209,051
(70) City of San Pablo, Davis, Kennedy Plaza Park		62,014
(71) City of Walnut Creek, Larkey Park		126,000
(72) City of Walnut Creek, Lime-Shell Ridges Trail		71,372
(72.1) Ambrose Recreation and Park District, Ambrose Park Pool		29,300
Projects in El Dorado County		
(73) County of El Dorado, Georgetown Divide and Pollock Pines Parks		20,000
(74) County of El Dorado, Shingle Springs Plaza Park		69,345
(75) El Dorado Hills Community Services District, Oak Ridge Park		25,000
(76) El Dorado Irrigation District, Sly Park		20,000
(77) City of Placerville, Lions Park		65,000
(78) City of South Lake Tahoe, Tahoe Valley Multi-Use Area		85,345
Projects in Fresno County		
(79) Biola Community Services District, Biola Community Hall		20,000

Item	Amount
(80) Calwa Recreation and Park District, Calwa Municipal Park	22,693
(81) City of Clovis, Villa Barstow Basin	98,258
(82) City of Firebaugh, Dunkle Park	20,000
(83) City of Fowler, Park#1	20,000
(84) City of Fresno, Melody Park	54,193
(85) City of Fresno, Roeding Park	110,000
(86) County of Fresno, Avocado Lake Regional Park	45,000
(87) County of Fresno, Kearney Park	220,259
(88) County of Fresno, Layton-Kingston Regional Park	61,500
(89) County of Fresno, Lost Lake Regional Park	115,000
(90) County of Fresno, Skaggs Bridge Regional Park	45,000
(91) County of Fresno, Winton Regional and Pine Flat Parks	32,500
(92) City of Kerman, Kerckhoff Park	20,000
(93) City of Kingsburg, Kingsburg Downtown Park	20,000
(94) Malaga County Water District, Malaga Recreational Park	20,000
(95) City of Mendota, Downtown Park	20,000
(96) City of Orange Cove, Eaton Park	20,000
(97) City of Sanger, Sanger City Parks	38,145

Item		Amount
(98) City of Selma, Selma City Parks ..		33,486
(99) Tranquillity Irrigation District, Tranquillity Public Park		20,000
(99.1) Coalinga-Huron Recreation and Park District, Coalinga Park		27,791
Projects in Glenn County		
(100) County of Glenn, Glenn County Parks		35,500
(101) County of Glenn, Sacramento River Recreation Area		42,000
(102) City of Orland, Bihler Field		22,500
Projects in Imperial County		
(103) City of Calexico, Calexico Parks		50,728
(104) City of El Centro, El Centro Park		90,814
Projects in Inyo County		
(105) City of Bishop, City Park		25,000
(106) County of Inyo, County Recreation Facilities.....		75,000
Projects in Kern County		
(107) City of Arvin, Smothermon Park		23,042
(108) Bear Mt. Recreation and Park District, DiGiorgio Park.....		25,969
(109) Bear Mt. Recreation and Park District, Smothermon Park.....		25,000
(110) City of Delano, Heritage and Ellington Parks.....		55,933

Item	Amount
(111) McFarland Recreation and Park District, McFarland Park	21,558
(112) North Bakersfield Recreation and Park District, North Highland Park	123,579
(113) Tehachapi Recreation and Park District, Tehachapi Recreation Facilities	34,290
(114) Wasco Recreation and Park District, Westside Park	36,496
(115) West Side Recreation and Park District, Main Street Recreation Center	53,981
Projects in Kings County	
(116) City of Avenal, Ricke Park	20,000
(117) City of Corcoran, Corcoran Parks	22,100
(118) City of Hanford, Hidden Valley/ Hye Parks	71,700
(119) County of Kings, Kettleman City Park	90,000
(120) City of Lemoore, 19th Avenue Park	30,400
Projects in Lake County	
(121) County of Lake, Lakeside Park	29,869
(122) County of Lake, Northshore Parks	50,000
(123) County of Lake, Redbud Park	25,000
(124) City of Lakeport, Lakeport City Parks	20,000

Item		Amount
	Projects in Lassen County	
(125)	County of Lassen, Bieber Park ..	20,000
(126)	City of Susanville, Riverside Park.....	40,000
(127)	City of Susanville, Roosevelt Pool	20,000
(128)	Westwood Recreation and Park District, Westwood Community Park.....	20,000
	Projects in Los Angeles County	
(129)	City of Alhambra, Almansor Park.....	190,102
(130)	City of Artesia, Artesia Park	46,532
(131)	City of Azusa, Azusa Parks.....	81,056
(132)	City of Baldwin Park, Walnut Creek Nature Park	145,845
(133)	City of Bell, Veterans Memorial Park.....	69,954
(134)	City of Bellflower, Thompson Park.....	158,772
(135)	City of Bell Gardens, Bell Gardens Municipal Park.....	97,481
(136)	City of Bradbury, Bradbury Recreation Facilities.....	20,000
(137)	City of Carson, Carson Park	240,594
(138)	City of Cerritos, Cerritos Park	155,730
(139)	City of Commerce, Commerce Senior Citizens Center	30,563

Item	Amount
(140) City of Compton, Compton Parks	230,252
(141) City of Culver City, Culver City Park	115,579
(142) City of Downey, Golden Park	263,711
(143) City of Duarte, Encanto Park	48,509
(144) City of El Segundo, Washington Park	45,924
(145) City of Gardena, Gardena Pool	135,807
(146) City of Hawthorne, Hawthorne Municipal Pool	165,768
(147) City of Hermosa Beach, Hermosa Beach Recreation Facilities	58,243
(148) City of Huntington Park, Westside Park	121,054
(149) City of La Habra Heights, "The Park"/Community Center	20,000
(150) City of La Mirada, Behringer Park	35,000
(151) City of La Mirada Creek Park	30,000
(152) City of La Mirada, Windemere/Garden Hill/Neff Parks	69,134
(153) City of Lakewood, Lakewood City Parks	243,940
(154) City of Lancaster, Eastside Swimming Pool Complex	146,301
(155) City of La Puente, La Puente Park	112,919

Item	Amount
(156) City of Lawndale, Rogers-Anderson Park	72,235
(157) City of Lomita, Lomita Recreation Center	60,828
(158) City of Long Beach, El Dorado Park	200,000
(159) City of Long Beach, Joe Rodgers Field	89,901
(160) City of Long Beach, Scherer Park	260,400
(161) City of Long Beach, Shoreline Park	500,000
(162) City of Los Angeles, Echo Park	1,225,000
(163) City of Los Angeles, La Brea Park	1,305,000
(164) City of Los Angeles, Lincoln Park	1,305,000
(165) City of Los Angeles, O'Melveny Park	700,000
(166) City of Los Angeles, Pan Pacific Park	500,000
(167) City of Los Angeles, Rancho Cienega Sports Center	477,960
(168) City of Los Angeles, San Vicente Mt. Park	743,000
(169) City of Los Angeles, Valley Plaza Recreation Center	1,040,000
(170) City of Los Angeles, West Valley Senior Citizen Center	1,275,000
(171) County of Los Angeles, Alondra Park	570,525

Item	Amount
(172) County of Los Angeles, Baldwin Hills Regional Park	700,000
(173) County of Los Angeles, Castaic Lake	200,000
(174) County of Los Angeles, Catalina Island	500,000
(175) County of Los Angeles, Diamond Bar Park #3	600,000
(176) County of Los Angeles, Farnsworth Park	300,000
(177) County of Los Angeles, Hollywood Bowl	750,000
(178) County of Los Angeles, Malibu Beaches	270,525
(179) County of Los Angeles, Malibu Local Park	500,000
(180) County of Los Angeles, Pan Pacific Park	520,525
(181) County of Los Angeles, Salto Park	670,525
(182) County of Los Angeles, Sumac Park	250,000
(183) County of Los Angeles, Vasquez Rocks Park	250,000
(184) City of Lynwood, Lindbergh Park	124,248
(185) City of Manhattan Beach, Manhattan Beach Park	95,048
(186) City of Maywood, Maywood Park	56,266
(187) City of Montebello, Ashiya Park	55,000
(188) City of Montebello, Grant Rea Park	64,326

Item		Amount
(189) City of Montebello, Potrero Heights Park		32,450
(190) City of Norwalk, Norwalk Park		54,586
(191) City of Norwalk, Shoemaker Avenue Park		200,000
(192) City of Palmdale, McAdam Park		38,624
(193) City of Palos Verdes Estates, Roessler Memorial Pool		45,163
(194) City of Paramount, Paramount Athletic Field		96,721
(195) City of Pasadena, Allendale Park		22,000
(196) City of Pasadena, Hamilton Park		60,000
(197) City of Pasadena, Victory Park		245,283
(198) City of Redondo Beach, Glenn M. Anderson Park		193,447
(199) City of Rolling Hills, Dapplegray Park		20,000
(200) City of Rolling Hills Estates, Dapplegray Park		23,947
(201) City of Rosemead, Zapopan Center		123,944
(202) City of San Dimas, San Dimas Park		73,452
(203) City of San Gabriel, Smith Park and McKinley Field		89,725
(204) City of San Marino, Lacy Park		40,905

Item	Amount
(205) City of Sierra Madre, Sierra Vista Park	36,799
(206) City of South El Monte, South El Monte Pool	48,509
(207) City of South Pasadena, Arroyo Park	71,170
(208) City of Torrance, Columbia Park	385,380
(209) City of West Covina, Shadow Oak Park	139,377
(210) City of West Covina, Woodgrove Park	100,000
(210.1) City of Rancho Palos Verdes, Hesse Community Park	116,188
Projects in Madera County	
(211) City of Chowchilla, Sports and Leisure Park	28,000
(212) City of Madera, Madera Community Center	80,000
(213) City of Madera, Coarsegold Union School District Park	20,000
(214) City of Madera, Fresno Flats	20,072
(215) County of Madera, North Fork Recreation Area	23,000
(216) County of Madera, Oakhurst Community Center	20,000
(217) County of Madera, Oakhurst Park	20,000

Item	Amount
Projects in Mendocino County	
(217.1) County of Mendocino, Leggett Community Center	22,000
(217.2) County of Mendocino, County Park Improvements	24,613
(217.3) City of Ukiah, Community Softball/Soccer Complex	55,000
(217.4) Mendocino Coast Park and Recreation District, District Park and Recreation Facilities	55,000
(217.5) City of Willits and Brooktails Community Services District, City Swimming Pool and Restrooms at Brooktrails	45,000
(217.6) Anderson Valley Community Services District, Recreational Facilities	35,000
Projects in Merced County	
(218) City of Atwater, Osborne Park	56,073
(219) City of Dos Palos, Dos Palos Parks	20,000
(220) City of Livingston, Livingston Memorial Park	20,000
(221) City of Merced, Burbank Park	20,159
(222) City of Merced, Joe Herb Park	95,000

Item		Amount
	Projects in Modoc County	
	(222.1) City of Alturas, Community Recreation Facilities ..	40,000
	(222.2) County of Modoc, Ballpark Museum Facilities	31,000
	(222.3) County of Modoc, Davis Creek Park	29,000
	Projects in Monterey County	
	(223) Castroville Public Recreation District, Castroville Community Center	28,977
	(224) City of Del Rey Oaks, Del Rey Park.....	20,000
	(225) City of Gonzales, Centennial Park....	20,000
	(226) City of Greenfield, Greenfield Parkland.....	20,000
	(227) City of Marina, Marina Community Center	54,830
	(228) City of Monterey, El Estero Park	79,982
	(229) County of Monterey, Laguna Seca Recreation Area....	50,000
	(230) County of Monterey, Manzanita Regional Park.....	50,000
	(231) County of Monterey, San Lorenzo Regional Park.....	54,544
	(232) County of Monterey, Toro Regional Park	54,544
	(233) Monterey Peninsula Regional Park District, Laguna Grande Park	64,671
	(234) City of Pacific Grove, Pacific Grove Museum.....	47,582

Item	Amount
(235) City of Salinas, Northgate Neighborhood Park	50,000
(236) City of Sand City, City Hall Park.....	20,000
(237) City of Seaside, Laguna Grande Park.....	101,589
(238) Soledad-Mission Recreation District, Swimming Pool	20,000
Projects in Napa County	
(239) American Canyon Water District, American Canyon Community Park ..	20,000
(240) City of Calistoga, Riverlea Neighborhood Park	20,000
(241) City of Napa, Alston Park	170,802
(242) County of Napa, Napa County Parks	80,528
(243) City of St. Helena, St. Helena Parks	20,000
(244) Town of Yountville, California Drive Park.....	20,000
Projects in Nevada County	
(245) City of Grass Valley, Grass Valley Parks	38,722
(246) City of Nevada City, Pioneer Park	38,722
(247) Nevada Irrigation District, Rollins/Scotts Flat Reservoirs	29,000
(248) Western Gateway Regional Recreation and Park District, Western Gateway Park.....	38,722

Item	Amount
Projects in Orange County	
(249) City of Anaheim, Boysen Park	91,200
(250) City of Anaheim, Eucalyptus Park	90,000
(251) City of Anaheim, Hillsite #1 Park	24,123
(252) City of Anaheim, John Marshall Park	90,000
(253) City of Anaheim, Oak Canyon Nature Center	21,060
(254) City of Anaheim, Pioneer Park	35,000
(255) City of Anaheim, Riverdale Park	371,184
(256) City of Anaheim, Schweitzer Park	60,000
(257) Cypress Recreation and Park District, Cypress Parks	113,100
(258) City of Fountain Valley, Recreation and Cultural Center	200,397
(259) City of Garden Grove, Garden Grove Park	55,500
(260) City of Garden Grove, Garden Grove Parks	79,150
(261) City of Garden Grove, Lake School Park	28,000
(262) City of Garden Grove, Magnolia-Faylane Parks	21,000
(263) City of Garden Grove, Pioneer Park	30,000
(264) City of Garden Grove, Twin Lakes Park	39,500
(265) City of Garden Grove, Village Green Park	32,000

Item		Amount
(266) City of Huntington Beach, Huntington Central Park		636,436
(267) City of Laguna Beach, Moulton Meadows Park		76,139
(268) City of La Habra, Las Lomas Park		22,000
(269) City of La Habra, Portola Park		35,000
(270) City of La Habra, San Miguel del Allende/Montwood Parks		23,631
(271) City of La Habra, Vista Grande/La Bonita Parks		85,000
(272) City of Los Alamitos, Laurel Park		41,709
(273) City of Orange, Eisenhower Park		40,000
(274) City of Orange, El Modena Park		60,000
(275) City of San Juan Capistrano, Russell Cook Park		82,922
(276) City of Stanton, Carver Recreation Area		86,153
(277) City of Villa Park, Wanda Road		27,229
(278) City of Yorba Linda, Casa Loma Park		107,679
(278.1) City of Brea, Country Hills Park		105,868
(278.2) City of Buena Park, Security Lighting Rehabilitation		100,000
(278.3) City of Buena Park, Senior Citizens Recreation Center		136,040
(278.4) City of Irvine, Senior Center		234,800

Item	Amount
(278.5) City of Placentia, McFadden Park	130,417
(278.6) City of Santa Ana, Santa Ana Recreation Facilities	317,200
(278.7) County of Orange, Iglesia Park	99,002
(278.8) County of Orange, Peacock Hills Park	40,169
(278.9) County of Orange, Cavanaugh Aurora Woodgate, South Laguna Beach Parks	43,734
(278.10) County of Orange, Crown Valley Community Park	50,896
(278.11) County of Orange, Pebble Creek Park	70,000
(278.12) County of Orange, Clarington Park	24,711
(278.13) County of Orange, Oso Viejo Community Park	151,428
(278.14) County of Orange, Spendlove Park	21,356
(278.15) County of Orange, Montecito Community Center	20,000
(278.16) County of Orange, Rossmore Park	22,395
Projects in Placer County	
(279) Auburn Area Recreation and Park District, Placer High Tennis Courts	20,000
(280) City of Colfax, Illinoistown Park	20,000

Item		Amount
(281) North Tahoe Public Utility District, Regional Park and Visitors Center		20,000
(282) County of Placer, Bernhard Residence		25,000
(283) County of Placer, Forresthill Memorial Park		25,000
(284) City of Rocklin, Johnson Springview Park		22,898
Projects in Plumas County		
(284.1) Central Plumas Recreation District, Gonser Park		20,000
(284.2) County of Plumas, East Quincy Softball Complex		20,000
(284.3) County of Plumas, Chester Park		20,000
(284.4) County of Plumas, Greenville Park		20,000
Projects in Riverside County		
(285) City of Banning, Banning Parks		35,314
(286) City of Beaumont, Stewart Park		20,000
(287) Beaumont-Cherry Valley Recreation and Park District, Noble Creek Regional Park		20,000
(288) City of Coachella, Dateland Park		23,336
(289) Coachella Valley Recreation and Park District, Coachella Valley Parks		98,849

Item	Amount
(290) City of Corona, Cresta Verde Park	95,771
(291) City of Desert Hot Springs, City Park	20,000
(292) Jurupa Community Services District, Jurupa Community Parks	68,186
(293) City of Lake Elsinore, Lake Elsinore Community Center	20,000
(294) City of Norco, Norco Senior Citizens Center	53,051
(295) City of Palm Desert, Palm Desert Sports Center	29,295
(296) City of Palm Springs, Tahquitz Regional Park	79,706
(297) County of Riverside, CSA Parks	85,000
(298) County of Riverside, CSA 93 Parks	65,000
(299) County of Riverside, Edward Dean Museum	40,000
(300) County of Riverside, Gilman Ranch	20,000
(301) County of Riverside, Hurkey Creek Park	20,000
(302) County of Riverside, Lake Cahuilla	20,000
(303) County of Riverside, Lake Skinner	403,537
(304) County of Riverside, Mayflower Park	22,000
(305) County of Riverside, Mockingbird Canyon	197,646

Item		Amount
(306) County of Riverside, Santa Ana River Regional Park		50,000
(307) City of San Jacinto, Mistletoe Park		20,000
(308) Valley Wide Recreation and Park District, Valley Wide Regional Park		121,551
(309) West Riverside Memorial District, West Riverside Memorial Park		41,918
(309.1) City of Rancho Mirage, White Water Park		20,000
Projects in Sacramento County		
(310) Arcade Creek Recreation and Park District		39,945
(311) Arden Manor Recreation and Park District, Jonas Larkspur Park		20,000
(312) Arden Park Recreation and Park District, La Sierra Park		20,000
(313) Carmichael Recreation and Park District, Carmichael Park		86,455
(314) Cordova Recreation and Park District, Larchmont Community Park		55,000
(315) Cordova Recreation and Park District, Sunriver Park		95,590
(316) Cordova Recreation and Park District, Rosewood and Rosemont North Parks		27,559

Item	Amount
(317) Elk Grove Recreation and Park District, Elk Grove High and Youth Center Recreation Areas	31,658
(318) Fair Oaks Recreation and Park District Exercise Courses	57,996
(319) City of Folsom, Folsom and Lew Howard Parks	25,128
(320) Fulton-El Camino Recreation and Park District, Howe Community Park	54,181
(321) Mission Oaks Recreation and Park District, Shelfield Park	127,389
(322) North Highlands Recreation and Park District, Highlands High Courts	69,308
(323) City of Sacramento, Coloma Community Center Park	250,000
(324) City of Sacramento, Natomas Oaks Park	350,000
(325) City of Sacramento, Sacramento Zoo.	38,816
(326) County of Sacramento, American River Parkway	250,000
(327) County of Sacramento, Ancil Hoffman Park	200,000
(328) County of Sacramento, Arcohe Triangle Park	22,907
(329) County of Sacramento, City/County Museum	200,000

Item		Amount
	(330) County of Sacramento, Cosumnes and Dillard School Parks	20,000
	(331) County of Sacramento, Elk Grove Park	61,974
	(332) County of Sacramento, Fruitridge Community Park	34,864
	(333) County of Sacramento, Handicapped Modifications	41,000
	(334) County of Sacramento, Rio Linda Community Park	23,465
	(335) County of Sacramento, Sacramento Zoo	135,000
	(336) Southgate Recreation and Park District, Southwoods Park	66,890
	(337) Sunrise Recreation and Park District, C-Bar-C Park	267,104
	Projects in San Bernardino County	
	(338) City of Chino, Chino Community Park	128,258
	(339) City of Fontana, Jurupa Hills Regional Park	110,749
	(340) City of Grand Terrace, Terrace Hills Community Park	27,079
	(341) City of Loma Linda, Loma Linda Community Park	33,749
	(342) City of Montclair, Central/Kingsley	72,298
	(343) City of Ontario, Colony Park	130,000

Item	Amount
(344) City of Ontario, De Anza Park.....	55,000
(345) City of Ontario, Ontario Ball Park	40,000
(346) City of Rancho Cucamonga, Heritage/Hellman/ Base Line Parks....	175,339
(347) City of Redlands, Redlands Bowl	139,366
(348) City of Rialto, Flores Park	118,739
(349) County of San Bernardino, Barstow Recreation Facilities.....	116,441
(350) County of San Bernardino, Joshua Tree Community Recreation Facilities.....	25,127
(351) County of San Bernardino, Meadow Park	31,494
(352) County of San Bernardino, Luckie and Knott Sky Park.....	58,221
(353) County of San Bernardino, Yucca Valley Community Recreation Facilities.....	55,122
(354) County of San Bernardino, Cucamonga-Guasti Regional Park	300,000
(357) County of San Bernardino, St. Moritz Regional Park.....	150,000
(358) County of San Bernardino, Yucaipa Regional Park..	64,657
(359) City of Upland, Eleventh Street Park.....	150,869

Item	Amount
(360) City of Victorville, Victorville Recreation Facilities	55,072
(360.1) Apple Valley Recreation and Park District, Community Recreation Facilities	49,306
(360.2) City of Colton, Colton Park Facilities	69,658
(360.3) Hesperia Recreation and Park Park District, Hesperia High School Park	74,623
(360.4) City of San Bernardino, Patton Park	80,500
(360.5) City of San Bernardino, Bloomington Recreational Facilities	64,349
(360.6) County of San Bernardino, East Desert Recreational Facilities	21,664
(360.7) County of San Bernardino, Upper Desert Recreational Facilities	20,397
(360.8) County of San Bernardino, Valley Recreational Facilities	20,839
(360.9) County of San Bernardino, West Valley Recreational Facilities	32,650
(360.10) County of San Bernardino, Yucaipa Valley Recreational Facilities	72,540
(360.11) County of San Bernardino, Yucaipa Regional Park	65,000

Item		Amount
Projects in San Diego County		
(361) City of Carlsbad, Macario Canyon Park		161,752
(362) City of Del Mar, Seagrove/Del Mar Canyon		100,000
(363) City of El Cajon, Harry Griffen Park		257,732
(364) Helix Water District, Helix Water District Park		75,000
(365) City of La Mesa, Harry Griffen Park		200,052
(366) City of Lemon Grove, Eppick Park		90,000
(367) City of Lemon Grove, Lemon Grove Recreation Center		37,143
(368) City of Oceanside, Oceanside Park		266,961
(369) Oceanside Harbor District, Oceanside Harbor Park		75,000
(370) Padre Dam Municipal Water District, Santee Lakes		75,000
(371) City of Poway, Lake Poway		67,000
(372) City of Poway, Poway Community Park		91,983
(373) Ramona Municipal Water District, Ramona Community Park		75,000
(374) City of San Diego, Balboa Park		196,602
(375) City of San Diego, Highland-Landis Community Park		417,602

Item	Amount
(376) City of San Diego, Los Penasquitos Regional Park	100,000
(377) City of San Diego, Mission Bay Park	396,602
(378) City of San Diego, Mission Trails	50,000
(379) City of San Diego, San Ysidro Park and Recreation Center	241,000
(380) City of San Diego, Spreckles Organ Pavilion	734,602
(381) City of San Diego, Talmadge Canyon	100,000
(382) County of San Diego, Guajome Regional Park	64,000
(383) County of San Diego, Harry Griffen Park	50,000
(384) County of San Diego, Lake Jennings	150,000
(385) County of San Diego, Louis A. Stelzer Park	150,000
(386) County of San Diego, Mission Trails Park	150,092
(387) County of San Diego, Penasquitos Adobe	300,000
(388) County of San Diego, Penasquitos Park	300,000
(389) County of San Diego, Temple Beth Israel (Heritage Park)	75,000
(390) County of San Diego, Whaley House	25,000

Item	Amount
(391) City of San Marcos, Walnut Grove Park	117,453
(392) Valley Center Community Services District, Valley Center Community Park	75,000
(393) City of Vista, Brengle Terrace	164,520
(393.1) City of Imperial Beach, Imperial Beach Development	130,835
Projects in San Francisco City and County	
(394) City and County of San Francisco, McLaren Park	508,000
Projects in San Joaquin County	
(395) City of Ripon, Ripon-Manley Park	25,000
(396) County of San Joaquin, Regional Sports Complex	360,879
(397) City of Stockton, Regional Sports Complex	481,688
Projects in San Luis Obispo County	
(398) City of Arroyo Grande, Soto Sports Complex	20,406
(399) City of Arroyo Grande, Strother Community Park	20,407
(400) Cambria Community Services District, Veterans Memorial Center	22,981
(401) City of Grover City, Grover City Recreation Facilities	31,875

Item		Amount
(402) City of Morro Bay, Del Mar Park		32,993
(403) City of Paso Robles, City Park		33,163
(404) City of Pismo Beach, Spyglass Park		20,000
(405) City of San Luis Obispo, Sinsheimer Park		124,166
(406) County of San Luis Obispo, El Chorro Park		20,225
(407) County of San Luis Obispo, Nipomo Park		24,500
(408) County of San Luis Obispo, Shandon Park		28,400
Projects in San Mateo County		
(409) City of Belmont, Belmont Recreation Facilities		84,383
(410) Highlands Recreation District, Recreation Center		20,000
(411) City of Millbrae, Millbrae Parks		64,939
(412) City of Pacifica, Imperial Park		25,000
(413) City of Pacifica, Oddstad and Calera Creek Parks		22,345
(414) City of Pacifica, Sharp Park		72,500
(415) City of San Mateo, Fiesta Meadows Park		259,455
(416) City of South San Francisco, Brentwood Park		110,412
(417) City of South San Francisco, Westborough Park		50,000
(417.1) City of Burlingame, Burlingame Recreation Facilities		89,326

Item	Amount
Projects in Santa Barbara County	
(418) Cuyama Valley Recreation District, Cuyama Valley Recreation Center	20,000
(419) City of Guadalup, Central Park	20,000
(420) Isla Vista Recreation and Park District, Anisq Park	20,137
(421) Isla Vista Recreation and Park District, Neighborhood Park	20,137
(422) City of Lompoc, Lompoc Recreation Center	50,000
(423) City of Lompoc, Ryon Park	40,616
(424) City of Santa Barbara, Municipal Tennis Courts	57,000
(425) County of Santa Barbara, Jalama Beach Park	70,000
(426) County of Santa Barbara, Manning Park	75,000
(427) County of Santa Barbara, Ocean Park	20,000
(428) County of Santa Barbara, Orcutt School	65,000
(429) County of Santa Barbara, Rincon Beach Park	25,000
(430) County of Santa Barbara, San Antonio Canyon Park	110,000
(431) County of Santa Barbara, Solvang Park	55,000
(432) County of Santa Barbara, Waller Park	33,081

Item	Amount
Projects in Santa Clara County	
(433) City of Cupertino, Cupertino Recreation Facilities	81,754
(434) City of Los Altos, Heritage Oaks Park	60,707
(435) Midpeninsula Regional Open Space District, Skyline Recreation/Open Space Corridor	780,817
(436) City of Morgan Hill, Community Park	38,550
(437) City of Palo Alto, Theatre Facilities	125,585
(438) Rancho Rinconada Recreation and Park District, Rancho Rinconada Recreation Area	20,000
(439) City of San Jose, San Jose Recreation Facilities	1,417,277
(440) City of Santa Clara, Central Park	97,383
(441) City of Santa Clara, Mission Campus	100,000
(442) City of Sunnyvale, Raynor and San Antonio Parks	249,032
Projects in Santa Cruz County	
(443) City of Santa Cruz, Fox and Neary Lagoon Parks	45,000
(444) City of Santa Cruz, Harvey West Park	44,151
(445) City of Santa Cruz, Laurel Park	30,000
(446) City of Santa Cruz, Tyrrell Park	20,000

Item		Amount
	(447) County of Santa Cruz, Aptos Park..	100,000
	(448) City of Scotts Valley, Scotts Valley Community Park.....	25,300
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	Projects in Shasta County	
	(449) City of Anderson, Volante Park	21,000
	(450) Burney County Water District, Washburn-Bue Park.....	25,000
	(451) Cottonwood County Water District, Cottonwood Community Park..	21,000
	(452) Fall River Mills Community Services District, Fall River Community Park.....	37,000
	(453) Keswick Community Services District, Neighborhood Playground..	20,000
	(454) County of Shasta, Balls Ferry Park.....	20,000
	(455) County of Shasta, BMX Bicycle Track	35,186
	(456) County of Shasta, County Re-Recreation and Park Development	30,000
	(457) County of Shasta, The Center	25,000
	(458) Shasta Dam Area Public Utility District, Wynne Price Ball Park.....	40,000
	Projects in Sierra County	
	(459) City of Loyalton, Loyalton Museum	80,000

Item		Amount
(460) County of Sierra, County Park-Calpine		20,000
Projects in Siskiyou County		
(460.1) City of Dorris, City Park		28,628
(460.2) Mount Shasta Recreation and Park District, Shasta Park		28,628
(460.3) City of Weed and Weed Recreation and Park District, Weed Swimming Pool		28,628
(460.4) City of Etna, Etna Swimming Pool		28,628
(460.5) City of Yreka, Collier and Greenhorn Parks		28,627
Projects in Solano County		
(461) City of Dixon, Northwest Park		37,000
(462) City of Fairfield, Fairfield Linear Park		155,000
(463) County of Solano, Lagoon Valley County Park		156,945
(464) City of Suisun City, Carl E. Hall Park		46,000
(465) City of Vacaville, Vacaville Community Park		118,000
Projects in Sonoma County		
(466) City of Cotati, La Plaza Park		20,000
(467) Camp Meeker Recreation and Park District, The Barn		20,000
(468) City of Petaluma, Lucchesi Community Park		96,574

Item		Amount
(469) City of Rohnert Park, Sunrise Park		65,293
(470) City of Sebastopol, Ives Pool		20,000
(471) Valley of the Moon Recreation and Park District, Valley of the Moon Parks		20,000
Projects in Stanislaus County		
(472) City of Ceres, Ceres City Park		38,141
(473) City of Hughson, Hughson Neighborhood Park		20,000
(474) City of Oakdale, Oakdale Park Improvements		28,649
(475) City of Patterson, Patterson Pool		20,000
(476) County of Stanislaus, Woodward Reservoir		316,529
(476.1) City of Modesto, Beyer Community Park		73,449
(476.2) City of Modesto, Roselle Neighborhood Park		270,000
Projects in Sutter County		
(477) County of Sutter, Garden Highway Park		114,545
(478) City of Yuba City, Garden Highway Park		64,245
Projects in Trinity County		
(479) Ruth Lake Community Services District, Ruth Lake Community Center		20,000
(480) County of Trinity, Hayfork Golf Course		20,000

Item		Amount
(481) County of Trinity, Junction City Park		20,000
(482) County of Trinity, North Trinity Recreation Area		20,000
(483) Weaverville-Douglas City Recreation District, Lee Fong Park		20,000
Projects in Tulare County		
(484) City of Dinuba, Community Tennis Courts		46,042
(485) City of Exeter, Recreation Park		29,384
(486) City of Farmersville, Ash Street Park		27,718
(487) City of Tulare, Tulare Parks Improvements		85,190
(488) City of Tulare, Tulare County Parks		333,827
(489) City of Visalia, Packwood Creek Park		100,000
(490) City of Visalia, Whitendale Park		72,648
(491) City of Woodlake, Small World Park		25,219
Projects in Tuolumne County		
(492) County of Tuolumne, Regional Park Complex		125,244
Projects in Ventura County		
(493) Conejo Recreation and Park District, Triunfo Community Park		160,207
(494) City of Ojai, Ojai Community Gym		20,000
(495) City of Ojai, Sarzotti Park		24,351

Item	Amount
(496) City of Oxnard, Community Center Park	175,000
(497) City of Oxnard, Del Sol and Community Center Parks	38,610
(498) Pleasant Valley Recreation and Park District, Mission Oaks Parks	86,892
(499) City of Port Hueneme, Port Hueneme Community Center	34,395
(500) Rancho Simi Recreation and Park District, Rancho Tapo Community Park	153,872
(501) City of San Buenaventura, Marion Cannon Park	149,346
(502) City of Santa Paula, Santa Paula Community Center	41,636
(503) United Water Conservation District, Lake Piru	45,256
(504) County of Ventura, College Park	181,025
(505) County of Ventura, Happy Camp Canyon Park	181,025
(506) County of Ventura, Oakbrook Regional Park	181,025
(507) County of Ventura, Saticoy Regional Park	181,025
(508) County of Ventura, SPRR Trail	90,514
Projects in Yolo County	
(509) City of Davis, Old Emerson Site	111,046

Item		Amount
(510) County of Yolo, Cache Creek Canyon Regional Park	94,354	
Projects in Yuba County		
(511) City of Marysville, Riverfront and Gavin Parks ..	35,084	
(512) Olivehurst Public Utility District, Olivehurst Community Park	35,084	
(513) County of Yuba, Linda Parks.....	35,084	

STATE BEACH, PARK, RECREATIONAL, AND HISTORICAL FACILITIES BOND ACT OF 1974

379-101-733—For local assistance, Department of Parks and Recreation, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974		213,284
Schedule:		
(1) Project review	156,518	
Projects in San Joaquin County		
(2) Durham Ferry SRA	56,766	

NEJEDLY—HART STATE, URBAN AND COASTAL PARK BOND ACT PROGRAM

379-101-742—For local assistance, Department of Parks and Recreation, payable from the State, Urban and Coastal Park Fund.....		4,988,614
Schedule:		
(1) Project review	211,203	
Projects in Alameda County		
(1 1) City of Newark, Bridgepoint.....	1,688	
(1.2) City of Oakland, Grove Center	103,073	
(1.3) City of Oakland, Elmhurst Site	103,000	
Projects in Del Norte County		
(1.4) County of Del Norte, Ocean View Park	15,500	
Projects in Fresno County		
(2) County of Fresno, Kearney Mansion	150,000	
(2.1) County of Fresno, Skaggs Bridge Park.....	10,000	

Item	Amount
Projects in Humboldt County	
(3) County of Humboldt/Humboldt Bay Harbor Recreation and Conservation District, Somoa Boating Area	23,475
(4) Rohner Community Park and Recreation District, Rohnerville and Newberg Roads Community Park	10,000
(4.1) City of Arcata, Arcata Neighborhood Park	53,380
Projects in Kern County	
(5) City of Bakersfield, Castle Park	50,000
(6) City of Bakersfield, University Park	93,326
(6.1) Stallion Springs Community Services District, Brite Lake	10,000
Projects in Los Angeles County	
(7) City of Compton, Compton Parks Improvement	162,045
(8) City of Compton, Wilson Park	70,000
(9) City of Hawthorne, Hawthorne Park	131,080
(10) City of Los Angeles, Hart/De Soto Park	70,000
(11) City of Rolling Hills, Pointe Vicente Park	10,000
(11.1) County of Los Angeles, Sumac Park	91,391
(11.2) County of Los Angeles, White Point/Royal Palms State Beach	10,000
(11.3) City of Palmdale, McAdam Park	33,417
Projects in Monterey County	
(11.4) City of Sand City, Laguna Grande Park	10,000
Projects in Orange County	
(12) Cypress Recreation and Park District, Arnold/Cypress Park	31,018
(12.2) City of Laguna Beach, Moulton Meadows Park	45,662
(12.3) City of Placentia, Placentia City Parks	86,979
Projects in Placer County	
(12.4) Auburn Area Recreation and Park District, Regional Park	2,523
Projects in Riverside County	
(13) City of Palm Desert, San Pascual Park	34,161

Item		Amount
(13.1) City of Riverside, Don Lorenzi Sports Complex	202,409	
(13.2) City of Riverside, Fairmount Park	110,000	
(13.3) City of Riverside, Munroe Park	163,654	
(13.4) County of Riverside, Santa Ana River Regional Park	197,646	
Projects in Sacramento County		
(14) City of Sacramento, Miller and Sim Parks	142,200	
(14.1) City of Galt, Fairsite Park	10,000	
Projects in San Diego County		
(14.2) City of La Mesa, Padre Bay Arm Park	20,000	
(14.3) County of San Diego, Lake Murray/Cowles/Fortuna Mountain (Mission Trails) Regional Park	300,000	
Projects in San Joaquin County		
(15) City of Lodi, Salas Park	115,134	
Projects in Santa Barbara County		
(16) City of Carpinteria, Franklin Creek Trail	34,925	
(16.1) City of Santa Barbara, Cabrillo Beach	50,000	
Projects in Santa Clara County		
(17) City of Santa Clara, Fairway Glen Park	30,088	
(18) City of Saratoga, El Quito Park	62,016	
(18.1) County of Santa Clara, Penitencia Creek Park	1,483,550	
Projects in Santa Cruz County		
(19) City of Watsonville, Pinto Lake and Ramsay Parks	77,494	
(19.1) City of Scotts Valley, Scotts Valley Community Park	24,272	
Projects in San Mateo County		
(20) Town of Atherton, Holbrook-Palmer Park	27,216	
(21) City of Belmont, Belmont Recreation Facilities	89,399	
Projects in Sonoma County		
(22) County of Sonoma, Maxwell Farms Regional Park	100,000	
(23) County of Sonoma, Roseland Community Park	125,690	
379-101-890—For local assistance, Department of Parks and Recreation, payable from the Federal Trust Fund		22,939,847

Item		Amount
Schedule:		
(a) National Historic Preservation Act of 1966	800,000	
(b) Land and Water Conservation Fund Act of 1965	22,139,847	

Provisions applicable to Items 379-101-140 through 379-101-890—for local assistance, Department of Parks and Recreation:

1. Provided that the project review funds payable from the State Beach, Park, Recreational and Historical Facilities Fund of 1974 Item 379-101-733, are for purposes set forth in subdivision (a) of Section 5096.85 of the Public Resources Code and are available for expenditure during the 1981–82 fiscal year.
2. Provided further, that the project review funds payable from the State, Urban, and Coastal Park Fund Item 379-101-742, are for purposes set forth in subdivision (a) of Section 5096.124 of the Public Resources Code and are available for expenditure during the 1981–82 fiscal year.
3. Provided further, that the grants payable from the State, Urban, and Coastal Park Fund, Item 379-101-742, are grants to counties, cities, and districts, as defined in Section 5096.123, pursuant to subdivision (a) of Section 5096.124, of the Public Resources Code and unless otherwise provided herein, funds appropriated for each of the local grant projects in this fund are for acquisition, development, or restoration, or any combination thereof.
4. Provided further, that the funds appropriated from the Federal Trust Fund, Item 379-101-890, constitute federal funds as defined by Section 8.7.
5. Notwithstanding the provisions of Section 5627 of the Public Resources Code, funds appropriated in category (b) of Item 379-101-721 shall be expended only for capital outlay purposes. Funds appropriated in category (c) of Item 379-101-721 shall be available for acquisition, development, rehabilitation, or any combination thereof.

379-301-036—For capital outlay, Department of Parks and Recreation, payable from the Special Account for Capital Outlay		214,452
(a) Climate control study (Hearst Castle)	60,000	

Item		Amount
(b) Artifact restoration (Hearst Castle)	83,000	
(c) Artifact appraisal (Hearst Castle)	10,000	
(d) Hearst Visitor Center—working drawings	61,452	
379-301-189—For capital outlay, Department of Parks and Recreation, payable from the Energy Account, Energy and Resources Fund		584,686
Schedule:		
(a) Project planning and design	160,044	
(b) Minor projects	424,642	
379-301-190—For capital outlay, Department of Parks and Recreation, payable from the Resources Account, Energy and Resources Fund		2,532,950
(a) Anderson Marsh-acquisition	2,000,000	
(b) Durham Ferry SRA-working drawings and construction	300,000	
(c) Seacliff SB-construction	232,950	
379-301-263—For capital outlay, Department of Parks and Recreation, payable from the Off-Highway Vehicle Fund		9,426,650
Schedule:		
(a) Hollister Hills SVRA—working drawings for facilities improvements	308,350	
(d) Ocotillo Wells SVRA—acquisition	8,500,000	
(f) Minor projects	618,300	
379-301-392—For capital outlay, Department of Parks and Recreation, payable from the State Parks and Recreation Fund		14,226,900
Schedule:		
(a) Big Basin SP—working drawings and construction for sewer	713,400	
(b) Torrey Pines SR—construction for erosion control	301,450	
(c) Silverstrand SB—working drawings and construction for storm damage repair	1,122,150	
(g) Hearst San Simeon SHM—working drawings for water system	59,600	
(h) Hearst San Simeon SHM—rehabilitation and repair	572,550	
(i) Hearst San Simeon SHM—road repair	650,900	
(j) Columbia SHP—construction of theater and saloon	499,050	
(k) Old Town San Diego SHP—working drawings for reconstruction	99,000	

Item			Amount
(*l*) Old Sacramento SHP—working drawings for '49er scene		80,000	
(m) Bale Grist Mill—construction of access road and parking lot		471,000	
(n) Minor projects		2,300,000	
(o) Chino Hills—acquisition		500,000	
(p) Inholding purchases		500,000	
(q) Opportunity purchases		350,000	
(r) Acquisition costs		150,000	
(s) Pre-budget appraisal costs		180,000	
(t) Angel Island SP—working drawings and partial construction of pier		685,700	
(u) Preliminary planning		150,000	
(v) Julia Pfeiffer Burns SP—acquisition		60,000	
(w) Wilder Ranch SP—acquisition		770,000	
(x) Millerton Lake SRA-working drawings and construction of water treatment plant		537,100	
(y) Candlestick SRA—construction		1,000,000	
(z) Railtown—acquisition, working drawings, and construction		1,500,000	
(aa) Relocation expenses		475,000	
(bb) Old Town San Diego—acquisition of Bazaar del Mundo concession contract		500,000	
379-301-721—For capital outlay, Department of Parks and Recreation, payable from the Parklands Fund of 1980			37,133,438
(a) Irvine Coast Project—acquisition		500,000	
(b) Humboldt Lagoons—acquisition		5,152,790	
(c) Sinkyone Wilderness SP—preliminary planning and construction		170,100	
(d) Project feasibility studies		90,000	
(e) Design and construction planning		749,949	
(f) Minor projects		1,020,000	
(1) Environmental campsites	300,000		
(2) Handicapped retrofit	200,000		
(3) Volunteer projects	500,000		
(4) Point Arena hostel	20,000		
(g) Reimbursements		−2,576,395	
(h) Multi-Cultural Park-feasibility study and working drawings		400,000	
(i) Salt Point SP—construction		2,327,400	
(j) Chino Hills Project—acquisition		10,800,000	
(k) Wilder Ranch SP—acquisition		2,000,000	

Item		Amount
(*l*) Mount Diablo—acquisition	2,000,000	
(m) Verdugo Hills—acquisition	1,285,000	
(n) Sinkyone Wilderness SP—acquisition	3,200,000	
(o) Crystal Cove SB—preliminary plans, working drawings, construction	2,000,000	
(p) Folsom Lake SRA—Construction of day facilities at Beales Point	2,949,775	
(q) Malibu Creek SP—Construction of day use facilities	1,850,830	
(r) Angel Island SP—Construction of day use facilities	1,213,989	
(s) Seccombe Lake State Urban Recreation Area—working drawings and construction	2,000,000	

RECREATION AND FISH AND WILDLIFE ENHANCEMENT FUND

379-301-728—For capital outlay, Department of Parks and Recreation, payable from the Recreation and Fish and Wildlife Enhancement Fund		405,571
Schedule:		
(a) Project planning and design	8,071	
(b) Lake Perris SRA—working drawings for day use facility	397,500	

STATE BEACH, PARK, RECREATIONAL, AND HISTORICAL FACILITIES BOND ACT OF 1964 PROGRAM

379-301-732—For capital outlay, project planning and design, Department of Parks and Recreation, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1964	13,669

STATE BEACH, PARK, RECREATIONAL, HISTORICAL FACILITIES BOND ACT OF 1974 PROGRAM

379-301-733—For capital outlay, project planning and design, Department of Parks and Recreation, payable from the State Beach, Park, Recreational and Historical Facilities Fund of 1974	1,096,392

NEJEDLY-HART STATE, URBAN, AND COASTAL PARK BOND ACT PROGRAM

379-301-742—For capital outlay, Department of Parks and Recreation, payable from the State Urban and Coastal Park Fund	5,007,586

Item		Amount
	Schedule:	
	(a) Project planning and design.....	541,686
	(b) Pyramid Reservoir—construction of camping and day use facilities	4,465,900

Provisions applicable to Items 379-301-188 through 379-301-952—for capital outlay, Department of Parks and Recreation:

1. Provided the minor capital outlay projects funded by the Energy and Resources Fund Item 379-301-188 are for solar retrofitting and energy conservation.
2. Provided further, that none of the funds appropriated for acquisition of parklands in Items 379-301-189 to 379-301-952, inclusive, shall be expended on the purchase of real property until the State Public Works Board has determined that the procedures and criteria established by the Attorney General relating to implied dedication and public prescriptive rights or claims have been complied with in the investigations and appraisals of the Department of General Services. All material relating to implied dedication and public prescriptive rights or claims shall be retained in the files of the Department of General Services and shall be available for post-audit on a selective basis by the Attorney General.
3. Provided, that no funds appropriated in Item 379-301-392 shall be encumbered for acquisition of land for Julia Pfeiffer Burns State Park, Wilder Ranch State Park, or the Humboldt Lagoons Project in Item 379-301-721 for acquisition of land unless and until the Save-the-Redwoods League has in each instance made a cash donation to the state equal to one-half the appraised value for such acquisition or otherwise enables the state to purchase such properties for an expenditure not to exceed one-half of the appraised value.
4. Provided, that funds appropriated for category (z) of Item 379-301-392 shall not be encumbered for the acquisition of "Railtown 1897" in Tuolumne County, which consists of 24 acres of land, several historic buildings and yard trackage, unless (1) the state has first received a donation of railroad rolling stock, locomotives, and equipment, as identified in a report to the Legislature from the Sierra Railroad Company entitled "In-

Item Amount

ventory of Railroad Company", dated July 15, 1980, and (2) the owner of the connecting railline between Oakdale and Sonora grants the state the perpetual use of the right-of-way free of charge for scheduled excursion trains, charter trains, and special trains.

Provided further, that the department shall make every effort to contract with a concessionaire to operate excursion trains from "Railtown 1897" to Sonora and Oakdale in the event the excursion business is continued.

Provided further, that in respect to the donation of railroad rolling stock, locomotives, and equipment to the state, it is the understanding of the Legislature that the gift deed shall permit the transfer of railroad rolling stock, locomotives, and equipment between "Railtown 1897" and the California State Railroad History Museum in Sacramento.

5. Provided, that no funds appropriated in Item 379-301-721(h) may be expended for working drawings until a final study is complete and a lease agreement is executed with the Sixth District Agricultural Association.
6. Provided, that no funds appropriated in Item 379-301-721(l) may be expended until an appraisal has been completed.

   Provided further, that the funds appropriated in Item 379-301-721(l) shall be expended for acquisition of parcels on the north-east perimeter of Mount Diablo as determined by the Department of Parks and Recreation, and that highest priority for acquisition shall be given to the Schwartz Holdings of approximately 337 acres.
7. Provided, that the funds available for expenditure pursuant to the appropriation in Item 379-301-721(m) for Verdugo Hills acquisition shall not exceed the total amount of funds available for this project from non-state sources in conformance with policy adopted by the State Parks and Recreation Commission.
8. Funds available to complete any land exchange relating to the Sinkyone Wilderness approved by the State Parks and Recreation Commission pursuant to subdivision (a) of Section 6 of Chapter 1234, Statutes of 1980, shall be used to acquire critical areas described in paragraph 2 of subdivision (c) of that section.

Item Amount

379-490—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provisions of law, the undisbursed balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes (and subject to the limitations unless otherwise specified) provided for in said appropriations, and shall be available for expenditure until June 30, 1982:

001—General Fund

(1) Item 222, Budget Act of 1979—studies of urban park needs.

036—Special Account for Capital Outlay.

(1) Item 528(b), Budget Act of 1980—Hearst San Simeon State Historical Monument—Visitor Center working drawings.

(2) Chapter 1139, Statutes of 1973—North Coastal —acquisition

132—Bagley Conservation Fund

(1) Item 529(c), Budget Act of 1980. Augmentation for land acquisition, condemnation proceedings for Bagley Conservation Fund projects.

Provided, that notwithstanding any other provision of law, including Section 8, the State Public Works Board may, upon evidence of a court award or stipulated judgment and not sooner than 20 days after notification in writing to the chairperson of the committee in each house which considers appropriations, the chairpersons of the respective fiscal subcommittees, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the Chairperson of the Joint Legislative Budget Committee, or his or her designee may in each instance determine, augment a Department of Parks and Recreation land acquisition project up to the amount necessary to satisfy the court award or stipulated judgment and any associated administrative or legal costs.

140—Environmental license Plate Fund

(1) Chapter 670, Statutes of 1979. Department of Fish and Game; provided, that on the effective date of this act up to $125,000 of the funds appropriated in Chapter 670, Statutes of 1979, shall be available for reimbursement to the Department of Parks and Recreation for expenses incurred in protecting the Mono Lake Tufa during the period January 1, 1982 through

Item		Amount
	June 30, 1983. Provided further, that none of the funds reappropriated shall be available for expenditure unless legislation is chaptered and effective on or before January 1, 1982, which establishes Mono Lake Tufa State Reserve as a unit of the state park system. Provided further, that if legislation establishing the Mono Lake Tufa State Reserve is not effective on or before January 1, 1982, the funds reappropriated shall revert to the unencumbered balance of the Environmental License Plate Fund.	
263—Off-Highway Vehicle Fund		
(1)	Section 2(a), Chapter 741, Statutes of 1975. For the acquisition of an interest in real and personal property in San Diego County	
(2)	Item 403.5(b), Budget Act of 1977. Hungry Valley State State Vehicular Recreation Area —planning and operations	
(3)	Item 461(a), Budget Act of 1978—Hollister Hills State Vehicular Recreation Area—erosion control	
(4)	Item 461(b), Budget Act of 1978. Hollister Hills State Vehicular Recreation Area—Phase I, working drawings and construction	
(5)	Section 2(b), Chapter 496, Statutes of 1978. Carnegie State Vehicular Recreation Area—planning, development, construction, and administrative costs	
392—State Parks and Recreation Fund		
(1)	Item 350(aa), Budget Act of 1973. Sonoma Coast State Beach—land acquisition	
(2)	Item 350(gg), Budget Act of 1973. Candlestick Point State Recreation Area—land acquisition	
(3)	Item 350(nn), Budget Act of 1973. Wilder Ranch State Park—land acquisition	
(4)	Section 1(d), Chapter 1521, Statutes of 1974. Augmentation for land value increases, land acquisitions for Bagley Conservation Fund projects	
(5)	Section 1(h), Chapter 1521, Statutes of 1974. Mendocino Headlands augmentation land acquisition	
(6)	Section 1(r), Chapter 1521, Statutes of 1974. Doheny State Beach—land acquisition; provided, that not more than $50,000 shall be available for encumbrance after June 30, 1981.	
(7)	Section 2(a), Chapter 1529, Statutes of 1974 Acquisition of riding, hiking, and bicycle trails	

Item		Amount
(8)	Section 2(b), Chapter 1529, Statutes of 1974. Development of riding, hiking, and bicycle trails	
(9)	Section 2(a), Chapter 744, Statutes of 1975. Acquisition of recreational trail rights-of-way	
(10)	Section 1(a), Chapter 853, Statutes of 1975. For acquisition of beach lands in the City of Pacifica for the State Park System	
(12)	Section 2, Chapter 1019, Statutes of 1975. Acquisition and development of trails in Santa Barbara and Ventura Counties	
(13)	Section 2, Chapter 1020, Statutes of 1975. Acquisition and development of trails in Marin County	
(13.5)	Section 2(d), Chapter 462, Statutes of 1976, as reappropriated by Section 1, Chapter 575, Statutes of 1979-Madrona Marsh-acquisition; provided, that the unencumbered balance shall also be available for use as a grant to the City of Torrance for acquisition of Madrona Marsh.	
(14)	Section 2(b), Chapter 1066, Statutes of 1976 as amended by Section 6, Chapter 1305, Statutes of 1980. Lake Elsinore State Recreation Area —debris removal	
(15)	Section 19.3, Budget Act of 1976. For a recreational trail on the San Francisco-Lake Tahoe Corridor between Old Sacramento State Historic Park and Folsom Lake State Recreation Area	
(16)	Section 6(b), Chapter 1379, Statutes of 1976. For the construction of slots at Benbow Dam; provided that any funds not encumbered for such construction may be encumbered for the acquisition of lands as an addition to Benbow Lake State Recreation Area	
(17)	Section 5(c)(1), Chapter 1440, Statutes of 1976. Planning Costs	
(18)	Section 5(c)(2), Chapter 1440, Statues of 1976. Hostel Facilities	
(19)	Item 400(h), Budget Act of 1977. Clear Lake State Park—Sewer buy-in charge	
(20)	Item 401(b), Budget Act of 1977. Seacliff State Beach—day-use and sanitary facilities working drawings and construction	
(20.5)	Item 402(d), Budget Act of 1977. Huntington SB—day use, working drawings	
(21)	Item 402(g), Budget Act of 1977. McGrath State Beach—sewage system, development	

Item Amount

(22) Section 1, Chapter 835, Statutes of 1977. Development of real property at Colonel Allensworth State Historic Park

(23) Item 457(a), Budget Act of 1978. El Presidio de Santa Barbara SHP—acquisition

(24) Item 457(e), Budget Act of 1978. Property acquisition and boundary survey

(25) Item 458.1(a), Budget Act of 1978. Seccombe Lake—acquisition

(26) Item 459(a), Budget Act of 1978. Acquisition costs

(27) Section 1, Chapter 977, Statutes of 1978. San Pasqual Battlefield—planning and working drawings and construction for visitor center and trails.

(28) Section 1, Chapter 987, Statutes of 1978. Marshall Gold Discovery State Historic Park—acquisition

(28.5) Section 1, Chapter 1339, Statutes of 1978. John Marsh Home—development and restoration

(29) Item 530(f), Budget Act of 1980. Torrey Pines —working drawings

728—Recreation and Fish and Wildlife Enhancement Fund

(1) Item 383(a), Budget Act of 1975. Silverwood Lake State Recreation Area—bicycle and hiking trails

(2) Item 433(b), Budget Act of 1977. Silverwood Lake State Recreation Area—campground and access road, working drawings and construction

(3) Item 501(a), Budget Act of 1978. Silverwood Lake Recreation Area—landscaping, water system, and sewage system construction

732—State Beach, Park, Recreational, and Historical Facilities Fund of 1964

(1) Item 403.1A, Budget Act of 1976 as added by Section 2.5A, Chapter 1325, Statutes of 1976. Acquisition and Development of South County Park, County of San Joaquin for the State Park System

(2) Item 403.1J(a), Budget Act of 1976 as added by Chapter 1379, Statutes of 1976. Delta Meadows —land acquisition

(2.5) Item 498(b), Budget Act of 1978. Salt Point SP—campground and day use areas, working drawings and construction

Item Amount

(3) Item 498(c), Budget Act of 1978. San Onofre State Beach—Water system buy-in charge

(4) Item 495.5B(b), Budget Act of 1979 as added by Chapter 1085, Statutes of 1979. Seccombe Lake—general plan development

(5) Item 530(1), Budget Act of 1980. Augmentation for land acquisition, condemnation proceedings for State Parks and Recreation Fund Projects. Provided, that notwithstanding any other provision of law, including Section 8, the State Public Works Board may, upon evidence of a court award or stipulated judgment and not sooner than 20 days after notification in writing to the chairperson of the committee in each house which considers appropriations, the chairpersons of the respective fiscal subcommittees, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the Chairperson of the Joint Legislative Budget Committee, or his or her designee may in each instance determine, augment a Department of Parks and Recreation land acquisition project up to the amount necessary to satisfy the court award or stipulated judgment and any associated administrative or legal costs.

733—State Beach, Park, Recreational, and Historical Facilities Fund of 1974

(1) Section 9.3(a), Chapter 1064, Statutes of 1973. Burton Creek Area—land acquisition

(2) Item 410.7B(w), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974. Anza-Borrego Desert State Park, Coyote Canyon—land acquisition

(3) Item 410.7B(aa), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974. Bodie State Historic Park—land acquisition

(4) Item 410.7B(cc), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974. Big Basin Redwoods State Park—land acquisition

(6) Item 410.3H(a), Chapter 1514, Statutes of 1974. Morro Bay State Park, approximately 710 acres adjacent to State-owned wetlands in the Morro Bay estuary—land acquisition

(7) Item 387.4(e), Budget Act of 1975. Colonel Allensworth State Historic Park—restoration and reconstruction

(8) Item 387.4(1), Budget Act of 1975. Sonoma State Historic Park—Barracks construction

Item	Amount
(9) Item 411(r), Budget Act of 1976. Ventura-Santa Barbara Counties—construct bikeway and hiking trail project at Refugio and Emma Wood State Beaches	
(10) Item 411(v), Budget Act of 1976. Colonel Allensworth State Historic Park—restoration and development	
(11) Item 411.2C(e), Budget Act of 1976 as added by Chapter 350, Statutes of 1976. Forest of Nisene Marks State Park, Hinkley Basin inholding—land acquisition	
(12) Item 411.2C(m), Budget Act of 1976 as added by Chapter 350, Statutes of 1976. Castle Rock State Park—proposal addition	
(13) Item 411.1A(a), Budget Act of 1976 as added by Chapter 353, Statutes of 1976. Angel Island State Park—development.	
(14) Item 435(e), Budget Act of 1977. Emma Wood State Beach—camping and day-use construction	
(15) Item 435(g), Budget Act of 1977. Fort Ross State Historic Park—Kuskov House restoration, interpretation, archeology	
(16) Item 435(j), Budget Act of 1977. Old Sacramento State Historic Park—Railroad Museum, working drawings and construction	
(16.5) Item 435(m), Budget Act of 1977. San Onofre SB—day use, overnight, administrative facilities construction	
(17) Item 435(q), Budget Act of 1977. Topanga State Park—trails, sanitary facilities, parking, working drawings, and construction	
(18) Item 503(d), Budget Act of 1978. Monterey State Historic Park—Cooper Molera restoration	
(19) Item 503(e), Budget Act of 1978. Old Sacramento State Historic Park, 49er Scene—working drawings	
(20) Item 503(f), Budget Act of 1978. Old Town San Diego Historic Park—working drawings and construction	
(21) Item 503(i), Budget Act of 1978. Plumas-Eureka State Park—Stamp Mill restoration	
(22) Item 503(j), Budget Act of 1978. Point Mugu State Park—working drawings and construction	
(22.5) Item 503(k), Budget Act of 1978. Salt Point SP—campground and day use areas, working drawings and construction	

Item Amount

(23) Item 503(l), Budget Act of 1978. San Juan Bautista SHP—Plaza Hotel restoration

(24) Item 500(c), Budget Act of 1979. Malibu Lagoon—working drawings

(25) Item 578(c), Budget Act of 1980. Angel Island —day-use working drawings

(26) Item 578(i), Budget Act of 1980. Fort Ross State Historic Park—Historic Fur Barn, preliminary plans and working drawings

(27) Item 578(k), Budget Act of 1980. Malibu Creek State Park—campground working drawings

(28) Item 578(o), Budget Act of 1980. Augmentation for land acquisition, condemnation proceedings for State Beach, Park, Recreational, and Historical Facilities Fund of 1974 projects. Provided, that notwithstanding any other provision of law, including Section 8, the State Public Works Board may, upon evidence of a court award or stipulated judgment and not sooner than 20 days after notification in writing to the chairperson of the committee in each house which considers fiscal subcommittees, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the Chairperson of the Joint Legislative Budget Committee, or his or her designee may in each instance determine, augment a Department of Parks and Recreation land acquisition project up to the amount necessary to satisfy the court award or stipulated judgment and any associated administrative or legal costs.

(29) Item 578.1(a), Budget Act of 1980. Railtown 1897—acquisition, provided that this appropriation shall be available for acquisitions in the Chino Hills project

742—State, Urban, and Coastal Park Fund

(1) Item 443.2B(c), Budget Act of 1977 as added by Chapter 1109, Statutes of 1977. El Capitan State Beach—acquisition

(2) Item 443.2B(d), Budget Act of 1977 as added by Chapter 1109, Statutes of 1977. Garrapata Beach—acquisition

(3) Item 443.2B(e), Budget Act of 1977 as added by Chapter 1109, Statutes of 1977. Gaviota State Park—acquisition

Item		Amount
(4)	Item 443.2B(f), Budget Act of 1977 as added by Chapter 1109, Statutes of 1977. Hunter's Lagoon acquisition	
(5)	Item 443.2B(h), Budget Act of 1977 as added by Chapter 1109, Statutes of 1977. Lakes and Talawa—acquisition	
(6)	Item 443.2B(i), Budget Act of 1977 as added by Chapter 1109, Statutes of 1977. McNee Ranch—acquisition	
(7)	Item 443.2B(j), Budget Act of 1977 as added by Chapter 1109, Statutes of 1977. Ten Mile Dunes—acquisition	
(8)	Item 443.2B(l), Budget Act of 1977 as added by Chapter 1109, Statutes of 1977. Manresa State Beach—acquisition	
(9)	Item 443.2B(m), Budget Act of 1977 as added by Chapter 1109, Statutes of 1977. Morro Bay State Park—acquisition	
(10)	Item 512(a), Budget Act of 1978. Empire Mine State Historic Park—working drawings and construction	
(10.5)	Item 512(c), Budget Act of 1978. Huntington SB—Phase II, working drawings	
(11)	Item 512(d), Budget Act of 1978. Malibu Creek State Park—Phase I, construction	
(12)	Item 512(f), Budget Act of 1978. Humboldt Lagoons—acquisition	
(13)	Item 512(i), Budget Act of 1978. Point Dume State Beach—acquisition and development	
(14)	Item 512F(d), Budget Act of 1978 as added by Chapter 1257, Statutes of 1978. Santa Monica Mountains—acquisition	
(15)	Item 512E(a), Budget Act of 1978 as added by Chapter 1258, Statutes of 1978. Folsom Lake State Recreation Area—American River Parkway, working drawings and construction	
(15.4)	Item 508(h), Budget Act of 1979 Irvine Coast—acquisition; provided, that $3,000,000 shall be available for acquisition of 393 acres of "option property" for addition to Crystal Cove State Park and the remaining balance for relocation expenses at Crystal Cove State Park.	
(16)	Item 585(f), Budget Act of 1980. Folsom Lake State Recreation Area—Beal's Point campground and day-use working drawings	

Item Amount

(16.5) Item 585(k), Budget Act of 1980. Augmentation for land acquisition, condemnation proceedings for State, Urban, and Coastal Park Fund projects. Provided, that notwithstanding any other provision of law, including Section 8, the State Public Works Board may, upon evidence of a court award or stipulated judgment and not sooner than 20 days after notification in writing to the chairperson of the committee in each house which considers appropriations, the chairpersons of the respective fiscal subcommittees, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the Chairperson of the Joint Legislative Budget Committee, or his or her designee may in each instance determine, augment a Department of Parks and Recreation land acquisition project up to the amount necessary to satisfy the court award or stipulated judgment and any associated administrative or legal costs.

(17) Item 585(q), Budget Act of 1980. California Dairy Museum Study

952—State Park Contingent Fund

(1) Item 403(a), Budget Act of 1977. Big Basin Redwoods State Park—acquisition

379-491—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provisions of law, the undisbursed balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes (and subject to the limitations) provided for in these appropriations, and shall be available for expenditure until June 30, 1982:

263—Off-Highway Vehicle Fund

(1) Item 228(i), Budget Act of 1977, County of Los Angeles, Rowher Flats Off-Highway Vehicle Park Project Phase I.

742—State, Urban, and Coastal Park Fund

(1) Item 443 8G(10), Budget Act of 1977, Marinwood Community Services District, Big Rock Ridge

(2) Item 443.8(54), Budget Act of 1977, Tahoe City Public Utility District, Bicycle Trail Phase 5

(3) Item 443.8(58), Budget Act of 1977, City of Firebaugh, Andrew Firebaugh Historical Park

Item	Amount
(4) Item 443.8(155), Budget Act of 1977, City of Los Angeles, Warner Ranch Park	
(5) Item 443.8(160), Budget Act of 1977, County of Los Angeles, Cabrillo Beach	
(6) Item 443.8(172), Budget Act of 1977, County of Los Angeles, White Point Beach	
(7) Item 443.8(175), Budget Act of 1977, County of Los Angeles, Seven Beaches Sanitary Systems	
(8) Item 443.8(366), Budget Act of 1977, County of Sonoma, Ragle Ranch Regional Park	
(9) Item 443.8(367), Budget Act of 1977, County of Sonoma, Sonoma Valley Regional Park	
(10) Item 443.8(382), Budget Act of 1977, Weaverville-Douglas City Recreation District, Douglas City Community Park	
(11) Item 518(11), Budget Act of 1978, City of Biggs, Municipal Park	
(12) Item 518(74.3), Budget Act of 1978, County of Los Angeles, White Point/Royal Palms State Beach	
(13) Item 518(74.4), Budget Act of 1978, County of Los Angeles, Dockweiler State Beach	
(14) Item 518(87), Budget Act of 1978, County of Merced, Hagaman Park	
(15) Item 518(88), Budget Act of 1978, County of Merced, Henderson Park	
(16) Item 518(90), Budget Act of 1978, County of Merced, Lake Yosemite Park	
(17) Item 518(91), Budget Act of 1978, City of Alturas, Alturas Community Pavilion	
(18) Item 518(101), Budget Act of 1978, Greenfield Recreation District, Greenfield Parkland	
(19) Item 518(102), Budget Act of 1978, City of Greenfield, Greenfield Parkland	
(20) Item 518(116), Budget Act of 1978, City of Salinas, Rossi-Rico Community Park	
(21) Item 518(171), Budget Act of 1978, City of Loma Linda, Loma Linda Community Park	
(22) Item 518 (233.3), Budget Act of 1978, County of Shasta, French Gulch Park	
(23) Item 518(233.5), Budget Act of 1978, County of Shasta, Hat Creek Park	
(24) Item 518(236), Budget Act of 1978, Happy Camp Community Services District, Happy Camp Park	
(25) Item 518(247), Budget Act of 1978, City of Riverbank, Rio Altura Park	

Item Amount

379-495—Reversion, Department of Parks and Recreation. As of June 30, 1981, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made:

001—General Fund

(0.5) Section 2(a), Chapter 1174, Statutes of 1973. Century Ranch—acquisition Purchase of artifacts for State historical projects.

(1) Section 1, Chapter 1342, Statutes of 1978. Old Sacramento/Isleton—railroad right-of-way study

132—Bagley Conservation Fund

(1) Item 529(a), Budget Act of 1980. Design and construction planning

(2) Item 529(b), Budget Act of 1980 Candlestick Point State Recreation Area

(3) Item 529(d), Budget Act of 1980. Relocation Assistance

263—Off-Highway Vehicle Fund

(1) Section 2(a), Chapter 542, Statutes of 1974. For the acquisition of an interest in real and personal property located in San Benito County

(2) Item 461(c), Budget Act of 1978. Hungry Valley State Vehicular Recreation Area—Acquisition

(3) Item 532.5(b), Budget Act of 1980. Sycamore Canyon—Acquisition Study, Appraisal, and option to purchase.

392—State Parks and Recreation Fund

(1) Chapter 1423, Statutes of 1972. Santa Cruz Mountains Area, Unit Number 417

(2) Section 1(f), Chapter 1521, Statutes of 1974. Bear Harbor project augmentation land acquisition

(3) Section 1(w), Chapter 1521, Statutes of 1974. Antelope Valley Poppy Preserve Project—land acquisition

(3.5) Section 1(a) and (b), Chapter 901, Statutes of 1975. San Buenaventura State Beach—development

(5) Item 402(k), Budget Act of 1977. Saddleback Butte State Park—facility improvements

(6) Section 3(d), Chapter 1109, Statutes of 1977. Haskells Beach—acquisition

Item Amount

(7) Section 3(h), Chapter 1109, Statutes of 1977.
Planning and acquisition costs
(8) Item 457(d), Budget Act of 1978.
Santa Susana Mountains—acquisition
(9) Item 459(d), Budget Act of 1978.
Opportunity Purchases
(10) Item 459(h), Budget Act of 1978.
(11) Section 1, Chapter 978, Statutes of 1978.
Antelope Valley—interpretive center and museum planning and preliminary site preparation
(12) Item 463(c), Budget Act of 1979.
Malibu Creek State Park—acquisition of Mulholland Viewshed
(13) Section 1(a), Chapter 1089, Statutes of 1979.
Henry W. Coe State Park—Coit Ranch and Thomas Ranch acquisition
(14) Item 530(d), Budget Act of 1980.
Preliminary Planning
(15) Item 530(e), Budget Act of 1980.
Minor Capital Outlay
(16) Item 530(h), Budget Act of 1980.
Big Basin Redwoods State Park—acquisition of Big Creek Timber
(16.5) Item 530(i), Budget Act of 1980.
Woodson Bridge—acquisition
(17) Section 4(m), Chapter 809, Statutes of 1980.
Mendocino Headlands State Park—Jug Handle SR and Manchester SB acquisition

728—Recreation and Fish and Wildlife Enhancement Fund

(1) Item 405(a), Budget Act of 1974.
Bethany Reservoir—tree planting

732—State Beach, Park, Recreational, and Historical Facilities Fund of 1964

(.5) Item 428(c), Budget Act of 1977.
San Onofre SB—day use, overnight, administrative facilities construction
(1) Item 495.5A(a), Budget Act of 1979 as added by Chapter 1017, Statutes of 1979.
Mount Diablo State Park—land acquisition
(2) Item 573(a), Budget Act of 1980.
Design and construction planning

733—State Beach, Park, Recreational, and Historical Facilities Fund of 1974

(.5) Item 410.7B(jj), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974.
San Luis Island—acquisition

Item Amount

(1) Item 379(c), Budget Act of 1973.
Century Ranch—land acquisition

(2) Item 410.7B(ii), Budget Act of 1974 as added by Chapter 1484, Statutes of 1974.
Carmel River Project—land acquisition

(3) Item 387.4(j), Budget Act of 1975.
Old Sacramento State Historic Park—Big Four Building

(4) Item 411(s), Budget Act of 1976.
Cross-Marin Trail—Construction

(5) Item 411.2C(i), Budget Act of 1976 as added by Chapter 350, Statutes of 1976.
Marshall Gold Discovery State Historic Park —land acquisition

(6) Item 411.2C(1), Budget Act of 1976 as added by Chapter 350, Statutes of 1976.
Marina Beach—land acquisition

(7) Item 435(b), Budget Act of 1977.
Bothe-Napa State Historic Park—campground working drawings and construction

(8) Item 435(p), Budget Act of 1977.
Point Mugu State Park—continuing development working drawings

(9) Item 500(d), Budget Act of 1979.
Woodland Opera House—development

(10) Item 578(a), Budget Act of 1980.
Design and construction planning

(11) Item 578(d), Budget Act of 1980.
Bale Grist Mill State Historic Park—entry and parking working drawings

(12) Item 578(h), Budget Act of 1980.
Folsom Lake State Recreation Area—Beal's Point campground and day-use working drawings

(12.5) Item 578(q), Budget Act of 1980.
Century Ranch, Malibu Creek SP—reimbursement of General Fund expenditures pursuant to Chapter 1174, Statutes of 1973 and Item 379(c), Budget Act of 1973.

(13) Item 500A(a), Budget Act of 1979 as added by Chapter 86, Statutes of 1980.
Marina Beach—land acquisition

742—State, Urban, and Coastal Park Fund

(a) Capital Outlay

(1) Item 443(g), Budget Act of 1977.
Lighthouse Field—acquisition

(2) Item 512(b), Budget Act of 1978.
Huntington State Beach—Phase I construction, equipment

Item	Amount
(3) Item 512(*l*), Budget Act of 1978. Statewide historical and archeological research	
(4) Item 512(o), Budget Act of 1978. Lario Trail—development	
(5) Item 508(b), Budget Act of 1979. Haskell's Beach—acquisition	
(6) Item 508(c), Budget Act of 1979. Leo Carrillo State Beach—(Yerba Buena) acquisition	
(7) Item 508(f), Budget Act of 1980. Twin Lakes State Beach—acquisition	
(8) Item 585(a), Budget Act of 1980. Design and construction planning	
(9) Item 585(j), Budget Act of 1980. Statewide archeology	
(10) Item 443C(b), Chapter 756, Statutes of 1977 as reappropriated by Section 12, Chapter 809, Statutes of 1980. Santa Susana Mountains—acquisitions	
(b) Local Assistance	
(1) Item 443.8(143), Budget Act of 1977, City of Los Angeles, Louise Recreation Center	
(2) Item 443.8(276), Budget Act of 1977, City of Sacramento, Freeport Park	
(3) Item 443.8(279), Budget Act of 1977, City of Sacramento, Lewis Park	
(4) Item 443.8(280), Budget Act of 1977, City of Sacramento, Niños Park	
(5) Item 443.8(284), Budget Act of 1977, City of Sacramento, Z'berg Park	
(6) Item 443.8(367), Budget Act of 1977, County of Sonoma, Sonoma Valley Regional Park	
(7) Item 513(81), Budget Act of 1979, City of Belmont, Marina Park	
(8) Item 590(56), Budget Act of 1980, City of Santa Clara, Central Park	
952—State Park Contingent Fund	
(1) Item 367(a), Budget Act of 1975. Humboldt Redwoods State Park—land acquisition	
(2) Item 387(b), Budget Act of 1976. Castle Rock—land acquisition	
(3) Item 465(b), Budget Act of 1979. Humboldt Redwoods State Park—acquisition	
(4) Section 1, Chapter 86, Statutes of 1980. Anza-Borrego Desert SP—acquisition	
(5) Item 531(a), Budget Act of 1980. Jedediah Smith Redwoods SP—acquisition	

Item Amount

379-496—Reversion, Department of Parks and Recreation. As of June 30, 1981, the unencumbered balances of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made:

742—State, Urban, and Coastal Park Fund

(1) Item 443.8(158), Budget Act of 1977, County of Los Angeles, Santa Clarita County Park
(2) Item 443.8(168), Budget Act of 1977, County of Los Angeles, Mariposa County Park
(3) Item 443.8(312), Budget Act of 1977, City of La Mesa, Padre Bay Arm Park
(4) Item 443.8(324), Budget Act of 1977, County of San Diego, Los Penasquitos Regional Park
(5) Item 518(5), Budget Act of 1978, City of Newark, Mirabeau Park
(6) Item 518(145), Budget Act of 1978, City of Placentia, Goldenrod/Tuffree Hills Park
(7) Item 518(146), Budget Act of 1978, City of Placentia, Placentia Tennis Courts
(8) Item 518(147), Budget Act of 1978, City of Placentia, Wagner Park
(9) Item 518(148), Budget Act of 1978, City of Placentia, Tynes Gym
(10) Item 518(151), Budget Act of 1978, Auburn Area Recreation and Park District, Sierra Pool
(11) Item 518(163), Budget Act of 1978, City of Riverside, Mockingbird Canyon Park
(12) Item 518(164), Budget Act of 1978, County of Riverside, Mockingbird Canyon
(13) Item 518(221.4), Budget Act of 1978, City of Santa Barbara, Franceschi Park
(14) Item 518H(29), Budget Act of 1978 as added by Chapter 114, Statutes of 1979, County of Santa Clara, Sunnyvale Baylands Park
(15) Item 513(99), Budget Act of 1979, City of Scotts Valley, Glenwood Park
(16) Item 590(7), Budget Act of 1980, City of Arcata, Pacific Union and Shay Parks
(17) Item 590(56.1), Budget Act of 1980, County of Santa Clara, Sanborn-Skyline Park

380-001-001—For support of California Exposition and State Fair, and for payment of principal and interest on revenue bonds to meet the provisions of Section 15849 of the Government Code 2,880,453

(a) 100000-Personal services 3,816,336

Item		Amount
(b) 300000-Operating expenses and equipment	4,239,403	
(c) 400001-Payment of interest and principal on revenue bonds	1,130,000	
(d) Operating revenues payable from Item 380-011-001	−5,860,000	
(e) Amount payable from the Fair and Exposition Fund	−265,000	
(f) Reimbursements	−180,286	

Provisions applicable to Item 380-001-001—for support of California Exposition and State Fair:

1. Provided, that no more than the amount actually needed to pay any deficit in principal and interest on the revenue bonds shall be made available for expenditure from subitem (c) of this item; and provided further, that the amount appropriated by subdivision (a) of Section 19622 of the Business and Professions Code shall be transferred by the State Controller to this item.

380-011-001—For support of the California Exposition and State Fair, to be transferred to Item 380-001-001 by the State Controller provided, that the expenditures from the appropriation made by this item shall not exceed those operating revenues deposited in the General Fund by the California Exposition and State Fair 5,860,000

380-301-036—For minor capital outlay, California Exposition and State Fair payable from the Special Account for Capital Outlay, General Fund 520,000

381-001-001—For support of Santa Monica Mountains Conservancy 311,082

Schedule:

(a) 100000-Personal Services	290,663	
(b) 300000-Operating Expenses and Equipment	334,384	
(c) Amount payable from the Parklands Fund of 1980 (Item 381-301-721)	−313,965	

PARKLANDS ACQUISITION AND DEVELOPMENT PROGRAM
SANTA MONICA MOUNTAINS CONSERVANCY

381-301-721—For capital outlay, Santa Monica Mountains Conservancy, payable from the Parklands Fund of 1980 4,000,000

Schedule.

(a) Project planning and design	313,965

Item		Amount
(b) Preacquisition and opportunity purchases	939,210	
(c) Buffer zone protection	79,937	
(d) Acquisition of park, open space recreation and conservation areas	1,741,483	
(e) Restoration of small lot subdivisions	925,405	

Provisions applicable to Item 381-301-721—for capital outlay, Santa Monica Mountains Conservancy:

1. Provided that if the Department of Finance receives a request from the Santa Monica Mountains Conservancy to augment the amount approved in any category within the schedule of Item 381-301-721 more than 20 percent by transfer from one or more other categories within such schedule, no such transfer shall be approved any sooner than 30 days after the Department of Finance notifies the Chairman of the Joint Legislative Budget Committee of the Department's intent to approve the transfer, or not sooner than such lesser time as may be specified by the Chairman of the Joint Legislative Budget Committee.
2. Provided further, that $1,000,000 of the amount appropriated in Item 381-301-721 shall be used only for projects approved by the State Coastal Conservancy and the Santa Monica Mountains Conservancy.
3. The appropriation made by Item 381-301-721 is hereby declared to be consistent with, and in furtherance of, the intent of the Legislature in enacting, and the voters in approving, the California Parklands Act of 1980, that funds be made available from category (2) of subdivision (c) of Section 5096.151 of the Public Resources Code to the Santa Monica Mountains Conservancy for projects in the Santa Monica Mountains Zone.

382-001-001—For support of San Francisco Bay Conservation and Development Commission		814,708
Schedule:		
(a) 100000-Personal Services	876,783	
(b) 300000-Operating Expenses and Equipment	359,963	
(c) Reimbursements	−422,038	
386-001-001—For support of the Department of Water Resources		21,556,300
Schedule:		
(a) 10-Continuing formulation of the California Water Plan	11,242,700	

Item		Amount
(1) 10-Total Continuing Formulation of the California Water Plan	12,931,700	
(2) Reimbursements ..	−1,689,000	
(b) 20-Implementation of the State Water Resources Development System		284,900
(1) 20-Total Implementation of the State Water Resources Development System	466,800	
(2) Reimbursements ..	−181,900	
(c) 30-Public Safety and Prevention of Damage		9,548,067
(1) 30-Total Public Safety and Prevention of Damage	10,494,167	
(2) Reimbursements ..	−946,100	
(d) 40-Services.....		480,633
(1) 40-Total Services ..	3,981,927	
(2) Reimbursements ..	−3,501,294	
386-001-189—For support of the Department of Water Resources, Continuing Formulation of the California Water Plan, Program 10, payable from the Energy Account, Energy and Resources Fund.....		800,000
386-001-890—For support of Department of Water Resources, payable from the Federal Trust Fund.... .		1,299,100
Schedule:		
(a) 10-Continuing Formulation of the California Water Plan...		294,400
(b) 20-Implementation of the State Water Resources Development System		53,800
(c) 30-Public Safety and Prevention of Damage		450,900
(d) 40-Services		500,000

Provisions applicable to Items 386-001-001 through 386-001-890—for support of Department of Water Resources:

1. Provided, that the amounts appropriated in these items shall be transferred to the Water Resources Revolving Fund (691) for direct expenditure in such amounts as the Department of Finance may authorize, including cooperative work with other agencies; that the money so transferred shall be placed in a special account

Item	Amount
in that fund and shall not be available for expenditure after June 30, 1982; that any unencumbered balances shall be returned to the appropriate funds as of June 30, 1982; and that expenditures for technical services and general management charged to programs shall not exceed $12,979,400 and $7,538,700 respectively, without prior approval of the Department of Finance.	
386-101-001—For local assistance, Department of Water Resources	4,000,000
386-101-190—For local assistance, Department of Water Resources, for reimbursement of agencies' maintenance or improvement costs on nonproject levees, payable from the Resources Account, Energy and Resources Fund	1,500,000

Provisions applicable to Items 386-101-001 through 386-101-190—for local assistance, Department of Water Resources:

1. For expenditure by the Department of Water Resources, Public Safety and Prevention of Damage, Program 30, in accordance with Chapters 1 (commencing with Section 12570), 2 (commencing with Section 12639), 3 (commencing with Section 12800), 3.5 (commencing with Section 12840), and 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code, for payment of, and for reimbursement for necessary advances made for, the cost of cooperation by the state for major flood control projects adopted by the Legislature, for small flood control projects approved under Section 12750 of the Water Code, and for watershed protection and flood prevention projects as authorized pursuant to Chapter 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code, and administrative costs.
2. Provided that no expenditures shall be made until the local organizations give assurances that they will maintain and operate the projects after completion in such manner as will accomplish the purposes for which the projects were authorized and constructed and as may be required by the federal agencies concerned and the Department of Water Resources, and that the local organizations will hold and save the State of California free from damages or claims due to the construction, installation, or opera-

Item		Amount
	tion of the project.	
	3. No costs incurred for maintenance or improvement shall be reimbursed from the appropriation in Item 386-101-190 if the entire cost incurred per mile of levee is $1,000 or less and 50 percent of any costs incurred in excess of $1,000 per mile shall be reimbursed. No funds appropriated by Item 386-101-190 shall be expended for the purposes of that item unless a nonstate entity provides hold-harmless assurances to the State of California for the work which would be done with such funds.	
386-301-036—For capital outlay, Department of Water Resources, payable from the Special Account for Capital Outlay		1,107,000
Schedule:		
(a) 30.10.050-Flood Control Activities under Reclamation Board Authority	1,045,000	
(b) 40.30 020-Snow Data Telemetry System	62,000	
386-301-189—For capital outlay, Department of Water Resources, payable from the Energy Account, Energy and Resources Fund		5,880,000
Schedule:		
(a) 10.20.020—Construct reverse osmosis desalter	3,880,000	
(b) 20.10.230—Heber binary geothermal demonstration plant	2,000,000	
Provisions applicable to Item 386-301-036 through 386-301-189—for capital outlay, Department of Water Resources:		
1. Provided, that the amount appropriated for program 30.10.050 in Item 386-301-036 is for acquisition of land, easements and rights-of-way, including but not limited to, borrow pit, spoil areas and easements for levees, clearing, flood control works and flowage, and for appraisals, surveys, and engineering studies necessary for the completion or operation of the projects in the Sacramento and San Joaquin watersheds as authorized by Section 8617.1 and Chapters 1 (commencing with Section 12570), 2 (commencing with Section 12639), 3 (commencing with Section 12800), 3.5 (commencing with Section 12840), and 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code; and for advances to the federal government or		

Item		Amount
	payments to the federal government or others for incidental construction or reconstruction items which are an obligation of the state in connection with the completion or operation of the following projects and for materials and necessary construction, reconstruction, relocation, or alterations to highways, railroads, bridges, powerlines, communication lines, pipelines, irrigation works and other structures and facilities and for appraisals, surveys and engineering studies incidental thereto, according to the following:	
	a. Sacramento River and tributaries/flood control project	30,000
	b. San Joaquin River and tributaries/flood control project	15,000
	c Sacramento River bank protection project..	1,000,000

2. Notwithstanding the provisions of this act, the amounts appropriated in Items 386-301-036 and 386-301-189 shall be available for expenditure only during the 1981–82 fiscal year; and provided further, that the amount appropriated in Item 386-301-036(a) shall be exempt from the provisions of Section 7 of this act.
3. Provided further, that with respect to the amount appropriated for the Heber Geothermal Project, category (b), Item 386-301-189, the Department of Water Resources is authorized to act for, and on behalf of, the state and shall carry out the purposes of this appropriation. The state shall acquire an ownership interest in the development project in proportion to its financial contribution and through the Department of Water Resources shall be entitled to receive a share of the electric power, if any, generated by the project. The state's interest authorized by this act shall be separate from any state interest acquired by the Department of Water Resources for purposes of the State Water Resources Development System. Public agencies which have contracted for water supplies from the State Water Resources Development System shall not be responsible for liabilities imposed upon the state as a result of this act. All benefits received from power allocated to the state as a result of this act shall be returned to the Energy and Resources Fund. The Depart-

Item Amount

ment of Water Resources may deduct from such benefits actual administration costs incurred by it. The Director of Water Resources in awarding the funds under this section shall prescribe other conforming terms and conditions necessary to carry out the objectives of this appropriation and shall enter into the necessary contracts within 90 days after the effective date of this act.

386-490—Reappropriation, Department of Water Resources. Notwithstanding any other provisions of law, the unencumbered balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in such appropriations and any additional purposes provided in this section, and shall be available for expenditure until June 30, 1982:

036—Special Account for Capital Outlay

(1) Item 464(a), Budget Act of 1978, Flood warning telemetry system.

394-001-001—For support of the State Water Resources Control Board 14,568,997

Schedule:

(a) 10-Water Quality 10,251,045

(1) 10-Total Water Quality 11,429,986

(2) Reimbursements ..—1,178,941

(b) 20-Water Rights 4,317,952

(1) 20-Total Water Rights 4,574,978

(2) Reimbursements . —257,026

(c) 30-General Support 3,874,438

(d) 31-General Support Distributed .. —3,874,438

394-001-890—For support of the State Water Resources Control Board, Water Quality, Program 10, payable from the Federal Trust Fund 13,550,014

394-101-190—For local assistance, State Water Resources Control Board, Water Quality, Program 10, payable from the Resources Account, Energy and Resources Fund 1,304,000

HEALTH AND WELFARE

410-001-890—For support of the State Council on Developmental Disabilities, payable from the Federal Trust Fund 3,270,118

Schedule:

(a) 100000-Personal Services 373,923

Item		Amount
(b) 300000-Operating Expenses and Equipment	443,607	
(c) 400001-Community Program Development	981,035	
(d) 400002-Allocation for Area Boards	1,471,553	

Provisions applicable to Item 410-001-890—for support of the State Council on Developmental Disabilities:

1. Provided, that $60,000 of the amount scheduled in category (b) shall be used to enter into an inter-agency agreement with the Health and Welfare Agency Secretary's office in order to study the potential consequences of adopting the federal definition of a developmental disability for the purpose of determining eligibility for regional center services in accordance with Chapter 1237, Statutes of 1980.
2. $103,522 of the amount included in category (b) for contractual services shall be available for expenditure upon either the submission of a plan for allocation to the Joint Legislative Budget Committee utilizing the procedures set forth in Section 28 of this act or upon enactment of a statute which specifically provides for its expenditure.

411-001-001—For support of Area Boards on Developmental Disabilities		0
Schedule:		
(a) 100000-Personal Services	1,149,210	
(b) 300000-Operating Expenses and Equipment	322,343	
(c) Reimbursements	−1,471,553	
412-001-001—For support of the Emergency Medical Services Authority		934,482
Schedule:		
(a) Total Emergency Medical Services Authority		975,332
(b) Amount payable from Chapter 1260, Statutes of 1980		−40,850
413-001-632—For support of the Health and Welfare Agency Data Center, payable from the Health and Welfare Consolidated Data Center Revolving Fund		18,535,053

Provisions applicable to Item 413-001-632—for support of the Health and Welfare Agency Data Center:

1. Provided, that the limitations of Item 984-001-494 shall not apply to any deficiency expenditure authorization for the Health and Welfare Agency Data Center.

Item	Amount
2. Provided further, that except as otherwise provided below, no funds appropriated by this act or made available for encumbrance from any other source may be used to pay the salary of the Director of the Health and Welfare Agency Data Center after February 1, 1982.	
3. Provided further, that the Director of the Health and Welfare Agency Data Center shall prepare a comprehensive report and submit this report to the Senate Finance Committee, the Assembly Committee on Ways and Means, the Office of the Legislative Analyst, and the Department of Finance no later than November 1, 1981, which report clearly indicates that significant action has been taken which (1) has improved data center operations in specific areas which have been cited by consultants retained by the data center as areas in need of improvement, and (2) will continue to improve the management and service operations of the data center in these and such additional areas as may be determined to be in need of improvement, including those identified by the Legislative Analyst in the Analysis of the Budget Bill.	
4 Provided further, that on November 15, 1981, the Health and Welfare Agency Data Center, pursuant to the provisions of Section 28 of this act, shall submit a request for deficiency authorization from the Health and Welfare Consolidated Data Center Revolving Fund, for the purpose of paying the salary of the Director of the Health and Welfare Agency Data Center for the period February 1, 1982, through June 30, 1982.	
414-001-001—For support of the Office of Statewide Health Planning and Development	1,034,634
Schedule:	
(a) 100000-Personal Services	5,533,202
(b) 300000-Operating Expenses and Equipment	4,094,153
(d) Reimbursements	−2,858,941
(e) Amount payable from Health Facilities Construction Loan Insurance Fund	−844,662
(f) Amount payable from Hospital Building Account, Architecture Public Building Fund	−2,094,506
(g) Amount payable from the Federal Trust Fund (Item 414-001-890)	−2,461,995

Item	Amount
(h) Amount transferred from Item 414-101-001, local assistance.....	−332,617
414-001-890—For support of the Office of Statewide Health Planning and Development, to be transferred to Item 414-001-001, payable from the Federal Trust Fund	2,461,995

Provisions applicable to Items 414-001-001 through 414-001-890—for support of the Office of Statewide Health Planning and Development:

1. Provided, that the Director of Statewide Health Planning and Development may give public notice relative to proposing or amending any rule and regulation which could result in increased cost to any program administered by the Office of Statewide Health Planning and Development only after approval by the Department of Finance as to the availability of funds; and provided further, that any rule or regulation adopted by the Director of Statewide Health Planning and Development during the 1981–82 fiscal year which adds to the costs of any program administered by the Office of Statewide Health Planning and Development shall only be effective on and after the date upon which it is approved as to the availability of funds by the Department of Finance.
2. Up to $20,000 of the federal funds scheduled in Item 276, Budget Act of 1980, for the California Allied Health Occupations Program shall be made available during the 1981–82 fiscal year in addition to the amount appropriated by these items.
3. Four positions redirected from the Special Studies Unit shall be authorized contingent upon continued federal funding for their support.

414-101-001—For local assistance, Office of Statewide Health Planning and Development for Health Professions Development (Family Physician Training)	3,212,622

Provisions applicable to Item 414-101-001—for local assistance, Office of Statewide Health Planning and Development:

1. Provided, that notwithstanding the provisions of Section 2 of this act, the funds appropriated in this item for contracts with: accredited medical schools, programs which train primary care physician's assistants, hospitals or other health care delivery systems located in California, which

Item Amount

meet the standards of the Health Manpower Policy Commission established pursuant to Chapter 1 (commencing with Section 69270) of Part 42 of Division 5 of Title 3 of the Education Code, shall be available for fiscal years 1982–83, 1983–84, and 1984–85. Provided further, the amount appropriated by this item shall only be used for such contracts which commence on or after July 1, 1982.

2. Provided further, that $332,617 of the amount appropriated in this item shall be transferred to Item 414-001-001 for support of the Health Professions Career Opportunity Program.
3. Provided further, that one-half of the amounts available for support of the Health Professions Career Opportunity Program shall be made available only after enactment of enabling legislation.

414-111-001—For reimbursement, in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs, which relate to activities of the Office of Statewide Health Planning and Development, of any new program or increased level of service of an existing program mandated by statute, State Controller.. 211,860

Provisions applicable to Item 414-111-001—For local assistance, Office of Statewide Health Planning and Development:

1. Provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates the reimbursement of such costs and of subdivision (d) of Section 2231 of the Revenue and Taxation Code.

414-495—Reversion, Office of Statewide Health Planning and Development. As of June 30, 1981, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made:

001—General Fund

(1) Subdivision (b), Section 1, Chapter 885, Statutes of 1979, family physician training.

416-001-001—For support of Department of Aging 5,253,450

Schedule:

(a) 10-30-Total Department of Aging 5,267,563
(b) Reimbursements .... −14,113

Item	Amount
416-001-890—For support of Department of Aging, Programs 10-30, payable from the Federal Trust Fund	72,933,270

Provisions applicable to Items 416-001-001 through 416-001-890—for support of Department of Aging

1. Provided, that the funds allocated in categories (a) for contracts with Area Agencies and local providers for provisions of meals shall be allocated only on the basis of contracts which project the number of meals served on a realistic computation of (1) the estimated costs of providing those meals taking into account food and other costs, and (2) the expected offsets in the form of contributions, including but not limited to in-kind services, provided further that the Department shall review quarterly the expenditures and meal services under each contract and may reduce, at the discretion of the Director of Aging, the senior meal service level on a quarterly basis, of those contracts which are overspending their allotted funds on an annualized basis.
2. Provided further, that the Department of Aging shall spend federal funds available for State administration before spending the General Fund augmentation for State administration provided in this act.
3. Provided further, that the $3,129,668 appropriated by this item for the purpose of providing state matching funds shall be reduced by the amount by which the funds reappropriated under Item 416-490-939 are less than $346,149.
4. Provided further, that except as otherwise provided below, no funds appropriated by this act or made available for encumbrance from any other source may be used to pay the salary of the Director or the Chief Deputy Director of Aging after January 31, 1982.
5. Provided further, that, notwithstanding Section 15 of this act, the Director of Finance shall notify the Joint Legislative Budget Committee no later than January 1, 1982, regarding her intention to authorize the expenditure of $43,204 in General Fund support for the purpose of paying the salaries of the Director and Chief Deputy of the Department of Aging for the period February 1 through June 30, 1982.

Item Amount

6. Provided further, that before the notification may be submitted under the above proviso, the Department of Aging shall by January 1, 1982, do the following: (a) Prepare for 1980–81 and the first quarter of 1981–82 a comparison of budgeted expenditures, actual expenditures, and encumbrances and obligations, and estimated revenues to actual revenue, as required by subdivision (b) of Section 13300 of the Government Code, distinguishing between state administration, area agency administration, program development, and direct service expenditures, cross-referencing both budgeted and actual expenditures to state and federal funding sources.
   (b) Prepare the comparative fiscal data required in paragraph (a) for each planning and service area, as well as the state-level aggregates indicated in paragraph (a).
   (c) Reconcile the department's expenditures, as recorded on its ledger cards, with its expenditure reports to the federal government, dating from the first allocations in 1973–74 to local programs made by the State of California of funds appropriated and made available to the State of California under the Federal Older Americans Act of 1965, from fiscal year 1973–74 through September 30, 1979.
   (d) Identify, as a separate cost category, the estimated cost during 1981–82 of providing transportation services to the elderly in each planning and service area, indicating the estimated amount and source of federal funds and the estimated amount of General Fund to be expended for each category of transportation service.
   (e) Develop a standard methodology to be implemented statewide at each nutrition site for determining the unmet need at each site for nutrition services, including an estimate of the number of low income elderly currently not being served.
   (f) Report the number of meals served in the congregate meals program and the number of meals served in the home-delivered meals program in each planning and service area during state fiscal year 1980–81, including an estimate of the cost per congregate meal

Item	Amount
served and the cost per home-delivered meal served in each planning and service area (indicating the federal and state shares of the per-meal costs).	
416-490-939—Reappropriation, Department of Aging. Notwithstanding any other provision of law, the unencumbered balance of state matching funds from the Nutrition Reserve Fund shall, on the effective date of this act, be reappropriated for only that purpose and shall be available for expenditure until June 30, 1982.	
418-001-001—For support of Commission on Aging	117,013
Schedule:	
(a) 40-Commission on Aging	
(1) Total Commission on Aging 119,513	
(2) Reimbursements .. −2,500	
418-001-890—For support of Commission on Aging, payable from the Federal Trust Fund	180,970
Provisions applicable to Items 418-001-001 through 418-001-890—for support of Commission on Aging:	
1. Provided, that $24,268 from Item 418-001-001 shall be expended for the purposes of Resolution Chapter 91, Statutes of 1980.	
2. Provided further, that $19,390, of which $6,842 is from category (a) of Item 416-001-001 and $12,548 is from Item 416-001-890, shall be spent for obtaining fiscal services for the Commission on Aging.	
420-001-001—For support of Department of Alcohol and Drug Programs	6,703,302
Schedule:	
(a) 40-Drug and Alcohol Projects 939,111	
(b) 30-State Administration 5,764,191	
(1) 30-Total State Administration..... 5,973,353	
(2) Reimbursements .. −209,162	
420-001-890—For support of Department of Alcohol and Drug Programs, payable from the Federal Trust Fund	2,541,161
Schedule:	
(a) 40-Drug and Alcohol Projects 147,522	
(b) 30-State Administration 2,393,639	
Provisions applicable to Items 420-001-001 through 420-001-890—for support of Department of Alcohol and Drug Programs:	

Item			Amount
1. Provided, that upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between these appropriations and Item 420-101-001 and 420-101-890.			
2. Provided further, that the Department of Finance may authorize the transfer of funds from these appropriations to the Health Care Deposit Fund for the State's share of expenditures of alcohol and/or drug abuse services provided to persons eligible under the California Medical Assistance Program.			
420-101-001—For local assistance, Department of Alcohol and Drug Programs			59,973,029
Schedule:			
(a) 10-Alcohol Program		32,223,000	
(b) 20-Drug Program		27,750,029	
(1) 20-Total Drug Program	29,750,029		
(2) Reimbursements	−2,000,000		
420-101-890—For local assistance, Department of Alcohol and Drug Programs, payable from the Federal Trust Fund			31,130,090
Schedule:			
(a) 10-Alcohol Program		5,108,054	
(b) 20-Drug Program		26,022,036	
Provisions applicable to Items 420-101-001 through 420-101-890- for local assistance, Department of Alcohol and Drug Programs:			
1. Provided that expenditures for Alcohol and Drug Programs be in accordance with the provisions of Part 2 (commencing with Section 11770 and Part 3 (commencing with Section 11860) respectively of Division 10.5 of the Health and Safety Code, Department of Alcohol and Drug Programs.			
2. Provided further, that the Department of Finance may authorize the transfer of funds from these appropriations to the Health Care Deposit Fund for the State's share of expenditures of alcohol and/or drug abuse services provided to persons eligible under the California Medical Assistance Program.			
3. Provided further that the Department of Finance may order, and the State Controller shall transfer such funds as are necessary between these appropriations and Department of Mental Health appropriation 444-101-001 for purposes of reimbursing the costs of Local Assistance, for the			

Item		Amount
	Drug Program.	
	4. Provided further, that it is the intent of the Legislature that the voluntary match by counties in drug programs in the 1980–81 fiscal year be recognized. The Department of Alcohol and Drug Programs shall, when making county allocations, take into account this voluntary match up to 10 percent of the 1980–81 fiscal year state allocation not to exceed $1,600,000 statewide, exclusive of in-kind match, if the county continues to match the entire state allocation in the 1981–82 fiscal year. To the extent that this action exceeds this appropriation, the Department of Alcohol and Drug Programs shall submit a deficiency request not to exceed $1,600,000.	
422-001-001—For support of the Governor's Advisory Committee on Child Development Programs appointed pursuant to Section 8254 of the Education Code		123,170
426-001-001—For support of Department of Health Services		89,965,311
Schedule:		
(a) 100000-Personal Services	107,595,179	
(b) 300000-Operating Expenses and Equipment	61,636,147	
(c) 445615-Special demonstration projects	425,000	
(d) Reimbursements	−11,944,002	
(e) For transfer to the Health Care Deposit Fund	36,249,013	
(f) Amount payable from Health Care Deposit Fund	−84,554,635	
(g) Amount payable from other appropriations	−498,057	
(h) Amount payable from Hazardous Waste Control Account, General Fund	−2,725,263	
(i) Amount payable from Genetic Disease Testing Fund	−7,912,865	
(j) Amount payable from Motor Vehicle Account, State Transportation Fund (Item 426-001-044)	−300,552	
(k) Amount payable from Resources Account, Energy and Resources Fund (Item 426-001-190)	−1,443,561	
(*l*) Amount payable from the Federal Trust Fund (Item 426-001-890)	−6,561,093	

Item	Amount
426-001-044—For support of Department of Health Services, to be transferred to Item 426-001-001, payable from the Motor Vehicle Account, State Transportation Fund	300,552
426-001-190—For support of Department of Health Services, to be transferred to Item 426-001-001, payable from the Resources Account, Energy and Resources Fund	1,443,561
426-001-890—For support of Department of Health Services, payable from the Federal Trust Fund	189,122,525
Schedule:	
(a) 500000—Support Special Projects	138,194,388
(b) For transfer to Item 426-001-001	6,561,093
(c) For transfer to Health Care Deposit Fund	48,306,122
(d) Reimbursements	−3,939,078

Provisions applicable to Items 426-001-001 through 426-001-890—for support of Department of Health Services:

1. Provided, that in Item 426-001-001, should any additional federal funds become available to support venereal disease programs currently operated pursuant to state law by the Department of Health Services, such funds shall be used in lieu of funds appropriated by this item for the same purpose to the extent consistent with federal law or regulations.
2. Provided further, that in Item 426-001-001, any funds appropriated for grants and contracts for lupus erythematosus research shall be subject to the provisions of Section 3 of Chapter 983, Statutes of 1978.
3. Provided further, and notwithstanding any other provisions of law, the Director of Health Services may give public notice relative to proposing or amending any rule or regulation which could result in increased cost to any program administered by the Department of Health Services only after approval by the Department of Finance as to the availability of funds; and any rule or regulation adopted by the Director of Health Services and any communication which revises any departmental program shall only be effective from and after the date upon which it is approved as to availability of funds by the Department of Finance; provided further, that when a date for public hearing has been established for a change in any program,

Item Amount

rule, or regulation or the Department of Finance has approved any communication revising any departmental program, the Joint Legislative Budget Committee shall be notified if the annual General Fund cost of the proposed change is $100,000 or more.

4. Provided further, that funds appropriated in subitem (f) of Item 426-001-001 shall be transferred by the Controller to the Health Care Deposit Fund to match federal funds for support of the Department of Health Services.
5. Provided further, that none of the funds appropriated by these items shall be used to develop or evaluate the alternative of (1) having the State assume the Medi-Cal fiscal intermediary role, or (2) extending the Computer Science Corporation contract without a competitive bid. Provided further, that the funds appropriated by these items for procuring the next Medi-Cal fiscal intermediary shall be used only for studying other alternatives or for developing a fiscal intermediary request for proposal.
6. Provided further, that if the federal government cuts federal funding from the Medi-Cal program by more than $50,000,000 below the amount budgeted in Item 426-101-890 and eliminates restrictions on the use of federal Medi-Cal funds for mental health programs, the following items shall be deleted:
   a. Ten positions for resolving Short-Doyle compliance issues and $233,724 from Item 426-001-001 and $397,952 from Item 426-001-001.
   b. The Supplemental Report language which requires the Auditor General to study the feasibility of consolidating staff committed to resolving Short-Doyle compliance issues.
7. Provided further, that departmental fees subject to the annual fee increase provisions of Chapter 1012, Statutes of 1980, shall be increased at a rate of 8.73 percent effective January 1, 1982.

426-101-001—For local assistance, Department of Health Services, Medical Assistance Program 2,450,333,143

Schedule:

(a) 50.10-Eligibility (County Administration) 106,961,915
(b) 50.11-Benefits (Medical Care and Services) 2,317,249,570
(c) 50.12-Child Health Disability Prevention 9,418,217

Item		Amount
	(d) 50.50-Fiscal Intermediary Management	16,703,441
426-101-890—For local assistance, Department of Health Services, Medical Assistance Program, payable from the Federal Trust Fund		2,054,398,433
Schedule:		
	(a) 50.10-Eligibility (County Administration)	56,739,863
	(b) 50.11-Benefits (Medical Care and Services)	1,953,808,106
	(c) 50.12-Child Health Disability Prevention	8,709,310
	(d) 50.50-Fiscal Intermediary Management	35,141,154

Provisions applicable to Items 426-101-001 through 426-106-890—for local assistance, Department of Health Services Medical Assistance Program:

1. Provided, that of the amounts appropriated by Items 426-101-001, 426-101-890, 426-106-001, and 426-106-890, the following are for transfer for direct disbursement
   a. Program 50.—from 001-General Funds to 912—Health Care Deposit Fund 2,529,794,092
   b. Program 50.—From 890-Federal Trust Fund per Section 8.7 to 912 —Health Care Deposit Fund.. 2,127,780,831
2. Provided further, except as otherwise provided in this item, that the amount authorized to be expended from the General Fund, Item 426-101-001, shall fully cover the state's share of payments for medical care and services as defined in the Welfare and Institutions Code, county administration and fiscal intermediary services for the 1981–82 fiscal year; provided further, that notwithstanding any other provision of law, funds transferred from this item to the Health Care Deposit Fund by the State Controller shall not exceed the state's share, determined pursuant to a plan approved by the Director of Finance, of bills for services and administration approved for payment as certified by the Director of Health Services.
3. Provided further, that after June 30, 1982, a transfer to the Health Care Deposit Fund from this item shall be permitted to meet the total General Fund obligation incurred pursuant to this item.

Item Amount

4. Provided further, that notwithstanding any other provision of law, any federal and county funds received under the provisions of Section 14157 of the Welfare and Institutions Code during the 1981–82 fiscal year, for expenditures for health care services pursuant to Chapter 7 commencing with Section 14000 of Part 3 of Division 9 of the Welfare and Institutions Code, made from funds transferred to the Health Care Deposit Fund from the General Fund in prior years, shall be transferred from the Health Care Deposit Fund to the General Fund.

4. Notwithstanding any other provision of law, both the Federal and non-Federal shares of any money recovered for previously paid health care services, provided pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code, are hereby appropriated and shall be expended as soon as practicable for medical care and services as defined in the Welfare and Institutions Code.

5. Notwithstanding any other provision of law, accounts receivable, for recoveries as described in proviso 4 above, shall have no effect upon the positive balance of the General Fund or the Health Care Deposit Fund.

6. Notwithstanding any other provision of law, money recovered as described in this item required to be transferred from the Health Care Deposit Fund to the General Fund shall be credited by the State Controller to the General Fund without regard to the appropriation from which it was drawn.

9. Provided further, that the Department of Health Services shall reimburse hospitals operated by the University of California for medical teaching purposes, where the University is responsible for the operating costs of such a hospital, at rates for services to Medi-Cal patients which result in the minimum General Fund liability for the care of such patients.

10. Provided further, that without regard to fiscal year, the General Fund shall make a loan available not to exceed a cumulative total of $45 million to be transferred from time to time as needed to the Health Care Deposit Fund to meet cash needs. The Department of Health

Item Amount

Services shall report quarterly to the Department of Finance regarding loans and repayments made under this proviso. Such loans are subject to repayment provisions of Section 16351 of the Government Code. Any additional loan requirement in excess of $45 million shall be processed in the manner prescribed by Section 16351 of the Government Code. Provided further, that no General Fund money appropriated pursuant to this item shall be loaned for the purpose of meeting Short-Doyle progam fiscal obligations or to cover federal Short-Doyle program audit exceptions.

11. Provided further, that the amount authorized to be expended by this item is also subject to the provision relating to the increased costs of rules, regulations, or communications contained in Item 426-001.
12. Provided further, that no funds appropriated by this item shall be used for payment to any provider of durable medical equipment under a pilot program in Fresno and Madera Counties operating pursuant to Article 7 (commencing with Section 14490) of Chapter 8 of Part 3 of Division 9 of the Welfare and Institutions Code, who sells its services or goods outside the geographic area of the pilot program without complying with the treatment authorization request procedure of the Department of Health Services.
13. Provided further, that pursuant to Section 14154 of the Welfare and Institutions Code, the Department of Health Services shall continue the implementation of the County Administrative Cost Control Plan and expand the provisions of the plan to control eligibility determination costs at county hospitals and all costs for other outstationed eligibility functions.
14. Provided further, that notwithstanding any provisions of law to the contrary, none of the funds appropriated by this item shall be used to provide a cost-of-living adjustments to any county welfare department for personal, or nonpersonal services, which exceeds the percentage increase authorized by the Legislature for all counties in this item for the 1981–82 fiscal year.

Item Amount

The 1981–82 county administration cost control plan shall contain a provision which specifies that any county cost-of-living increase for personal and nonpersonal services which exceeds the percentage increase authorized by the Legislature shall be the sole fiscal responsibility of the county unless the excess costs are funded by permanent productivity increases.

The department shall not allocate, reallocate, or transfer unused portions of county cost-of-living funds between counties nor shall the department use funds from the unallocated reserve to fund cost-of-living adjustments in excess of the percentage increase authorized by the Legislature in this item.

15 Provided further, that recoveries of advances made to counties in prior years pursuant to Section 14153 of the Welfare and Institutions Code are hereby reappropriated to the Health Care Deposit Fund for reimbursement of those counties where allowable costs exceeded the amounts advanced; provided further, that recoveries in excess of the amounts required to fully reimburse allowable costs shall be transferred to the General Fund.

16. Provided further, that the department shall prepare budget change proposals to justify county projects which will add to the total cost of county administration in the 1981–82 or 1982–83 fiscal year.

17. Provided further, that the reimbursement rate for any procedure or service shall not be increased to exceed the Medicare rate for a comparable procedure or service, nor shall the reimbursement rate for any procedure or service which is currently above the Medicare rate be increased above its current level.

17.5. The Department shall not reimburse Los Angeles County Hospitals more than $162 per application nor more than the total appropriated in this item for Los Angeles County Hospitals.

18. The Department shall develop and implement an amendment to the county administrative cost control plan which would permanently reduce county administration allocations to reflect the savings that will result from MEDS implementation.

Item Amount

19. The augmentation of amounts available for expenditure for a category designated in any line of the schedules shall not exceed 3 percent of the amount so scheduled on that line, and that any augmentation of amounts available for expenditure in any line of the schedules be subject to Section 28 notification requirements.

20. Change orders to the fiscal intermediary contract for amounts exceeding $250,000 shall be approved by the Department of Finance not sooner than 30 days after written notification of the change order is provided to the chairman of the committee in each house which considers appropriations, the chairman of the committee in each house which considers bills relating to public health and welfare, and the Chairman of the Joint Legislative Budget Committee, or not sooner than such lesser time as the Chairman of the Joint Legislative Budget Committee, or his designee, may designate.

If there are changes or potential changes in federal funding, the Department of Finance shall provide timely written notification of such changes to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee. Such notification shall include proposed corrective action, including an implementation schedule and when the potential or actual change represents a decrease in federal funding.

The Department of Health Services shall require Computer Sciences Corporation to utilize a physicians/supplier claims form which shall be optically scannable and which shall collect sufficient data to permit the fiscal intermediary's medical claims processing system to be certified for maximum federal fiscal participation.

22. Notwithstanding any other provision of law, funds recovered by the department pursuant to Section 1268.5 of the Health and Safety Code shall be returned to the employees for whom the funds were originally intended.

Notwithstanding any other provision of law, skilled nursing facilities and intermediate care facilities participating in the Medi-Cal program shall maintain payroll records for a minimum of

Item Amount

five years after the close of the facility's fiscal period or until the payroll records have been audited pursuant to Section 1268.5 of the Health and Safety Code.

23. Provide further, that notwithstanding any other provision of law, abortion services by dilation and curettage, including suction curettage, shall be excluded from mandatory rate increase provisions of this item, and the department shall not reimburse providers more than $155 per dilation and curettage abortion, including suction curettage abortions.
24. Provided further, no allocation in excess of $500,000 shall be made from the unallocated reserve without review and approval by the Department of Finance of the allocation and the county plan for improved productivity.
25. Provided further, the availability of state and federal funds appropriated in Items 426-106-001(a) and 426-106-890 shall be subject to the following limitations:
    (a) The average cost per unit for hospital inpatient services shall not be more than 6 percent greater than the average cost per unit for 1980–81.
    (b) Rate increases for skilled nursing and intermediate care facilities including state hospitals shall not exceed the amounts determined pursuant to applicable federal law and state plan reimbursement requirements as calculated by the department.
    (c) State and federal funds appropriated for "other providers of service" in Items 426-106-001(a) (5) and 426-106-890(5) for physicians' services shall provide for rates of reimbursement which shall be not less than 6 percent higher than the reimbursement rate for each service or charge which was in effect on June 30, 1981. However, this provision shall not be applicable to physicians' fees which apply to abortion procedures. Pharmacy dispensing fees shall not be increased, nor are any funds appropriated for that purpose.

Item Amount

(d) Not more than $20,000,000 in total General Funds and federal funds nor more than $10,000,000 General Fund shall be expended on rate increases for pilot projects, California Dental Services or prepaid health plan rate increases; nor shall pilot projects, excluding California Dental Services, grant rate increases to subcontractors which are in excess of the limitations in subparagraphs (a), (b) and (c) above unless such increases result from contractual agreements signed before July 1, 1981.

26. Notwithstanding any other provision of law, the allocation of funds determined in subdivision (b) of Section 16702 of the Welfare and Institutions Code in Orange County with respect to its contract with the Board of Regents for indigent care shall not be made until such time as one of the following has occurred.
    (a) The Department of Health Services has completed its review and one of the alternative solutions presented in the review has been adopted by both the County and the Board of Regents; or
    (b) The County and the Board of Regents have reached a mutual resolution or agreement on the payments in dispute.
27. Provided further, that none of the funds appropriated by Item 426-101-001 through Item 426-101-890 shall be used to pay for abortions, except under any of the following circumstances.
    (a) Where the life of the mother would be endangered if the fetus were carried to full term.
    (b) Where the pregnancy is ectopic
    (c) Where the pregnancy results from an act punishable under Section 261 of the Penal Code, and such act has been reported, within 60 days, to a law enforcement agency or a public health agency which has immediately reported it to a law enforcement agency, and the abortion occurs during the first trimester.

Item	Amount
(d) Where the pregnancy results from an act punishable under Section 261.5 of the Penal Code, and the female is under 18 years of age, and the abortion is performed no later than the first trimester, provided the female's parent or guardian or, if none, an adult of the female's choice is notified at last five days prior to the abortion by the physician who performs the abortion. Regulations governing the notice requirement shall be promulgated by the State Director of Health Services.	
(e) Where the pregnancy results from an act punishable under Section 285 of the Penal Code, and such act has been reported to a law enforcement agency or a public health agency which has immediately reported it to a law enforcement agency and the abortion occurs no later than during the second trimester.	
(f) Where it is determined by prenatal studies limited to amniocentesis, fetal blood sampling, fetal antiography, ultrasound, X-ray, or maternal blood examination that the mother is likely to give birth to a child with a major or severe genetic or congenital abnormality due to the presence of chromosonal abnormalities, neural tube defects, biochemical diseases, hemoglobinopathies, sex-linked diseases, and infectious processes.	
(g) Where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term, when so certified under penalty of perjury by two physicians, one of whom, where practicable, is a specialist in the affected medical discipline, and documentation thereof is provided with the claim for payment.	
Provided further, that nothing in this provision shall be interpreted to prohibit payment for drugs or devices to prevent implantation of the fertilized ovum.	
Provided further, that limitation on payment for abortions provided for in this provision shall apply only to abortions performed after August 15, 1981.	

Item Amount

Provided further, that in every case there be, prior to abortion, appropriate counseling regarding the situation, complications, risks, benefits, and alternatives.

Provided further, that the State Department of Health Services provide the Legislature by May 1, 1982, a report listing the number of abortions theretofore paid for during fiscal year 1981–82 pursuant to this act, with such report to specify the number of abortions performed under each category, and further specify the number of abortions performed under each category, and further specify the reasons or conditions within each category which qualified the particular pregnancy for the abortion and payment pursuant to this provision.

27. Provided further the availability of state and federal funds appropriated in Items 426-106-001(a) and 426-106-890 shall be subject to the following limitations:
   (a) The average cost per unit for hospital inpatient services shall not be more than 6 percent greater than the average cost per unit for 1980–81.
   (b) Rate increases for skilled nursing and intermediate care facilities including state hospitals shall not exceed the amounts determined pursuant to applicable federal law and state plan reimbursement requirements as calculated by the department.
   (c) State and federal funds appropriated for "other providers of service" in Items 426-106-001(a) (5) and 426-106-890(5) for physicians' services shall provide for rates of reimbursement which shall not be less than 6 percent higher than the reimbursement rate for each service or charge which was in effect on June 30, 1981. However, this provision shall not be applicable to physicians' fees which apply to abortions procedures.

Pharmacy dispensing fees shall not be increased, nor are any funds appropriated for that purpose

Item		Amount
(d) Not more than $20,000,000 in total General Funds and federal funds nor more than $10,000,000 General Fund shall be expended on rate increases for pilot projects, California Dental Services or prepaid health plan rate increases; nor shall pilot projects, excluding California Dental Services, grant rate increases to subcontractors which are in excess of the limitations in subparagraphs (a), (b) and (c) above unless such increases result from contractual agreements signed before July 1, 1981.		
426-106-001—For provider rate increases, Department of Health Services		90,303,944
Schedule:		
(a) Medi-Cal Program		
(1) 50.11-Hospital Inpatient Services	30,000,000	
(2) 50.11-Skilled Nursing and Intermediate Care Facilities, including State Hospitals	16,203,630	
(3) 50.11-Drug Ingredients	1,679,200	
(4) 50.11-Prepaid Health Plans, Redwood Health Foundation and Pilot Projects	10,000,000	
(5) 50.11-All other providers of service, excluding pharmacy dispensing fees	27,618,000	
(6) 50.12-Child Health Disability Prevention Program Services	342,000	
(b) Family Planning Program	1,872,654	
(c) California Children's Services	2,328,708	
(d) Genetically Handicapped Persons Program	259,752	
426-106-890—For provider rate increases, Department of Health Services		73,382,398
Schedule.		
(1) 50.11-Hospital Inpatient Services	24,000,000	
(2) 50.11-Skilled Nursing and Intermediate Care Facilities, including State Hospitals	16,017,298	
(3) 50.11-Drug Ingredients	1,535,900	
(4) 50.11-Prepaid Health Plans, Redwood Health Foundation and Pilot Projects	10,000,000	

Item		Amount
(5) 50.11-All other providers of service, excluding pharmacy dispensing fees	21,829,000	

Provisions applicable to Items 426-106-001 through 426-106-890 for local assistance, Department of Health Services:

1. Provided, that upon approval of the Department of Finance, funds for Medi-Cal provider rate increases shall be transferred from Item 426-106-001 to Items 426-101-001(b) and (c).
2. Provided further, that upon approval of the Department of Finance, funds for Medi-Cal provider rate increases shall be transferred from Item 426-106-890 to Item 426-101-890(b).
3. Provided further, that upon approval of the Department of Finance, funds for family planning, California Children's Services and the Genetically Handicapped Persons Program shall be transferred from Item 426-106-001 to appropriate subitems in Item 426-111-001.

426-111-001—For local assistance, Department of Health Services		417,830,827
Schedule:		
(a) 10.20-Public and Environmental Health—Preventive Medical Services	4,689,009	
(b) 20.10-Family Planning	31,098,472	
(1) 20.10-Total Family Planning	35,098,472	
(2) Reimbursements	−4,000,000	
(c) 20.20-Maternal and Child Health	4,909,281	
(d) 20.30-California Children Services	34,107,102	
(1) 20.30.010 through 20.30.030-Total Other California Children Services	35,232,602	
(2) Less family repayments	−1,125,500	
(e) 20.30.040-California Children Services-genetically handicapped persons	4,326,210	
(f) 25-County Health Services	331,101,466	
(1) 25.10-Local Government Relief	330,396,465	
(2) 25 20-State Public Health Subvention	705,001	
(g) 40-Rural Health	7,599,287	
(1) 40.10-Rural Health	4,046,514	

Item		Amount
(2) 40.20-Indian Health	2,638,570	
(3) 40.30-Farmworker Health Services	914,203	
426-111-890—For local assistance, Department of Health Services, payable from the Federal Trust Fund		19,660,041
Schedule:		
(a) 20.20-Community Health Services, Maternal and Child Health	9,873,841	
(b) 20.30.010 through 20.30.030-Other California Children Services	4,704,700	
(c) 25.30-County Health Services, Formula Grants	5,081,500	

Provisions applicable to Items 426-111-001 through 426-111-890—for local assistance, Department of Health Services:

1. Provided, that in Program 10.20:
   a. $216,129 from Item 426-111-001, Program 10.20.010, shall be used for renal dialysis program in accordance with Article 7.7 (commencing with Section 417), Chapter 2, Part 1, Division 1 of the Health and Safety Code.
   b. $400,000 from Item 426-111-001, Program 10.20.020, shall be used for dental disease program.
   c. $1,293,306 from Item 426-111-001, Program 10.20.040, shall be used for immunization assistance.
   d. $397,765 from Item 426-111-001, Program 10.20.040, shall be used for a tuberculosis control program in accordance with the provisions of Section 3279 to 3295 and 3315 to 3317, inclusive, of the Health and Safety Code
   e. $1,196,480 from Item 426-111-001, Program 10.20.010, shall be used for preventive health services to aged.
   f $505,985 from Item 426-111-001, Program 10.20.010, shall be used for health risk reduction.
   g $679,344 from Item 426-111-001, Program 10.20.010, shall be used for lupus erythematosus.

Item Amount

2. Provided further, in Program 10.20, that should influenza vaccine, or funding for influenza vaccine, become available to the state, such resources or funds shall be used in lieu of equivalent funds appropriated from the General Fund for such purpose to the extent that the same target population is served.
3. Provided further, in Program 20.20:
   a. $1,052,255 from Item 426-111-001, Program 20.20.010, shall be used for genetic disease prevention.
   b. $428,653 from Item 426-111-001, Program 20.20.010, shall be used for Tay-Sachs disease screening.
   c. $2,389,013 from Item 426-111-001, Program 20.20.020, for perinatal health care.
   d. $900,000 from Item 426-111-001, Program 20.20.020, shall be used for primary care clinics.
   e. $755,925 from Item 426-111-001 shall be used for the high-risk infant follow-up project.
   f. $200,000 from Item 426-111-890 shall be used for the high-risk infant follow-up project.
4. Provided further, in Programs 20.30.010 through 20.30.030, funds appropriated from Items 426-111-001 and 426-111-890 for services to physically handicapped children shall be used in accordance with provisions of Article 2 (commencing with Section 248, Chapter 2 of Division 1 of the Health and Safety Code, provided that any person who is eligible for and is receiving services under the program funded by this item shall not be denied services or suffer an interruption of services because of any relocation within this state.
5. Provided further, in Program 20.30.040, funds appropriated from Item 426-111-001 for the genetically handicapped person's program shall be used in accordance with Article 3.6 (commencing with Section 340) of Chapter 2 of Division 1 of the Health and Safety Code.
6. Provided further, in Program 25.10, funds appropriated in Item 426-111-001 for local government relief are in lieu of the amount which would otherwise be appropriated in the County Health Services Fund for the 1981–82 fiscal year pursuant to Section 16702 of the Health and Safety Code.
7. Provided further, in Program 40.10:

Item Amount

a. $400,000 from Item 426-111-001 shall be used for primary care clinics.
b. Funds appropriated from Item 426-111-001 for rural health shall be used in accordance with Part 4 (commencing with Section 1185) of Division 1 of the Health and Safety Code.

8. Provided further, in Program 40.20 funds appropriated from Item 426-111-001 for Indian health services shall be used in accordance with Article 14 (commencing with Section 429.30), Chapter 2 of Part 1 in Division 1 of the Health and Safety Code.
9. Provided further, that the amount authorized to be expended by Items 426-111-001 and 426-111-890 are also subject to the provision relating to the increased costs of rules, regulations, or communications contained in Item 426-001-001.
10. Provided further, that the reimbursement rate for any procedure or service shall not be increased to exceed the Medicare rate for a comparable procedure or service, nor shall the reimbursement rate for any procedure or service which is currently above the Medicare rate be increased above its current level.
11. The director may allocate funds available pursuant to Section 16707 of the Welfare and Institutions Code not sooner than 30 days after notification of the priority funding areas and justification therefor is provided in writing to the chairman of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.
12. The Department of Finance shall not approve contracts or grants under the clinics program specified in Chapter 1186, Statutes of 1979, unless the Director of Health Services certifies that the contractor has (a) documented in detail the reasons for its financial problems, and (b) submitted a three-year financial plan.
13. Collections of family repayments (a) by CCS in excess of $1,125,500 and (b) by GHPP in excess of $100,000 shall be utilized to offset the General Fund appropriation to those programs.

Item Amount

14. The department shall cancel project contracts subject to Section 1185.6 of the Health and Safety Code, if the contractor has repeated serious violations of contract terms or makes no progress towards improving performance of contract objectives.
15. The department shall implement a co-payment system for family planning services by July 1, 1981.
16. The CCS Program may require all CCS applicants who are potentially eligible for cash grant public assistance to apply for Medi-Cal eligibility prior to becoming eligible for CCS funded services.

426-121-001—For local assistance, Department of Health Services, Legislative Mandates, Program 80, for reimbursement, in accordance with subdivision (a) Section 2231 of the Revenue and Taxation Code, of the costs, which relate to activities of the Department of Health Services, of any new program or increased level of service of an existing program mandated by Statute, State Controller.... 101,721
Provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates the reimbursement of such costs and of subdivision (d) of Section 2231 of the Revenue and Taxation Code.

426-301-036—For capital outlay, Department of Health Services, payable from the Special Account for Capital Outlay, General Fund 364,467

Provisions applicable to Item 426-301-036—for capital outlay, Department of Health Services:

1. Provided, that:
   a. $146,200 from Item 426-301-036 shall be used for autoclave replacement in Berkeley.
   b. $218,267 from Item 426-301-036 shall be used for minor capital outlay.
2. Provided further, that expenditure of funds appropriated in Item 426-301-036 shall be subject to the prior approval of the State Public Works Board.

426-490—Reappropriation, Department of Health Services Notwithstanding any other provisions of law, the unencumbered balance, on the effective date of this act, of the appropriation provided in the following citation, is reappropriated for the purposes provided for in the appropriation, and shall

Item	Amount
be available for expenditure until June 30, 1982:	
188—Energy and Resources Fund	
(a) Item 540(a), Budget Act of 1980, gas engine cogeneration/A/C-Fairfield animal facility	
426-495—Reversion, Department of Health Services. As of June 30, 1981, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made:	
001-General Fund	
(a) Chapter 1499, Statutes of 1970, home dialysis training center	
(b) Chapter 1212, Statutes of 1976, genetically handicapped	
(c) Chapter 892, Statutes of 1978, infant medical dispatch	
(d) Chapter 983, Statutes of 1978, sickle cell screening	
(e) Chapter 1324, Statutes of 1978, hospice pilot projects	
(f) Chapter 1386, Statutes of 1978, vital statistics	
(g) Chapter 1427, Statutes of 1978, Medi-Cal reimbursement for developmentally disabled services	
(h) Chapter 710, Statutes of 1979, repayment of emergency fund loan	
(i) Chapter 1134, Statutes of 1979, dental disease, except $600,000 from subdivision (1) of Section 2 thereof shall not revert	
(j) Chapter 1141, Statutes of 1979, perinatal care	
(k) Chapter 1155, Statutes of 1979, Huntington's disease	
(*l*) Chapter 1156, Statutes of 1979, Medi-Cal benefits for working disabled	
(m) Chapter 1197, Statutes of 1979, Medi-Cal dialysis program eligibility	
(n) Chapter 1097, Statutes of 1979, hazardous waste transport	
(o) Chapter 1186, Statutes of 1979, clinics operating grants	
(p) Chapter 1161, Statutes of 1980, hazardous waste land use controls	
430-001-001—For support of Department of Developmental Services	15,044,670
Schedule:	
(a) 100000-Personal Services 15,215,509	
(b) 300000-Operating Expenses and Equipment 5,253,235	
(c) Reimbursements ..... −721,879	

Item			Amount
(d) Amount payable from Item 430-101-001			−4,602,628
(e) Amount payable from Developmental Disabilities Program Development Fund (Item 430-001-172)			−99,567
(f) Uniform accounting system			0
(1) Consolidated data centers	420,000		
(2) Amount payable from Item 295(b), Budget Act of 1980, reappropriated pursuant to Item 430-491	−420,000		

430-001-172—For support of Department of Developmental Services, to be transferred to Item 430-001-001, payable from the Developmental Disabilities Program Development Fund 99,567

Provisions applicable to Item 430-001-001 through 430-001-172—for support of Department of Developmental Services:

1. Provided, that the Director of Developmental Services may give public notice relative to proposing or amending any rule or regulation which could result in increased cost to any program administered by the Department of Developmental Services only after approval by the Department of Finance as to the availability of funds.
2. Provided further, that any rule or regulation adopted by the Director of Developmental Services during the 1981–82 fiscal year which adds to the cost of any program administered by the Department of Developmental Services shall only be effective from and after the date upon which it is approved as to availability of funds by the Department of Finance
3. Provided further, that the Department of Developmental Services may install an automated pharmacy system in hospitals other than Fairview State Hospital if it transmits an evaluation of the Fairview pilot project, including a cost benefit analysis and a feasibility study report on the expanded project, which has been approved by the Department of Finance, to the Joint Legislative Budget Committee and the fiscal committees in each house, 30 days prior to the date

Item		Amount
of the first installation.		
430-011-001—For support of the State hospitals, Department of Developmental Services		0
Schedule:		
(a) 20-Hospital Services	0	
(1) 20-Total Hospital Services	433,567,492	
(2) Reimbursements	−9,572,432	
(3) Amount payable from Item 430-101-001	−302,987,189	
(4) Amount payable from Mental Health Appropriations	−121,007,871	
Provisions applicable to Item 430-011-001—for support of the state hospitals, Department of Developmental Services.		
1 Provided, that upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and items 430-101-001, 444-101-001, and 444-011-001.		
430-101-001—For local assistance, Department of Developmental Services		503,462,563
Schedule:		
10 10-Regional Centers	(175,882,122)	
10.10.010-Operations	(71,100,931)	
(a) 10.10.010.010-Personal services	57,352,695	
(b) 10.10.010.020-Operating expense and equipment	13,748,236	
10.10.020-Purchase of services	(103,992,439)	
(c) 10 10.020 010-Out-of-home care	50,107,917	
(d) 10.10.020.020-Day programs	19,884,954	
(e) 10.10.020.030-Medical services	3,002,955	
(f) 10.10.020 040-Camps and respite care	3,699,842	
(g) 10.10.020.050-Other services	27,296,771	
(1) 10 10.020.050-Total other services	29,209,016	
(2) Amount payable from Item 297(h), Budget Act of 1980, as reappropriated by Item 430-490	−1,912,245	
(h) 10.10.030-Intermediate care facilities—developmentally disabled-habilitation	788,752	
(hx) 10.30-Program development	0	

Item			Amount
(1) 10.30-Total program development	2,064,918		
(2) Amount payable from Item 430-101-172	−2,064,918		
(i) 10.40-Protective living services			4,602,628
(j) 10.50-Cultural center for the handicapped			127,370
(*l*) 10.60-Special pilot projects			0
(1) 10.60-Total special pilot projects	750,000		
(2) Amount payable from Item 297(m), Budget Act of 1980, as reappropriated by Item 430-490	−750,000		
(m) 20-State hospital services			302,987,189
(n) 20.10-Patton project			2,381,310
(nx) 30-Price and provider rate increase			17,337,454
(o) 20.20-Special project activities			0
(1) 20.20-Total special project activities	3,742,453		
(2) Reimbursements	−2,900,768		
(3) Amount payable from Item 430-101-890	−841,685		
(p) 40-Legislative Mandates			144,490

430-101-172—For local assistance, Department of Developmental Services, Program 10.30 Program Development, payable from the Developmental Disabilities Program Development Fund 2,064,918

430-101-890—For local assistance, Department of Developmental Services, Program 20.20 Special Activities, payable from the Federal Trust Fund 841,685

Provisions applicable to Items 430-101-001 through 430-101-890—For local assistance, Department of Developmental Services:

1. Provided, that upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between Item 430-101-001 and Items 430-011,001, 444-101-001, and 444-011-001. Provided further, that the Department of Finance may authorize the transfer of funds from this item to the Health Care Deposit Fund for the State's share of expenditures for developmental disabilities services provided to persons

Item		Amount

eligible under the California Medical Assistance Program.

2. Provided further, that, notwithstanding any other provision of law, the Director of the Department of Developmental Services shall establish guidelines for the expenditure of funds budgeted for the regional centers.
3. Provided further, that, notwithstanding provisions of Section 27 or any other provision of law, the Director of the Department of Developmental Services may authorize the transfer of funds between Schedules (c), (d), (e), (f), and (g) of Item 430-101-001 in such amounts as the director deems necessary, provided further, that the Department of Developmental Services shall furnish quarterly reports of such transfers to the Department of Finance identifying the assumptions and necessity therefor.
4. Provided further, that commensurate with the submittal of quarterly reports on transfers, the department shall report on the expenditure estimates of all categories of Program 10.10, Regional Centers.
5. Provided further, that the Department of Developmental Services' proposed allocations for level-of-care staffing in State hospitals that serve the developmentally disabled shall be submitted to the Department of Finance for review and approval in July and again on a quarterly basis. The July and each quarterly reports shall include an analysis of client characteristics of admissions and discharges in addition to information on any changes in characteristics of current residents.
6. The amount of $144,490 is appropriated in Schedule (p) of Item 430-101-001 for reimbursement, in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs, which relate to activities of the Department of Developmental Services, of any new program or increased level of service of an existing program mandated by statute, provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates the reimbursement of such costs and of subdivision (d) of Section 2231 of the Revenue and Taxation Code.

Item Amount

7. Provided further, that the department may use any savings obtained by revising the staffing requirements for psychologists in the state hospitals to establish training positions in the hospital.
8. Provided further, that the Departments of Developmental Services, Mental Health, and Education report to the Joint Legislative Budget Committee by December 1, 1981, on the implementation of Chapter 1191, Statutes of 1980. The specific requirements for the report shall be those identified in supplemental report language adopted for this item.
9. Provided further, that the Departments of Mental Health and Developmental Services, in administering the Napa State Hospital Orthomolecular Treatment Project, shall seek the advice of the consultant's committee established to assist the hospital and work cooperatively with that body.
10. Provided further, that the department shall report to the Joint Legislative Budget Committee no later than December 15, 1981, concerning the feasibility of reducing state hospital populations using performance contracts similar to those currently being used to phase out the developmental disabilities program at Patton State Hospital. The components of this report shall be those specified in the supplemental report language for this item.
11. Provided further, that notwithstanding any other provision of law, regional centers shall not provide regional center employees with a cost-of-living adjustment for salaries, wages, or benefits which exceeds the percentage amount granted by the Legislature in this act.
12. Provided further, that the Department of Developmental Services shall implement by August 15, 1981, an absence payment policy for regional center-vendored programs serving children from birth to age three, which pays vendors the set monthly rate for a client, who attends 50 percent or more of his or her monthly program days and half the set monthly rate for a client who attends less than 50 percent of his or her monthly program days. If a client is absent 50 percent or more of his or her program days in three consecutive months, the regional center shall review the appropriate-

Item Amount

ness of the infant's enrollment in the program.

13. Provided further, that no funds shall be expended from Item 430-101-172 after August 1, 1981, unless the department revises the existing parental fee schedule for minor children placed in out-of-home care. This revision shall adjust the existing fees and income schedules (1) to reflect increases in the general cost of living since January 1, 1979, and (2) to make the fees neutral with respect to family income, by applying the existing proportional liability on median family income across all income groups.

Provided further, that the department shall design and implement, no later than July 1, 1982, fee schedules for nonresidential services. These schedules shall reflect the following criteria:

(a) Fees shall encourage treatment in the least restrictive, normalizing settings, and shall encourage parents to keep their developmentally disabled children at home.

(b) Fees shall be based in part on ability to pay and shall reflect application of the existing proportional liability or median family income across all income groups.

(c) Fees shall not result in a parent paying more than the total actual cost of caring for a normal child at home.

(d) Fees shall not discourage the use of preventive services, including prenatal diagnosis services.

(e) Fees shall not discourage the adoption of developmentally disabled children.

(f) Fees shall not impose unreasonable or excessive administrative costs on regional centers.

Provided further, that the fee schedules for nonresidential services shall be designed in consultation with a Parental Fee Advisory Committee, consisting of seven members, selected by the department. Three of the members shall be the parents, guardians, or conservators representing consumer organizations which advocate for persons with developmental disabilities, one member shall be a representative of the Association of Regional Center Agencies, one member shall be a representative of the Organization of Area Boards, one member shall be a representative of the State

Item			Amount
Council on Developmental Disabilities, and one member shall be a representative of the Department of Finance. Provided further, that the department shall report to the Joint Legislative Budget Committee no later than February 1, 1982, on the revision on fee schedules for residential care and the development of fees for nonresidential services.			
430-301-036—For capital outlay, Department of Developmental Services payable from the Special Account for Capital Outlay			57,111,234
Schedule:			
(a) Fire and Life Safety and Environmental Improvements-Developmentally Disabled Programs		13,808,222	
Camarillo State Hospital:			
Fire and Life Safety and Environmental Improvements:			
	(2) Buildings 47, 51 and 58—working drawings and construction	3,138,400	
Fairview State Hospital·			
Fire and Life Safety and Environmental Improvements:			
	(3) Buildings K, U, and T (Items to Complete)	136,600	
Frank D. Lanterman State Hospital:			
Fire and Life Safety and Environmental Improvements:			
	(4) RTC Building—construction	1,028,050	
Sonoma State Hopital:			
Fire and Life Safety and Environmental Improvements:			
	(5) Butler Building—preliminary plans, workings drawings and construction	1,950,000	
Stockton State Hospital:			
Fire and Life Safety			
	(7) Fire Reporting System—R&T Building	350,000	
Statewide:			

Item		Amount
Fire and Life Safety and Environmental Improvements:		
(8) Project Management Services	1,025,000	
Environmental Improvements:		
(9) Wardrobes, Chests, Shelving, and Privacy Curtains	3,556,200	
Environmental Improvements:		
(10) Special Function and Durability Items	1,561,000	
Environmental Improvements:		
(11) Acoustical Treatment for Sound Control	1,062,972	
(b) Developmental Disabled Program—projects to complete renovations for 8,070 clients in the event proposed federal regulations are not adopted pursuant to the language of this act pertaining to this appropriation		23,262,616
(c) Electrical Distribution Projects		3,271,350
Camarillo State Hospital:		
(1) Improvements to Electrical Distribution System—preliminary plans, working drawings and construction	1,638,900	
Napa State Hospital:		
(2) Modify Electrical Distribution System, M Units, T Units and RTC—construction	453,300	
Porterville State Hospital:		
(3) Primary Electrical Distribution System Improvements—construction	1,179,150	
(d) Conservation and Comfort Conditioning of Patient Occupied Space		3,611,394
Napa State Hospital:		
(1) Units 254, 256, and 257—construction	1,607,657	

Item			Amount
	(2) Units 195 and 196 —construction	2,003,737	
(e)	Statewide:		2,002,225
	(1) Earthquake Safety Modifications.....	146,900	
	(2) Handicapped Accessibility—Phase II	1,111,700	
	(3) Minor Capital Outlay	743,625	
(f)	Department of Developmental Services Fire and Life Safety and Environmental Improvements—Mentally Disabled Programs.....		11,155,427
Napa State Hospital:			
Fire and Life Safety and Environmental Improvements:			
	(1) RTC Building—construction	2,964,000	
Fire and Life Safety and Environmental Improvements:			
	(2) Units 195 and 196 —construction	7,873,027	
Fire and Life Safety and Environmental Improvements:			
	(3) Units 254, 256, and 257—construction	306,900	
Fire and Life Safety:			
	(4) Install Fire Sprinklers—RTC	11,500	

5. Provided further, that no funds shall be allocated by the State Public Works Board for projects included in (e) (2) until regulations proposed by the Office of the State Architect regarding handicapped access in public buildings have been adopted in the California Administrative Code.
6. Provided further, that prior to the allocation by the State Public Works Board of construction funds included in projects (a) (7) and (c) (1), the Director of the Department of Developmental Services shall submit the working drawings and detailed cost estimates for the projects to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or his or her designee, for their review.

Item			Amount
7. Provided further, that notwithstanding the provisions of Section 8.00 of this act, the State Public Works Board may augment the amount contained under Item 430-301-036 for fire, life safety, environmental improvement projects only, by an amount in excess of 20 percent, but not more than 50 percent, of the construction contract amount only for each such project. Provided further, that the Legislature shall be notified of any such augmentations as required under Section 8.00 of this act.			
430-301-189—For capital outlay, Department of Developmental Services, payable from the Energy Account, Energy and Resources Fund			4,156,535
(a) Agnews State Hospital:			
(1) Cogeneration System, East Campus —preliminary plans		43,800	
(2) Cogeneration System, West Campus —preliminary plans		79,200	
(b) Camarillo State Hospital:			
(1) Replace Boilers—preliminary plans		37,600	
(2) Cogeneration system—preliminary plans		44,960	
(c) Frank D. Lanterman State Hospital:			
Cogeneration System—preliminary plans			87,000
(d) Napa State Hospital:			
(1) Cogeneration System Phase II—construction		1,301,775	
(3) Conservation and Comfort Conditioning of Patient Occupied Space, R&T Building—construction		2,562,200	
Provisions applicable to Items 430-301-036 and 430-301-189—For capital outlay, Department of Developmental Services:			

Item		Amount
	1. Provided, that funds appropriated in Item 430-301-036, with the exception of schedule (b), shall be available to renovate sufficient capacity for 7,158 developmentally disabled clients and such projects shall proceed into construction as soon as possible in accordance with the department's plan of correction.	
	2. Provided further, that in the event federal regulations are adopted which extend the July, 1982 deadline to correct fire and life safety and environmental improvements deficiencies, up to $8,000,000 of the funds appropriated in schedule (b) of Item 430-101-036 shall be available for transfer to Item 430-101-001 to develop new programs for state hospital clients through separate performance contracts with regional centers. The Department of Developmental Services shall be responsible for developing a detailed plan for expenditure of the $8,000,000 to be approved by the Department of Finance. The approved plan for expenditure shall then be submitted to the chairmen of the fiscal committees and the Chairman of the Joint Legislative Budget Committee at least 30 days prior to transfer of any funds. The $8,000,000 shall be available for fiscal years 1981–82, 1982–83, and 1983–84. Once notice has been provided that federal regulations have been adopted, the Department of Finance shall immediately revert any funds remaining in schedule (b) of Item 430-311-036 to the unappropriated surplus of the Special Account for Capital Outlay	
	3. Provided further, that in the event federal regulations are not adopted which would extend the July, 1982 deadline to correct fire and life safety and environmental improvement deficiencies, funds appropriated in schedule (b) of Item 430-301-036 shall be available to renovate sufficient capacity for 8,070 developmentally disabled clients according to the following schedule:	
	Fairview State Hospital:	
	Fire and Life Safety and Environmental Improvements:	
	(1) R & T Building—working drawings and construction	1,729,100
	Frank D. Lanterman State Hospital:	
	Fire and Life Safety and Environmental Improvements:	
	(2) RTC Building—construction	3,022,950

Item		Amount
	Napa State Hospital:	
	Fire and Life Safety and Environmental Improvements:	
	(3) Unit 197—construction	4,134,000
	Fire and Life Safety and Environmental Improvements:	
	(4) Unit 255—construction	148,400
	Conservation and Comfort Conditioning of Patient-Occupied Space:	
	(5) Unit 197—construction	978,963
	(6) Unit 255—construction	535,803
	Porterville State Hospital:	
	Fire and Life Safety and Environmental Improvements:	
	(7) Units F-1, F-2, F-3, F-4, F-10, F-11, F-12, and M-4—construction	7,598,300
	Stockton State Hospital:	
	Fire and Life Safety and Environmental Improvements:	
	(8) Cottage G—construction	6,389,700
	Statewide:	
	(9) Furnishings—unallocated reduction	−1,274,600

4. Provided further, that if the Department of Finance determines that cogeneration is feasible at Camarillo State Hospital, then the design for replacement of boilers in Item 430-301-189 (b) (1) shall take into account the potential for cogeneration at the facility. New equipment shall be compatible with any plan for installing cogeneration.

430-490—Reappropriation, Department of Developmental Services. Notwithstanding any other provisions of law, the unencumbered balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in such appropriations, and shall be available for expenditure until June 30, 1982:

001—General Fund

(1) Item 297 (h), Budget Act of 1980, Community living continuums, not to exceed $1,912,245.

(2) Item 297 (m), Budget Act of 1980, Special Pilot Projects not to exceed $750,000.

036—Special Account for Capital Outlay

(1) Item 541 (a) (8), Budget Act of 1980, Sonoma State Hospital Fire and Life Safety and environmental, Fredrickson Building only—construction.

Item Amount

(2) Item 541(d)(2), Budget Act of 1980, Napa State Hospital Conservation and Comfort Conditioning of Patient-Occupied Space, units 195, 196, and 197—working drawings.

(3) Item 541(d)(3), Budget Act of 1980, Napa State Hospital Conservation and Comfort Conditioning of Patient-Occupied Space, units 254, 255, 256, and 257—working drawings.

(4) Item 541(d)(5), Budget Act of 1980, Napa State Hospital modifications to electrical distribution system; T units—working drawings.

(5) Item 541(d)(6), Budget Act of 1980, Napa State Hospital Modifications to Electrical Distribution System; M units and RTC—working drawings.

430-491—Reappropriation, Department of Developmental Services. Notwithstanding any other provisions of law, the unencumbered balance of Item 295 (b) of the Budget Act of 1980 relating to the implementation of a computerized uniform accounting system for regional centers, on the effective date of this act, is reappropriated for the purposes provided for in such appropriation, and shall be available for expenditure until September 30, 1981.

001—General Fund

1. Item 295 (b), Budget Act of 1980, Departmental Administration—consolidated data centers, not to exceed $420,000

430-495—Reversion, Department of Development Services. Notwithstanding any other provisions of law, as of June 30, 1981, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made:

036—Special Account for Capital Outlay

(1) Item 541(a)(1), Budget Act of 1980—Agnews State Hospital, fire and life safety and environmental, buildings 22 and 24—construction.

(2) $2,568,023 of the amount appropriated by Item 541(a)(3.1), Budget Act of 1980—Patton State Hospital, fire and life safety and environmental, building 20(70)—preliminary plans, working drawings, and construction to provide for Camarillo State hospital, working drawings, and construct fire, life safety, and environmental improvements, buildings, 47, 51, and 58.

Item Amount

(3) Item 541(a)(7), Budget Act of 1980—Napa State Hospital, fire and life safety and environmental, Unit 197 construction.

(4) Item 541(a)(9), Budget Act of 1980—Sonoma State Hospital, fire and life safety and environmental, Regamy, Emparam, and Ordahl-Johnson—preliminary plans, working drawings, and construction.

(5) Item 541(c)(2), Budget Act of 1980—Fairview State Hospital, install emergency electrical power, phase II—construction.

(6) Item 541(d)(2), Budget Act of 1980—Napa State Hospital, conservation and comfort conditioning of patient occupied space, units 195, 196, 197, and 198—preliminary plans, working drawings and construction.

(7) Item 541(d)(3), Budget Act of 1980—Napa State Hospital, conservation and comfort conditioning of patient occupied space, units 254, 255, 256, and 257—preliminary plans, working drawings and construction.

(8) Item 541(d)(5), Budget Act of 1980—Napa State Hospital, modifications to electrical distribution system; T units—preliminary plans, working drawings and construction.

(9) Item 541(g)(3), Budget Act of 1980—Sonoma State Hospital, air conditioning and fire sprinklers, Stoneman, King, Osborne, Poppe, Bane, Thompson, Hill—preliminary plans, working drawings, and construction.

(10) Item 542(1), Budget Act of 1980—Napa State Hospital, fire and life safety and environmental improvements, units 195 and 196—construction.

(11) Item 471(a)(5), Budget Act of 1979—Camarillo State Hospital, environmental improvements, RTC building—preliminary plans and working drawings.

(12) Item 471(a)(21), Budget Act of 1979—Sonoma State hospital, fire and life safety and environmental improvements, Regamy, Emparam, Paxton, Parmelle, Cromwell, McDougall, Lux, Smith, Osborne and Roadruck—working drawings and construction.

(13) Item 471(o), Budget Act of 1979—Fairview State Hospital, alterations and modifications to laundry—preliminary plans and working drawings

Item		Amount
(14) Item 471.1(7), Budget Act of 1979—Stockton State Hospital, fire and life safety and environmental improvements, cottage G—preliminary plans, working drawings and construction.		
444-001-001—For support of Department of Mental Health		14,479,042
Schedule:		
(a) 100000-Personal Services	23,022,061	
(b) 300000-Operating Expenses and Equipment	9,263,912	
(c) Reimbursements	−3,900,007	
(d) Amount payable from other appropriations	−13,497,300	
(e) Amount payable from the Federal Trust Fund (Item 444-001-890)	−409,624	
444-001-890—For support of Department of Mental Health, to be transferred to Item 444-001-001, payable from the Federal Trust Fund		409,624

Provisions applicable to Items 444-001-001 through 444-001-890—for support of Department of Mental Health:

1. Provided, that the Director of Mental Health may give public notice relative to proposing or amending any rule or regulation which could result in increased cost to any program administered by the Department of Mental Health only after approval by the Department of Finance as to the availability of funds; and provided further, that any rule or regulation adopted by the Director of Mental Health during the 1981–82 fiscal year which adds to the cost of any program administered by the Department of Mental Health shall only be effective from and after the date upon which it is approved as to availability of funds by the Department of Finance.
2. The department shall submit to the Joint Legislative Budget Committee by December 1, 1981, a feasibility study which analyzes the need for terminals leased to access the Executive Inquiry Network. The feasibility study report shall have been prepared in accordance with Section 4921 et seq., of the State Administrative Manual and approved by the Department of Finance.

Item Amount

2.5 If the federal government cuts federal funding for the Medi-Cal program by more than $50,000,000 below the amount budgeted in Item 426-101-890, and eliminates restrictions on the use of federal Medicaid funds for mental health programs, seven positions for resolving Short-Doyle compliance issues and $154,807 shall be deleted from Item 444-001-001.

3. A county may elect to directly provide protective social services in lieu of purchasing such services from the Department of Mental Health if the guidelines of the Department of Mental Health which were applied to counties so electing prior to July 1, 1980, are applied. It is the intent of this proviso to enable the transfer of state employees to county employment in such a way that personnel benefits are protected.

4. The department may expand the automated patient admissions, discharge, and transfer system at Metropolitan State Hospital to include automation of additional hospital functions, or install any such systems at a hospital other than Metropolitan State Hospital, only if the department requests funds for such expansion or installation from the Legislature and submits with its request an evaluation of the Metropolitan pilot project, including a cost benefit analysis, and a feasibility study report on the expanded project which reviews the feasibility of automating all additional functions which the department intends to automate with the existing system and which has been approved by the Department of Finance.

444-011-001—For support of the State Hospitals, Department of Mental Health 78,863,073

Schedule:

(a) 20.10.010-State-operated services .. 75,205,295

(1) 20.10.010-Total state-operated services 78,855,373

(2) Reimbursements .. —3,650,078

(b) 30.10.010-Community-based programs 3,657,778

Provisions applicable to Item 444-011-001—For support of the State Hospitals, Department of Mental Health:

Item		Amount

1. Provided, that the amounts appropriated above are for support of the hospitals for the mentally ill for judicially committed patients and patients committed pursuant to the penal code.
2. Provided, that upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 430-011-001, 430-101-001, and 444-101-001.
3. The Departments of Developmental Services, Mental Health, and Education shall report to the Joint Legislative Budget Committee by December 1, 1981, on the implementation of Chapter 1191, Statutes of 1980. The specific requirements for the report shall be those identified in supplemental report language adopted for this item.
4. The Departments of Mental Health and Developmental Services in administering the Napa State Hospital Orthomolecular Treatment Project shall seek the advice of the consultant's committee established to assist the hospital and work cooperatively with that body

444-101-001—For local assistance, Department of Mental Health 485,772,193

Schedule:

(a) 20.10.010-State-operated services		131,907,623
(b) 50.10.010-Local mental health services		335,052,610
(1) 50.10.010 Total local mental health services	402,225,527	
(2) Reimbursements	−67,172,917	
(c) 50.30-Prevention programs		817,500
(d) 50.30.010-Community residential treatment systems		17,680,800
(e) 70-Legislative mandates		313,660

Provisions applicable to Item 444-101-001—For local assistance, Department of Mental Health:

1. Provided, that the amounts appropriated above are for assistance to local agencies in the establishment and operation of mental health services, in accordance with the provisions of Division 5 (commencing with Section 5000) of the Welfare and Institutions Code, Department of Mental Health, and in addition, any amounts transferred from the Health Care Deposit Fund shall augment and be available for expenditure for the purposes specified in schedule (b).

Item Amount

2. Provided, that the Department of Finance may authorize the transfer of funds from this item to the Health Care Deposit Fund for the State's share of expenditures for mental health services provided to patients eligible under the California Medical Assistance Program.
3. Provided further, that upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Items 430-011-001, 430-101-001, 444-011-001, and 420-101-001.
4. Provided further, that county Short-Doyle planning estimates, allocations or reallocations to counties be approved by the Department of Finance and certified by the Department of Mental Health as to the source and availability of funds, and that such action would not create a deficiency.
5. Provided further, that up to $5,700,000 of the funds in program 20.10.010 will be identified for transfer to the counties by the Department of Mental Health to initiate performance contracts with counties for the reduction in State hospital utilization; provided further, that such funds shall be allocated upon the approval of the Department of Finance.
6. Provided further, that subject to the approval of the Department of Finance, an amount not to exceed $500,000 included in category (b) may be allocated directly by the Department of Mental Health to the Centers for Mental Health Training for the purpose of providing training services and resources to local mental health programs.
7. Provided further, that the department shall annually reduce non-level-of-care positions to account for decreased expenditures resulting from population declines.
8. Provided further, that the amount of $313,660 is appropriated in schedule (e) for reimbursement, in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs, which relate to activities of the Department of Mental Health, of any new program or increased level of service of an existing program mandated by statute, provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the

Item		Amount

provisions of each statute that mandates the reimbursement of such costs and of subdivision (d) of Section 2231 of the Revenue and Taxation Code.

9. Provided further, that the department shall transfer $362,282 to Item 430-101-001 for support of the San Joaquin Day Activity Program.
10. Provided further, that the sum of $9,000,000 shall be used by the Department of Mental Health to maintain the level of services in those counties which voluntarily contributed up to 10 percent of their net Short-Doyle costs in fiscal year 1980–81.
11. Provided further, that $700,000 of the funds appropriated by this item shall be held in reserve until legislation authorizes its expenditure for a medical evaluation project.

    Provided further, that if no legislation authorizes such expenditure by February 1, 1982, the funds shall be available for the other purposes specified in this item.
12. Provided further, that the department shall allocate $2,300,000 to Los Angeles County to continue local programs established with savings in the 1980–81 fiscal year.
13. Provided further, that the department shall reimburse county claims only if the services for which reimbursement is sought have been provided within six months of the date on which the county's reimbursement claim is submitted.
14. Provided further, that the department shall allocate $125,000 to fund startup costs for housing demonstration grants in Contra Costa, Alameda, Los Angeles, Kings, Monterey, and Mendocino Counties.

444-301-036—For capital outlay, Department of Mental Health payable from the Special Account for Capital Outlay 5,608,025

Schedule:

(a) Atascadero State Hospital:
    (1) Air conditioning and heating of patient occupied buildings-working drawings 495,000
(b) Metropolitan State Hospital:

Item		Amount
	(1) Comfort condition patient occupied building, units 402, 404, 406, 408, 410, 412, 414, and 416-preliminary plans and working drawings	124,400
	(2) Refurbish air conditioning systems, GT building-preliminary plans, working drawings, and construction	162,000
	(3) Install cogeneration system with boiler facility construction	4,549,600
	(c) Statewide:	
	(1) Handicapped accessibility	126,525
	(2) Minor capital outlay	150,500

Provisions applicable to Item 444-301-036—For capital outlay, Department of Mental Health

1 Provided, that the State Public Works Board shall not allocate any of the funds appropriated pursuant to category (c) (1), unless and until the Office of The State Architect adopts regulations in The California Administrative Code regarding handicapped access in public buildings.

2. Provided, that funds appropriated in Item 444-301-036, category (a) (1), shall be available only for design of modifications necessary for installation of air conditioning and heating in patient-occupied buildings.

444-490—Reappropriation, Department of Mental Health Notwithstanding any other provisions of law, the unencumbered balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in such appropriations, and shall be available for expenditure until June 30, 1982:

001-General Fund

(1) Notwithstanding any other provision of law, the unexpended balance of Item 302 (c) and (f) of the Budget Act of 1980, on the effective date of this act, is reappropriated in an amount not to exceed $4,900,000, not sooner than 30 days after the Department of Mental Health certifies that an equivalent amount of savings has been identified in final cost reports for 1980 –81 submitted by local mental health programs. However, the department shall reimburse a county's claim seeking reimbursement

Item Amount

for services provided in fiscal year 1980–81 only if the county's claim is submitted by March 1, 1982.

(2) Notwithstanding any other provisions of law, the unencumbered balance of the funds reappropriated by Section 10.22 of the Budget Act of 1980 shall be reappropriated in an amount not to exceed $3,000,000, not sooner than 30 days after local mental health programs have submitted their final cost reports for 1979–80 to the Department of Mental Health, and the department has certified to the Department of Finance that $3,000,000 in savings is available over and above the $4,000,000 reverted to the General Fund in the Budget Act of 1981. However, the department shall reimburse a county's claim seeking reimbursement for services provided in fiscal year 1979–80 only if the county's claim is submitted by October 1, 1981.

(2.5) Notwithstanding any other provision of law, $250,000 of the funds reappropriated in this item shall be held in reserve for the purpose of providing the state's share of the cost of school-based primary prevention projects until a statute is enacted which authorizes those expenditures.

(3) Upon approval of the Department of Finance, the department shall use up to $6,400,000 of the funds, reappropriated pursuant to the above provisions of this item, to fund patch programs in facilities which lost federal Medi-Cal funds during 1980–81, if federal funds do not become available in 1981–82. If federal funds should become available, the department shall, upon approval of the Department of Finance, use up to $6,400,000 of the funds reappropriated pursuant to the above provisions of this item to establish performance contracts with counties for reduction in state hospital utilization.

036-Special Account for Capital Outlay

(1) Item 544 (a) (1), Budget Act of 1980, Atascadero State Hospital, build energy efficient improvements-preliminary plans, working drawings and construction.

(2) Item 544 (a) (2), Budget Act of 1980, Atascadero State Hospital, install cogeneration system-preliminary plans, working drawings and construction.

Item		Amount
(3) Item 544 (b) (1), Budget Act of 1980, Metropolitan State Hospital, fire and life safety and environmental, units 401, 403, 405, 407, 409, 411, 413, and 415-working drawings and construction.		
(4) Item 544 (b) (2), Budget Act of 1980, Metropolitan State Hospital, environmental, air condition patient occupied buildings (CTE) with conservation equipment-construction.		
(5) Item 472 (d), Budget Act of 1979, Metropolitan State Hospital, air condition patient occupied buildings-preliminary plans and working drawings.		
444-495—Reversion, Department of Mental Health. As of June 30, 1981, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made.		
036—Special Account for Capital Outlay		
(1) Item 544 (b) (3), Budget Act of 1980-Metropolitan State Hospital, install cogeneration system with boiler facility-preliminary plans, working drawings, and construction.		
(2) Item 472 (b), Budget Act of 1979—Atascadero State Hospital, air condition patient occupied buildings, preliminary plans and working drawings.		
510-001-001—For support of Employment Development Department		34,093,841
Schedule:		
(a) 10-Employment and Employment Related Services	20,050,179	
(1) 10-Total Employment and Employment Related Services	65,407,629	
(2) Reimbursements	−37,430,726	
(3) Amount payable from Chapter 1181, Statutes of 1979	−7,000,000	
(4) Amount payable from Chapter 678, Statutes of 1977	−926,724	
(b) 20-Tax Collections and Benefit Payments	13,306,771	
(1) 20-Total Tax Collections and Benefit Payments	16,356,132	
(2) Reimbursements	−3,049,361	

Item			Amount
(c) 30-General Administration		0	
(1) 30-Total General Administration	174,265		
(2) Reimbursements	−174,265		
(d) 40-State Office of Economic Opportunity		736,891	
(1) 40-Total State Office of Economic Opportunity	999,527		
(2) Reimbursements	−262,636		
510-001-185-For Support of Employment Development Department, payable from the Employment Development Contingent Fund			7,981,094
Schedule:			
(a) 20-Tax Collections and Benefit Payments		6,174,903	
(b) 62-General Administration Undistributed		1,806,191	
510-001-588—For support of Employment Development Department, Tax Collections and Benefit Payments, Program 20, payable from the Unemployment Compensation Disability Fund			44,381,177
510-001-870—For Support of Employment Development Department, payable from the Unemployment Administration Fund			564,512,824
Schedule:			
(1) 10-Total Employment and Employment Related Services	256,365,774		
(2) 20-Total Tax Collections and Benefit Payments	220,908,878		
(3) 40-Total State Office of Economic Opportunity	87,238,172		
510-001-871—For Support of Employment Development Department, Tax Collections and Benefit Payments, Program 20, payable from the Unemployment Fund—Federal, not subject to the provisions of Section 28			1,463,268,479
510-001-890—For support of Employment Development Department, Tax Collections and Benefit Payments, Program 20, payable from the Federal Trust Fund, not subject to the provisions of Section 28			187,840,642
Provisions applicable to Items 510-001-001 through 510-001-890—For support of Employment Development Department:			

Item Amount

1. Provided, that the State Controller shall transfer funds appropriated by Item 510-001-001 only at such times as federal funds are deposited in the Unemployment Administration Fund and no transfer so made shall exceed 12.5 percent of the amount of federal funds so deposited; and provided further, that the amount available for transfer shall be reduced by the amount in cash or in-kind available from other sources as the State's share of the Work Incentive Program (WIN), as determined by the Employment Development Department and certified to the State Controller; however, such reduction shall not include an amount up to $1,500,000 to be utilized for the payment of training-related expenses, allowances, stipends, and child care for WIN registrants so that such individuals may receive employment services provided under Division 2 (commencing with Section 5000) of the Unemployment Insurance Code while in applicant status and such amount shall also be exempt from the 12.5 percent limit of this provision
2. Provided further, that funds from Item 510-001-001 for the community service representatives shall be requested in the budget for the Governor's Office commencing in the 1982–83 fiscal year.
3. Provided further, that $1,104,821 of the amount appropriated in category (a) of Item 510-001-001 shall be expended for the purposes of including Lake, San Mateo, and Ventura Counties in the Employment Preparation Program Pilot project.
4. Provided further, that $95,000 of the amount appropriated in category (2) of Item 510-001-870 shall be expended for purposes of evaluating the Shared Work Unemployment Program established by Chapter 937 of the Statutes of 1978
5. Provided further, that, of the funds appropriated by Item 510-001-870, $312,163,765 are not subject to the provisions of Section 28.

510-011-890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer 2,027,781,303

Schedule:

(a) For transfer to the Unemployment Federal Fund (871) 1,463,268,479

(b) For transfer to the Unemployment Administration Fund 564,512,824

Item		Amount
510-301-185—For capital outlay, Employment Development Department, payable from the Employment Development Contingent Fund		3,996,323
Schedule:		
80.05. Bakersfield		
(b) 80.05.010. Site acquisition and improvements, parking lot	275,606	
(c) 80.05.020. Preliminary planning, alterations	21,154	
(d) 80.05.030. Working drawings, alterations	35,747	
80.07. Fresno West		
(e) 80.07.020. Preliminary planning, alteration	24,217	
(f) 80.07.030. Working drawings, alterations	35,857	
80.12. San Jose		
(i) 80.12.030. Working drawings, building addition	38,950	
(j) 80.12.050. Construction, building addition	2,244,350	
80.16. Project Planning		
(m) 80.16.010. New projects	78,000	
80.22. Chico		
(o) 80.22.020 Working drawings, building alterations	15,100	
(p) 80.22.030. Construction, building alterations	366,063	
80.23. Redding		
(q) 80.23.010. Preliminary planning, building alterations	12,577	
(r) 80.23.020. Working drawings, building alterations	34,994	
(s) 80 23.030. Construction, building alterations	813,708	

510-490—Reappropriation, Employment Development Department Notwithstanding any other provisions of law, the unencumbered balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in such appropriations, and shall be available for expenditure until June 30, 1982:

871—Unemployment Fund

(1) Item 408(i), Budget Act of 1977, Bakersfield office, parking site acquisition and improvements.

(2) Item 470(c), Budget Act of 1978, Monterey office, working drawings.

Item Amount

(3) Item 470(d), Budget Act of 1978, Bakersfield office, parking site acquisition and improvements.

185—Employment Development Department Contingent Fund

(1) Item 546(a), Budget Act of 1980, Monterey—working drawings (partial).
(2) Item 546(j), Budget Act of 1980, Chico—working drawings.
(3) Item 546(o), Budget Act of 1980, San Jose—parking lot improvements.
(4) Item 546(r), Budget Act of 1980, Long Beach—building alterations.
(5) Item 546(s), Budget Act of 1980, Eureka—building alterations.
(6) Item 546(t), Budget Act of 1980, Vallejo—building alterations.
(7) Item 546(u), Budget Act of 1980, Modesto—parking lot acquisition and improvements.

510-495—Reversion, Employment Development Department. As of June 30, 1981, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made:

185—Employment Development Department Contingent Fund

(1) Item 473(i), Budget Act of 1979, Placerville—site acquisition.
(2) Item 473(j), Budget Act of 1979, Placerville—preliminary planning.
(3) Item 473(m), Budget Act of 1979, Torrance—site acquisition.
(4) Item 546(a.1), Budget Act of 1980, Oroville—construction, building addition.
(5) Item 546(b), Budget Act of 1980, Oroville—parking lot improvements.
(6) Item 546(h), Budget Act of 1980, Wasco—site acquisition.
(7) Item 546(*l*), Budget Act of 1980, El Centro—working drawings
(8) Item 546(m), Budget Act of 1980, El Centro—parking lot improvements.
(9) Item 546(q), Budget Act of 1980, Torrance—parking lot improvements.
(10) Item 470(e), Budget Act of 1978, Hollywood office—parking site acquisition and improvement.

Item			Amount
516-001-001—For support of Department of Rehabilitation			51,501,406
Schedule:			
(a) 10-Vocational Rehabilitation Services		14,195,949	
(1) 10-Total Vocational Rehabilitation of the Disabled	18,710,982		
(2) Reimbursements	−4,515,033		
(b) 20-Habilitation Services Program		33,572,644	
(1) 20-Total Habilitation Services	34,143,144		
(3) Amount payable from chapter 183, Statutes of 1980	−570,500		
(c) 30-Support of Community Facilities		3,732,813	
(d) 40-Administration		0	
(1) 40-Total Administration	2,125,169		
(2) Distributed Administration	−2,125,169		
516-001-890—For support of Department of Rehabilitation, payable from the Federal Trust Fund			82,897,731
Schedule:			
(a) 10-Vocational Rehabilitative Services		81,360,614	
(1) 10-Other Vocational Rehabilitative Services	80,452,990		
(2) 10.20-Vocational Rehabilitation Services–Vending Stands Account	907,624		
(b) 30-Support of Community Facilities		1,537,117	
(c) 40-Administration—undistributed		8,591,557	
(d) 41-Administration—distributed		−8,591,557	

Provisions applicable to Items 516-001-001 through 516-001-890—for support of Department of Rehabilitation:

Provided, that upon approval of the Director of Finance, the above programs may be augmented from other budget items in this act where funds have been budgeted for transfer to the Department of Rehabilitation for the programs contained in this budget item. Provided further, that such transfers shall enable the state to make maximum

Item		Amount
utilization of available federal funds.		
2. Provided, that the amount appropriated in Item 516-001-001 for support of independent living centers shall not be awarded to any center which does not provide a 10 percent cash match from nonstate sources, except for those centers which have been in operation two years or less.		
518-001-001—For support of Department of Social Services		46,130,498
Schedule:		
(a) 100000-Personal Services	88,497,668	
(b) 300000-Operating Expenses and Equipment	40,097,733	
(c) 443613-Tort Payment (Attorney Fees)	17,174	
(d) For Transfer to the Health Care Deposit Fund	3,031,136	
(e) Amount Payable from the Health Care Deposit Fund	−7,397,334	
(f) Reimbursements	−839,199	
(g) Amount payable from the Social Welfare Federal Fund (Item 518-001-866)	−76,538,060	
(h) Unallocated reduction	−738,620	
518-001-866—For support of Department of Social Services, to be transferred to Item 518-001-001, payable from the the Social Welfare Federal Fund after transfer from the Federal Trust Fund		76,538,060
Provisions applicable to Items 518-001-001 through 518-001-866—for support of Department of Social Services:		
1. Provided, that the Director of Finance may authorize the transfer of General Fund monies from Item 518-001-001 to Item 518-101-001, program 30, Community Care Licensing, in order to allow counties to perform the facilities evaluation function.		
2. Provided, that funds appropriated for transfer to the Health Care Deposit Fund for purposes of securing matching Federal funds are for administrative services rendered under the California Medical Assistance Program.		
3. Provided further, that $1,779,558 of $2,372,744 in General Fund, $4,163,895 of $5,550,527 in federal funds, and $156,707 of $208,942 in reimbursements appropriated by this act in support of the Statewide Public Assistance Network (SPAN) shall not be expended sooner than 30 days after		

Item Amount

submission to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house which considers appropriations, or no sooner than such lesser time as the Chairperson of the Joint Legislative Budget Committee or his or her designee, may determine, of an amended feasibility study report (FSR), prepared in accordance with the State Administrative Manual (Sections 4921 to 4928, inclusive) and approved by the Department of Finance which does each of the following:

a. Reconciles the estimated 1981–82 expenditures for SPAN shown in the FSR with the amounts proposed in the Governor's Budget for the 1981–82 fiscal year, as introduced.

b. Validates the selection of WCMIS/IBPS as the SPAN welfare alternative, including to the extent possible, a quantification of the adverse consequences of selecting WCMIS/IBPS Hybrid and Case Data Hybrid.

c. Contains a detailed work plan which, from a project management perspective, identifies all the tasks, deliverable products, and corresponding amount of time required for the SPAN project, including detailed implementation and evaluation plans for the pilot project. These plans should (1) identify and evaluate the cost/benefits of alternative methods of implementing the pilot, including the feasibility of contracting with a county for the use of county personnel and computing resources for the purpose of the pilot project, (2) contain a detailed work plan identifying all tasks to be performed in order to implement the pilot, (3) evaluate on a cost/benefit basis the acquisition of the pilot equipment through competitive bid as compared to a sole-source contract, and (4) contain an evaluation designed for measuring the anticipated benefits of the SPAN system. The time frames should be developed without regard to meeting a specified completion date. The department should document the basis upon which it estimated the amount of time required to complete each task.

d. Contains a detailed plan for recouping the state and federal share of anticipated savings.

Item Amount

e. Addresses any requirement for the acquisition of a site for computer operations, including a detailed plan identifying acquisition tasks and site preparation, and associated time frames.

4. Provided further, that authorization for expenditures to continue nine new data processing positions beyond December 31, 1981 shall become effective no sooner than 30 days after notification in writing by the Director of Finance to the Joint Legislative Budget Committee documenting (1) the amount of savings achieved by the department, (2) the new data processing systems which generated the savings, and (3) how the new data processing systems produced the savings.
5. Provided further, that the five positions established in the Food Stamp Program for the purpose of developing a plan to provide food stamps for SSI/SSP recipients shall be eliminated if it is determined by the Department of Finance that California will not be required to provide food stamps for SSI/SSP recipients.
6 Provided further, that funds appropriated by Item 518-001-001 shall be reduced by the Department of Finance by the amount of unscheduled reimbursements made available for the purpose of this item, except that the Director of Finance may authorize expenditure of unscheduled reimbursements no sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or no sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.
7. Provided further, that the $750,000 in federal funds appropriated in Item 518-001-866 to develop and implement a foster care information system shall be expended no sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee and approval by the State Office of Information Technology of a Feasibility Study Report for this system which meets the conditions outlined in the State Administrative Manual (Sections 4921 to 4928, inclusive). Provided further, that the

Item		Amount
	General Fund appropriation for Item 518-001-001 shall be reduced by that portion of the $750,000 not expended for development and implementation of a foster care information system.	
	8. Provided further, that upon request of the Department of Social Services, the Director of Finance may authorize the transfer of federal funds from Item 518-101-866 to category (e) of Item 518-101-866 to reimburse counties for their costs of implementing the Foster Care Information System.	
	9. Provided further, that the Department of Social Services shall submit a detailed report by April 1, 1982, to the Chairperson of the Joint Legislative Budget Committee and the committee of each house which considers appropriations, identifying how the unallocated General Fund reduction of $780,341 contained in this item was accomplished. The report shall identify by division the savings in personal services and operating expenses and equipment.	
	10. Provided that the department shall enter into an interagency agreement with Alameda County in the amount of $35,000 from items 518-001-001 and 518-001-866. The interagency agreement shall specify the development of procedures for the demonstration computerized management information system which will implement the reductions in the In Home Supportive Services Program required by the Budget Act appropriation.	
	11. Provided further, that the $1,053,950 (all funds) budgeted for reimbursement to the Health and Welfare Consolidated Data Center shall not be expended for any other purpose.	
518-101-001—For local assistance, Department of Social Services		2,876,822,415
Schedule:		
(a) 10.04-Payments for Children	1,352,632,000	
(1) 10.04.005—In-Lieu--Aid to Families with Dependent Children.....	1,342,962,000	
(2) 10.04.010—In-Lieu--Child Support Incentives	6,074,000	

Item		Amount
(3) 10.04.015—In-Lieu--Aid for Adoption of Children	3,596,000	
(b) 10.08-In-Lieu SSI/SSP	1,260,672,000	
(c) 10.12-Special Adult Program	3,220,000	
(d) 10.20-County Administration	105,820,000	
(e) 20-Social Services Program	148,271,815	
(1) 20.30—Other County Social Services	(2,500,000)	
(a) 20.30.205—24-hour response	2,500,000	
(2) 20.35—Specialized Adult Services ..	(127,844,305)	
(a) 20.35.220—In-home Supportive Services	123,597,615	
(b) 20.35.225—Family Planning.....	444,444	
(c) 20.35.240—Maternity Care	2,204,900	
(d) 20.35.250—Access Assistance for the Deaf	1,597,346	
(3) 20.40—Specialized Family and Children's Services	(1,354,643)	
(a) 20.40.260—Work Incentive Program	354,643	
(b) Child Development Services.....	1,000,000	
(4) 20.42—Adoptions ..	17,063,100	
(5) 20.44—Demonstration Projects	1,387,048	
(6) Reimbursements-social services program	—1,444,444	
(7) Amount payable from other appropriations	—432,837	
(f) 30-Community Care Licensing.....	6,189,000	
(g) 70-Local Mandate	17,600	
518-101-866—For local assistance, Department of Social Services, payable from the Social Welfare Federal Fund after transfer from the Federal Trust Fund		2,309,184,645
Schedule:		
(a) 10.04-Payments for Children	1,488,643,000	
(b) 10.12-Special Adult Program	52,000	
(c) 10.20-County Administration	331,997,000	
(d) 10.24-Refugee Programs	117,241,000	

Item		Amount
(e) 20-Social Services Program		371,251,645
Schedule:		
(1) 20.30 Other county social services		158,891,708
(a) 20.30.220 Adult and family and children's services	152,986,630	
(b) 20.30.205 24-hour response	5,905,078	
(2) 20.35 Specialized adult services		158,677,904
(a) 20.35.220 In-home supportive services	154,677,904	
(b) 20.35.225 Family planning	4,000,000	
(3) 20.35.230 Refugee Assistance Program Services		26,124,400
(a) County welfare department services	9,143,540	
(b) Contracted services	15,870,860	
(c) Cuban/Haitian services	1,110,000	
(4) 20.40 Specialized family and children's services		19,492,964
(a) 20.40.260 Work Incentive Program ..	15,373,518	
(b) 20.40.270 Child welfare services	4,119,446	
(5) 20.44 Demonstration programs		1,670,730
(6) 20.46 County services staff development.		1,934,486
(7) 20.48 University training programs		4,459,453
(a) County welfare staff training	2,575,343	
(b) Foster care	844,065	
(c) Child care	1,040,045	

Provisions applicable to Items 518-101-001 through 518-101-866—for local assistance, Department of Social Services:

1 Provided, that of the above appropriations the following are for transfer for direct disbursement by the Department of Social Services:

a. Program 10.04 from 001 General Fund to 919 Interstate Collection Incentive Fund 437,000

Item		Amount
	b. Program 10.04 from 866 Social Welfare Federal Fund to 919 Interstate Collection Incentive Fund	1,078,000
	c. Program 10.04 from 001 General fund to 957 Support Enforcement Incentive Fund	5,637,000
	d. Program 10.04 from 866 Social Welfare Fund to 957 Support Enforcement Incentive Fund	9,058,000

2. Provided further, that the cost of living increases provided in this act, which are equivalent to 9.2 percent, for the 1981–82 fiscal year for programs 10.04, 10.08, 10.12.060 and 20.35.220 are in lieu of any cost of living adjustments provided for (a) AFDC recipients pursuant to Section 11453 of the Welfare and Institutions Code, (b) SSI/SSP recipients pursuant to Section 12201 of the Welfare and Institutions Code, (c) Aid to the Potentially Self-Supporting Blind recipients pursuant to Section 13100 and 13103 of the Welfare and Institutions Code and (d) In-Home Supportive Services recipients pursuant to Sections 12303.5, 12303 7 and 12304 of the Welfare and Institutions Code.
3. Provided further, that no funds appropriated by Items 518-101-001 and 518-101-866 shall be encumbered unless every rule or regulation adopted and every all-county letter issued by the Department of Social Services which adds to the cost of any program is approved by the Department of Finance as to the availability of funds before it becomes effective. In making the determination as to availability of funds to meet the expenditures of a rule, regulation, or all-county letter which would increase the costs of a welfare program, the Director of Finance shall consider the amount of the proposed increase on an annualized basis, the effect such change would have on the expenditure limitations for such program set forth in this act, the extent to which the rule, regulation, or all-county letter constitutes a deviation from the premises under which the expenditure limitations were prepared, or any additional factors relating to the fiscal integrity of such program or the state's fiscal situation.

Item Amount

Provided further, that notwithstanding the provisions of Sections 28 and 28.4, the availability of funds contained in Items 518-101-001 and 518-101-866 for welfare rules, regulations, or all-county letters which add to program or county administrative costs funded from the General Fund in excess of $500,000 on an annual basis, and are not (a) specifically required as a result of the enactment of a federal or state law, or (b) included in the appropriation made by this act, shall not be approved by the Director of Finance sooner than 30 days after notification in writing of the necessity therefor to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or such lesser time as the chairman of the committee, or his or her designee, may in each instance determine.

Provided further, that notwithstanding the provisions of Sections 28 and 28.4, that welfare rules, regulations or all-county letters which add to program or county administrative costs in Items 518-101-001 and 518-101-866 funded from the General Fund in excess of $500,000 on an annual basis and are the result of a federal regulation shall be approved by the Director of Finance not sooner than 30 days after notification in writing of the necessity therefor to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee or such lesser time as the chairman of the committee, or his or her designee, may in each instance determine.

Provided further, that funds appropriated in Items 518-101-001 and 518-101-866 are for those programs as they exist on July 1, 1981, consisting of state and federal statutory law, regulations, and court decisions which are final on the merits, if funds necessary to carry out such decisions are specifically appropriated in this act However, no funds are appropriated or available in Items 518-101-001 and 518-101-866 and no funds appropriated in prior years are available for welfare rules, regulations, or all-county letters for court orders, for which funds are not specifically appropriated in this act, until a final court decision on the merits is issued.

Item Amount

Provided further, that for purposes of this provision "welfare" shall mean those programs under "Welfare Program Operations," as found in the Governor's Budget and consistent with definitions used in the California Fiscal Information System (CFIS).

4. Provided further, that notwithstanding the provisions of any appropriation of state funds made in the Welfare and Institutions Code, the amounts contained in Items 518-101-001 and 518-101-866 for program 10.04 are in lieu of the amounts which would otherwise be appropriated for the Child Support Incentive Payment Program (pursuant to Sections 15200.1 and 15200.2 of the Welfare and Institutions Code) and the Aid to Families with Dependent Children program (pursuant to Section 15200 of the Welfare and Institutions Code) including in-lieu foster care payments pursuant to Welfare and Institutions Code Section 16120

The Department of Social Services shall administer the public assistance programs so that the counties will bear no more than the amount of welfare costs that they would be obligated to bear under the applicable provisions of the Welfare and Institutions Code, without the expenditure limitations set forth herein, and so that the amount authorized to be expended in program 10.04, Aid to Families with Dependent Children Program shall fully cover the State share of aid payments and for services under such programs for the 1981–82 fiscal year.

There is hereby established for the next two quality control review periods, a dollar error rate standard of 4 percent, pursuant to Section 15200.4 of the Welfare and Institutions Code.

Provided further, that amounts realized from the counties as the result of a state fiscal sanction shall first be applied as an offset to the state's share of Program 10.04, Payments for Children. To the extent that this application results in a surplus to the General Fund appropriation for that program, such surplus shall revert to the General Fund.

Item Amount

The Director of Finance is authorized to approve expenditures in those amounts made necessary by changes in either caseload or payments, or any rule or regulation adopted and any all-county letter issued in program 10.04, Payments for Children, as a result of the enactment of a federal or state law, the adoption of a federal regulation, or the following of a final court decision on the merits, during the 1981–82 fiscal year which are within or in excess of amounts appropriated in this act for that year.

If the Director of Finance determines that the estimate of expenditures will exceed the expenditures authorized for program 10.04, Payments for Children, the director shall so report to the Legislature. At such time as the report is made, the amount of the limitation shall be increased by the amount of such excess unless and until otherwise provided by law.

Provided further, the federal share of the Payments for Children program costs, program 10.04, $1,488,643,000, are federal funds per Section 8.7.

Provided further, notwithstanding Chapter 1 of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed $75,000,000 shall be made available from the General Fund from funds not otherwise appropriated, to cover the federal share of costs for the Aid to Families with Dependent Children program when the federal share has not been received by this state prior to the usual time for transmitting such federal share to the counties of this state. Such loan from the General Fund shall be repaid when the federal share becomes available.

Provided further, that funds appropriated by category (e) of Item 518-101-001 shall be reduced by the Director of Finance by the amount of federal Title IV-A funds made available for the purposes of Item 518-101-866 (for foster care payments) in excess of the federal funds scheduled in Item 518-101-866 (for Title XX Social Services).

Item Amount

Provided further, that the Director of Finance may authorize the transfer of funds from Items 518-101-001 (a) and 518-101-866 (a) to Items 518-001-001 (a), (b), and (g) and 518-001-866 or Items 518-101-001 (d) and 518-101-866 (c) in such amounts as are necessary for the implementation and operation of the Emergency Assistance Program, not sooner than 30 days after written notification of the necessity therefor to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairman of the committee, or his designee, may in each instance determine.

5. The amounts contained in Item 518-101-001 for Program 10.08 are in lieu of the amounts which would otherwise be appropriated pursuant to Section 15201 of the Welfare and Institutions Code for the State Supplementary Payment Program for aged, blind, and disabled, as provided in Article 1 (commencing with Section 12000) to Article 5 (commencing with Section 12200), inclusive, of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code.

Provided, further, that funds transferred from the Federal Revenue Sharing Fund pursuant to Item 954-001-852 shall be expended prior to general funds appropriated for the State Supplementary Payment Program.

Provided further, that in order to maximize federal reimbursements for state funds erroneously expended by the federal government for the State Supplementary Payment Program, the Director of Finance may authorize the transfer of up to $322,000 from category (b) of Item 518-101-001 to categories (a) and (b) of Item 518-001-001 for the purpose of conducting a complete state review of the federal quality assessment sample for the program, not sooner than 30 days after written notification of the necessity therefor to the chairperson of the commitee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.

Provided further, that the department shall

Item Amount

not expend $322,000 for quality control review positions if the federal government contracts to implement a regression formula which projects the state's quality control findings to the entire federal sample for the State Supplementary Payment Program. In the event that the positions are established and the federal government subsequently adopts and contracts with the state for use of a regression formula for projecting the state's findings, the positions established shall be abolished.

6. The amounts contained in program 10.12, for the costs of the state's share of Special Adult Programs, including (a) special circumstances, as defined in Sections 11212, 12550, and 12551 of the Welfare and Institutions Code, (b) special benefits, pursuant to Sections 12151 and 12553 of the Welfare and Institutions Code, (c) aid to the potentially self-supporting blind, pursuant to Chapter 5 (commencing with Section 13000) of Part 3 of Division 9 of the Welfare and Institutions Code, and (d) temporary assistance for repatriates, are hereby appropriated.
7. The amounts contained in program 10.24, for the payment of aid for the Refugee Resettlement Program residuals and Cuban Phasedown recipients, are hereby appropriated
8. The amounts contained for program 10 20, County Administration, for costs of administering (a) the payment of aid grants as specified in Section 15204.2 of the Welfare and Institutions Code, (b) the Child Support Enforcement Program, as specified in Section 15204.2 of the Welfare and Institutions Code, (c) Special Adult Programs and Nonmedical Out-of-Home Care, (d) Food Stamps, as provided by Chapter 10 (commencing with Section 18900) of Part 6 of Division 9 of the Welfare and Institutions Code, (e) staff development, and (f) Refugee Resettlement Program residuals, (g) Cuban Phasedown, and (h) Cuban Haitians, are hereby appropriated.

Provided, that the Department of Social Services may act in the place of any county and assume direct responsibility for the administration of eligibility and grant determination Upon recommendation of the Director of Social Services, the Department of Finance may authorize the

Item Amount

transfer of funds from Items 518-101-001 and 518-101-866 to Items 518-001-001 and 518-001-806 for this purpose.

Provided further, that during the 1981–82 fiscal year, pursuant to Sections 15204.5 and 18906 of the Welfare and Institutions Code, the Department of Social Services shall continue the implementation of a plan whereby costs for county administration for AFDC and Food Stamp Programs will be effectively controlled within the total state funds appropriated for program 10.20, County Administration.

Provided further, that notwithstanding any provisions of the Welfare and Institutions Code to the contrary, the total amount of state funds available to the counties for administration of the programs specified in program 10 20, County Administration, shall be limited to the amount appropriated for that program.

Provided further, that notwithstanding any provisions of law to the contrary, no General Fund money appropriated by this act for Program 10.20, County Administration, shall be used to provide a cost-of-living increase to any county welfare department for personal, and nonpersonal services, which exceeds the percentage increase authorized by the Legislature for all counties in this act for 1981–82. However, a county may use General Fund money from its allocation for operating expenses for salary and benefit increases in excess of the percentage increase authorized by the Legislature for salary and benefit increases.

Provided further, that the 1981–82 county administrative cost control plan for Program 10.20, County Administration, shall contain a provision which specifies that of any county cost-of-living increase for personal, and nonpersonal services, which exceeds the percentage increase authorized by the Legislature shall be sole fiscal responsibility of the county unless the excess costs are funded by permanent productivity increases.

Provided further, that the department shall not allocate, reallocate, or transfer unused portions of county cost-of-living funds between counties to fund cost-of-living adjustments in excess of the percentage increase authorized by the Legislature in this act.

Item Amount

Provided further, that notwithstanding any other provisions of law, the Department of Social Services may withhold state financial support of a county's automated welfare operations if the county does not provide a fiscal accounting of such operations in the form and manner as may be requested by the department Provided further, that the Department of Social Services may enter into an agreement with a county wherein state financial support for the development or modification of county-automated welfare operations is conditioned upon the realization of savings projected by the county. EDP development or modification activities in a county shall be allowed only if the county can demonstrate a need which must be met before the centralized delivery system is scheduled to become operational.

Provided further, that the Director of Finance may authorize the transfer of such funds between category (d) of Item 518-101-001 and category (c) of Item 518-101-866, and categories (a), (b), and (g) of Item 518-001-001 and Item 518-001-866, as may be necessary for State Public Assistance Network (SPAN) development, not sooner than 30 days after written notification of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.

Provided further, that commencing July 1, 1981, the Department of Social Services shall submit to the Director of Finance a quarterly report identifying, to the extent feasible, county activities in support of the Statewide Public Assistance Network. The report shall include, but not necessarily be limited to, an identification of county staff and equipment supporting the Statewide Public Assistance Network with an estimate of related costs or savings, or both.

Provided, that in the event that recipients of aid under the State Supplementary Program for the Aged, Blind, and Disabled are determined eligible for federal food stamp benefits, the Director of Social Services shall establish an ad-

Item Amount

ministrative system, either centralized or in the counties, which facilitates efficient and expeditious issuance of food stamp benefits to such recipients. The Director of Finance may authorize the transfer of such funds from category (b) of Item 518-101-001 to category (d) of Item 518-101-001, category (c) of Item 518-101-866, and Item 518-001-001 as may be necessary for the administration of this provision, not sooner than 30 days after written notification of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.

9. The amounts contained in this schedule for Social Services Program, 20.30 through 20.48, inclusive, for the cost of special social service programs for which federal grants in aid are made to the state; for rehabilitative and employment services; for grants or services to local agencies for the extension of child welfare services; for the cost of the adoption programs and care of children, to be expended in accordance with the provisions of Chapter 2 (commencing with Section 16100) of Part 4 of Division 9 of the Welfare and Institutions Code; for the costs incurred by counties, including but not limited to, the required matching funds, for in-home supportive services as provided by Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code; for the cost of local agency special training and statewide demonstration programs; are hereby appropriated. Provided further, that any funds specified in program 20.30, Other County Social Services, except the Refugee Programs component, and the Child Welfare Services, part of program 20.40, Family and Children Services, of this item shall be available only when matched by 25 percent in county funds.

Provided, that the total allocation to county welfare departments for federal fiscal year 1982 for the delivery to refugees of social services included in the California Comprehensive Annual Services Program Plan, including in-home supportive services, and funded under the Refu-

Item Amount

gee Resettlement Program shall not exceed 35 percent of the total federal allocation provided to the state for federal fiscal year 1982 for the provisions of refugee support services. The allocation for a county welfare department shall be determined by the Department of Social Services and shall be based on the county's percentage of refugees in the state receiving cash assistance. In the event that a county welfare department does not expend its entire allocation, the Department of Social Services may reallocate unexpended funds to other county welfare departments.

Provided, that the top priority in the utilization of the federal fiscal year 1981 funds remaining after the amounts expended by county welfare departments shall be the provision of employment, training, English-as-a-second language, and other services directly in support of the employment-directed activities of refugees.

The goal of the employment, training, and English-as-a-second language and other services is to help as many refugees as possible to achieve economic self-sufficiency in the shortest period of time.

First priority for employment services, training, and English-as-a-second language shall be given to employable time-expired, adult refugees who continue or are likely to receive cash assistance. Second priority for such services shall be given to employable adult refugees who recently arrived in the United States of America and who receive or are likely to receive cash assistance. In the event that there are insufficient funds to serve the first two priorities, services shall be limited to the adult who is designated as the primary wage earner in the household.

The department shall provide for the implementation of comprehensive employment and training programs to achieve this goal through (a) contracts with other public and private nonprofit agencies, and (b) an interagency agreement with the Employment Development Department. Under such an agreement, the Employment Development Department shall provide or assist the Department of Social Services in providing (a) information and technical

Item Amount

assistance in a range of locations throughout the state, and (b) implementation of an Employment Preparation Program adapted for refugees in two areas of the state with the approval of the affected counties.

The Employment Development Department shall develop the Employment Preparation Program for refugees with the cooperation of the department and other private and public agencies serving refugees or providing employment and training programs. The Employment Development Department shall, to the extent administratively feasible, contract with public and private agencies in implementing the Employment Preparation Program.

Provided further, that $2,500,000 appropriated by Item 518-101-001 and $5,905,078 appropriated by Item 518-101-866 for 24-hour response shall not be expended for any other purpose and that $290,480 of this amount which is appropriated for use by seven counties without approved plans will revert to the General Fund if not claimed by these counties under a plan approved by the Department of Social Services.

Provided further, that of the WIN funds allocated to the Separate Administrative Unit, $200,000 shall be allocated to the Employment Development Department for social worker staff at employment preparation program sites and provided further, that the demonstration counties shall not receive disproportionate reductions in funding for WIN social services provided to their regular WIN participants in the event federal WIN social service funds are reduced.

Provided further, that of the funds allocated for WIN child care, $40,000 shall be allocated to the Employment Development Department to assure participation of WIN participants in the employment preparation program and provided further, that the employment preparation program demonstration counties shall not receive disproportionate reductions in funding for WIN child care provided to their regular participants in the event that federal WIN child care funds are reduced.

Provided further, that the Department of Social Services shall submit to the Joint Legislative

Item Amount

Budget Committee, a feasibility study report approved by the Department of Finance and prepared in accordance with Section 4920 et seq. of the State Administrative Manual, for the continued implementation of Chapter 463, Statutes of 1978, and provided that this report shall include an analysis of (1) the alternative of utilizing state-owned resources and (2) the relationship of this implementation with the development of the Statewide Public Assistance Network. Provided further, that in the event such a feasibility study report is not completed and approved by September 1, 1981, the department shall develop a request for proposal and enter into a competitive bidding process to select the most cost-effective vendor to implement the requirements of Chapter 463, Statutes of 1978.

Provided further, that $2,337,194 is appropriated for the Licensed Maternity Home Care Program in program 20.35 in lieu of the amounts which would otherwise be appropriated pursuant to Sections 16148 and 16151 of the Welfare and Institutions Code.

Provided further, that notwithstanding any provision of the Welfare and Institutions Code or the Health and Safety Code to the contrary, none of the funds appropriated by Items 518-101-001 through 518-101-866 for Programs 20 and 30 shall be used to provide cost-of-living increases to counties for the adoptions, facilities evaluation, or in-home supportive services programs in excess of the amount specifically authorized for such purposes by the Legislature.

Provided further, that applicants and recipients of in-home supportive services who are also eligible for personal care services from a home health agency shall be referred to such an agency for services upon adoption of regulations or guidelines by the federal government permitting payments for such services under the Medicare program.

Provided further, that upon request of the Department of Social Services, the Director of Finance may authorize the transfer of federal funds from Item 518-001-866 to category (e) Item 518-101-866 to reimburse counties for their costs of implementing the foster care informa-

Item	Amount

tion system.

Provided further, that $610,000 appropriated by Item 518-101-001 shall be expended to fund six child abuse and neglect prevention programs.

Provided further, that $1,290,789 in federal funds are appropriated by category (e) of Item 518-101-866 and $344,211 in funds appropriated by (e) of Item 518-101-001 shall be expended for the purposes of continuing to fund a demonstration project initially established by Chapter 977, Statutes of 1976 and that these funds shall be available only when matched by 5 percent in county funds.

Provided further, that notwithstanding the provisions of Sections 27.5 and 28 of the Budget Act, the Director of Finance may transfer funds appropriated for program 20, Social Services, among these elements not sooner than 30 days after notification in writing of the necessity therefor to the chairman of the committee in each house which considers appropriations and the chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of the committee, or his designee, may in each instance determine.

Provided further, notwithstanding any other provisions of law and that under no circumstances shall total expenditures for the In-Home Supportive Services program exceed the specific amounts appropriated in Items 518-101-001 (e) and 518-101-866 (e) for this program.

Provided further, that $130,000 appropriated in Item 518-101-001 shall be made available for purposes of establishing Deaf Access Assistance services in San Diego County.

10. Provided further, that the Director of Finance may authorize the transfer of funds from Program 30, Community Care Licensing to Item 518-001-001 in order to perform the facilities evaluation function in the event the counties fail to perform such function. Further, for the cost of providing child development services pursuant to Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code, the Department of Social Services is appropriated funds for the cost of the facilities evaluation program.

Item Amount

11. The amounts contained in Item 518-101-001 for program 70, Local Mandates, are for reimbursement of the costs, which relate to activities of the Department of Social Services, of any new program or increased level of service of an existing program mandated by statute, or any new regulations or regulation changes, notwithstanding the provisions of Section 2231 of the Revenue and Taxation Code. Provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or regulation that mandates the reimbursement of such costs and subdivision (d) of Section 2231 of the Revenue and Taxation Code.

518-490-001—General Fund—Reappropriation, Department of Social Services. Notwithstanding any other provision of law, $432,837 of the unencumbered balance of Item 274(i), Budget Act of 1978, is reappropriated for Program 20, Social Services Program for the Multipurpose Senior Service Project and shall be available for expenditure until June 30, 1982.

518-495—Reversion, Department of Social Services. As of June 30, 1981, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the Fund from which the appropriation was made:

001—General Fund

(1) Section 2, Chapter 363, Statutes of 1975
For local assistance in the adoption program for reimbursement to private adoption agencies.

(2) Section 4, Chapter 1241, Statutes of 1978
For the study and preparation of reports on the administration of public social services programs.

519-001-142—For support of California Health Facilities Commission, in accordance with the provisions of Part 1.7 (commencing with Section 440) of Division 1 of the Health and Safety Code, payable from the California Health Facilities Commission Fund 2,496,549

Schedule:

(a) 100000-Personal Services	1,808,647
(b) 300000-Operating Expenses and Equipment	915,382
(c) Reimbursements	−126,950
(d) Unallocated reduction	−100,530

Item			Amount
Provisions applicable to Item 519-001-142—for support of California Health Facilities Commission: Provided, that no funds appropriated for the automation of data services project be expended until a feasibility study report is approved by Department of Finance.			

YOUTH AND ADULT CORRECTIONAL AGENCY

524-001-001—For support of Department of Corrections			399,518,040
Schedule:			
(a) 10-Reception and Diagnosis		4,302,632	
(1) 10-Total Reception and Diagnosis	4,316,516		
(2) Reimbursements	−13,884		
(b) 20-Institutional Program		314,452,713	
(1) 20-Total Institutional Program	316,856,666		
(2) Reimbursements	−2,403,953		
(c) 30-Community Correctional Program		51,087,021	
(1) 30-Total Community Correctional Program	51,179,860		
(2) Reimbursements	−92,839		
(d) 40-Administration		29,675,674	
(1) 40-Total Administration	32,616,531		
(2) Reimbursements	−2,940,857		
524-001-614—For support of Department of Corrections, for Program 20, Institutional Program, payable from Correctional Industries Revolving Fund			29,479,919
524-001-890—For support of Department of Corrections, payable from Federal Trust Fund			248,581
Schedule:			
(a) 20-Institutional Program		141,835	
(b) 40-Administration		106,746	
524-001-917—For support of Department of Corrections, for the Institutional Program 20, payable from Inmate Welfare Fund			7,696,861
Provisions applicable to Items 524-001-001 through 524-001-917—for support of Department of Corrections:			

Item Amount

1. Provided, that funds appropriated to accommodate projected institutional population levels in excess of those which actually materialize, if any, shall revert to the General Fund, unless the encumbrance of such funds is authorized by the Department of Finance, not sooner than 30 days after notification in writing of the necessity therefor, to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee.
2. The amount not to exceed $2,420,630 is appropriated from the General Fund for payment of worker's compensation claims of inmates pursuant to Sections 3364.55, 3365, and 3370 of the Labor Code and Section 2700 of the Penal Code; and for payment of unemployment insurance and disability insurance claims of, and for support of Department of Corrections, Employment Development Department, and California Unemployment Insurance Appeals Board for claims of inmates pursuant to Chapter 5.8 (commencing with Section 1480) of Part 1 of Division 1 of the Unemployment Insurance Code, Department of Corrections provided, that expenditures made pursuant to this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.
3. Provided further, that additional expenditures may be made from the Inmate Welfare Fund for purposes of this item if revenue is available and in accordance with Section 28.
4. The amount of $29,479,919 is appropriated from the Correctional Industries Revolving Fund for support of the Correctional Industries program, Program 20 40.010, Department of Corrections, in accordance with Chapter 5 (commencing with Section 2700) of Title 1 of Part 3 of the Penal Code, payable from the Correctional Industries Revolving Fund provided, that additional expenditures may be made for the purposes of this item if revenue is available and in accordance with Section 28.
5. Provided further, that no funds appropriated by Items 524-001-001 to 524-001-917, inclusive, may be used to operate or contract for the operation of a community corrections facility in the Alameda County facility formerly known as the St. Joseph's Home for the Aged

Item Amount

6. Provided further, that the $744,396 appropriated for contracting with private agencies to conduct visiting programs shall be allocated as follows:
   (a) Centerforce 317,506
   (b) Friends Outside 138,890
   (c) M-2 Sponsors 288,000
7. Provided further, that any savings from reclassification of positions pursuant to the State Personnel Board audit shall revert to the General Fund.

524-101-001—For local assistance, Department of Corrections, Program 50... 7,347,414

Provisions applicable to Items 524-101-001—for local assistance, Department of Corrections:

1. The amount of $416,612 is appropriated from the General Fund for transportation of prisoners to and between State prisons, including the return of parole violators to prison and for the conveying of persons under provisions of Division 3 (commencing with Section 3000) of the Welfare and Institutions Code and the Western Interstate Corrections compact (commencing with Section 11190 of the Penal Code), in accordance with the provisions of Section 26749 of the Government Code. Provided, that claims made against this item of appropriation shall be filed by the local jurisdictions within six months after the end of the month in which such transportation costs were incurred; and provided further, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller

   Provided further, that claims filed by the counties directly with the State Controller may be paid by the Controller.
2. The amount of $3,128,791 is appropriated from the General Fund for reimbursement to counties for the cost of detaining State parolees pursuant to Section 4016.5 of the Penal Code, Department of Corrections provided, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.

   Provided further, that. claims filed by the counties directly with the State Controller may be paid by the Controller.

Item Amount

3. The amount of $1,710,623 is appropriated from the General Fund for expenses of returning fugitives from justice from outside the State, in accordance with the provisions of Sections 1389, 1549 and 1557 of the Penal Code provided, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller, and any restitution received by the State for such expenses be credited to the appropriation of the year in which the State Controller's receipt is issued.
4. The amount of $3,074,181 is appropriated from the General Fund for court costs and county charges, payable under Sections 4700 and 4700.5 of the Penal Code, in connection with coroners' services and trials of inmates charges with commission of a crime or crimes while incarcerated in a State institution or prison under the Department of Corrections provided, that claims filed payable under Section 6005 of the Penal Code may be paid by the Department of Corrections from funds appropriated by this item. Provided further, that claims made against this item of appropriation shall be filed by the local jurisdictions within six months after the end of the month in which such court costs and county charges were incurred; and provided further, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.

524-301-001—For capital outlay, Department of Corrections, for construction of new facilities, statewide 24,953,000

Schedule:

(a) Southern Maximum Security Complex—Tehachapi—Partial working drawings, preliminary site work, utilities and partial construction for one 500-bed unit (Unit IV A) 15,289,000

(1) Construct site development and utilities 1,650,000

(2) Unit IV A—construction (partial) 13,639,000

Provided, that notwithstanding any other provisions of law, the Department of Corrections is hereby authorized to award the construction contract for the total project with the understanding of the parties that the remaining funds required to complete the unit will be

Item Amount

made available during the 1982–83 fiscal year.

Provided further, that in the course of designing the prepared new facilities at Tehachapi, the Department of Corrections shall identify project elements which may be deleted or downgraded to reduce project costs; these elements shall be submitted to the chairmen of the fiscal committees and the Chairman of the Joint Legislative Budget Committee by March 1, 1982, for review prior to legislative hearings on the 1982–83 Budget Bill. If the Legislature deletes or downgrades any project element during its review of the funds requested for the second 500-bed unit at Tehachapi, the department shall consider it legislative intent that these elements also be deleted from the project funded under this item.

(b) San Diego County—Medium security units and minimum security service unit-Site study and environmental study and site acquisition 5,200,000

Provided, that prior to expenditure of funds appropriated in category (b) of Item 524-301-001, the Department of Corrections, in consultation with state and local agencies, shall study and evaluate alternative sites in San Diego County for new correctional facilities. Upon completion of the studies and appropriate administrative reviews, the department shall on or before September 1, 1981, submit to the appropriate policy committee in each house, the appropriate subcommittee of each fiscal committee, and the Joint Legislative Budget Committee a site selection report for the project. The report shall address mutually agreeable alternative sites recommended by the department in priority order.

The Legislature hereby expresses the legislative intent that prior to September 1, 1981, it would not favorably view the development of the existing state-owned site for a correctional facility. Further, it is the legislative intent that a proposal to develop an alternative site would receive strong preference by the Legislature.

Item	Amount
Further, the department, in consultation with state and local agencies, shall include in the report a recommendation on the use of the existing state-owned property. If the final report to the specified legislative committees proposes construction of new correctional facilities on existing state-owned property, funds appropriated in category (b) may be used for site studies and environmental studies, architectural programming, master planning and schematics. Provided further, that an amount not to exceed $2,664,000 may be expended for site studies and environmental studies, architectural programming, master planning and schematics. The Director of Finance shall initiate an executive order to revert any funds in category (b) not required for site studies and environmental studies, architectural programming, master planning and schematics. Should the final report indicate that funds related to the existing state-owned property are not required, then the department is authorized to select another site (unspecified) in southern California. Provided, that an amount not to exceed $5,200,000 may be expended for site acquisition and site study and environmental study related to a new site. Provided further, that none of the funds appropriated in category (b) shall be allocated until the specified legislative committees have been provided a 30-day review of the department's alternative sites and state-owned site report. Provided further, that the State Public Works Board shall not select or authorize negotiations for acquisition of a site funded under category (b), until such site is authorized by the Legislature. Provided further, it is legislative intent that the state and local agencies work cooperatively and expeditiously to identify a mutually agreeable site.	

Item		Amount
	The Legislature hereby expresses the legislative intent that if the state-owned property is not approved for the new correctional facility, the property will be declared surplus and all proceeds from the sale of the state-owned property will be made available for appropriation to the Department of Corrections for its prison capital outlay program.	
	(c) Folsom—Maximum security units and minimum security service unit—Architectural programming, master planning, and schematics	2,464,000
	(d) Various—Acquisition and construction of temporary housing units	2,000,000
	Provided, that the department shall allocate an amount not to exceed $1,643,270 from funds available under Chapter 1135 of the Statutes of 1979, for architectural programming, master planning and schematics for maximum security units and minimum security service units at Adelanto	(1,643,270)
524-301-036—For capital outlay, Department of Corrections, payable from Special Account for Capital Outlay		7,159,100
Schedule:		
California State Prison at Folsom:		
	(a) Construct Security Housing Unit, #1 Building—preliminary plans, working drawings, and construction	647,000
Deuel Vocational Institution:		
	(c) Remodel locking devices—preliminary plans and working drawings	125,200
	(d) Construct milk processing facility—preliminary plans and working drawings	52,500
Correctional Training Facility:		
	(f) Construct visiting room—North facility—preliminary plans, working drawings and construction	493,400
California Correctional Center		
	(i) Install emergency generator—preliminary plans, working drawings, and construction	241,550

Item		Amount
(j) Increase electrical power—preliminary plans, working drawings, and construction	188,550	
San Quentin State Prison:		
(k) Waste water treatment facilities—construction	150,000	
(*l*) Convert East block to MCU—preliminary plans, working drawings and construction	1,391,100	
(m) Construct condemned row exercise yard—preliminary plans, working drawings and construction	141,300	
(n) Hospital licensing standards—preliminary plans, working drawings, and construction	252,800	
(p) Construct family visiting units—preliminary plans, working drawings, and construction	266,100	
California Mens Colony:		
(q) Rebuild cell locking mechanism—Segregation—preliminary plans, working drawings, and construction	228,200	
(r) Fire and life safety structural improvements—preliminary plans and working drawings	74,800	
California Institution for Men:		
(u) Improve outside security—preliminary plans, working drawings, and construction	349,100	
(w) Construct milk processing facility—preliminary plans and working drawings	900,000	
(x) Minor capital outlay Statewide	849,900	
California Rehabilitation Center:		
(z) Fire and life safety structural improvements—buildings 103 and 104—construction	776,100	
Correctional Training Facility.		
(aa) Central and North—replace perimeter lighting—preliminary plans and working drawings	31,600	
524-301-189—For capital outlay, Department of Corrections, payable from the Energy Account, Energy and Resources Fund		2,494,700
Schedule:		
(a) Deuel Vocational Institution—cogeneration feasibility study	20,000	

Item		Amount
	(b) Deuel Vocational Institution—replace fuel burners—preliminary plans and working drawings	19,500
	(c) Correctional Training Facility—cogeneration system—preliminary plans and working drawings	200,200
	(d) Correctional Training Facility—replace main gas lines—preliminary plans, working drawings, and construction	233,100
	(e) California Correctional Center—construct direct heat geothermal system—preliminary plans, working drawings, and construction	1,463,700
	(f) Sierra Conservation Center—cogeneration feasibility study	20,000
	(g) California Mens Colony—install boiler heat recovery system—preliminary plans, working drawings, and construction	318,000
	(h) California Mens Colony—cogeneration feasibility study	20,000
	(i) California Institution for Men—cogeneration system—preliminary plans and working drawings	200,200

Provisions applicable to Item 524-301-001 through 524-301-189:—for capital outlay, Department of Corrections

1. Provided that funds appropriated pursuant to category (aa) of Item 524-301-036 and category (d) of Item 524-301-189 shall be available for transfer to Item 524-001-001 to be expended as special repairs projects.

3. The design for the maximum security units at Tehachapi shall be used as the prototype design for all new maximum security units taking into account the alterations for adaptation to meet site topographic and soil conditions. Support facilities shall be included in the prototype design, but shall be deleted where existing institutions can adequately provide support services.

The initial new correctional facilities of other security levels approved for preliminary planning and working drawings shall be used as a prototype for future facilities of such security level taking into account the alterations for adaptation to meet site topographic and soil conditions. Support facilities shall be included in the

Item		Amount

prototype design, but shall be deleted where existing institutions can adequately provide support services.

4. The Department of Corrections shall expedite the design and construction of new correctional facilities and shall consider implementation of new design and construction techniques, such as fast-track construction and bid packages, to expedite the projects.
5. Prior to expenditure of any funds appropriated under category (x) of Item 524-301-036 for personal alarm systems, the Department of Finance shall first approve the department's plan for installation of these systems.
6. None of the funds appropriated in categories (b) and (g) of Item 524-301-189 may be expended if it is determined that a cogeneration facility is feasible at these institutions which will reduce or negate savings anticipated under the project funded in these appropriations.
7. Prior to the expenditure of construction funds appropriated in category (e) of Item 524-301-189, the Department of Finance shall submit a cost/benefit analysis for the proposed project, based on a finalized agreement for the purchase of geothermal energy from the City of Susanville, to the chairman of the fiscal committees and the Chairman of the Joint Legislative Budget Committee.
8. Provided, that the funds appropriated in Item 524-301-036, projects (d) and (w), are a loan to Correctional Industries and repayment shall be made from funds available in the Correctional Industries Revolving Fund. Payments on the loan shall be on an annual basis over a 20-year period with interest at the current rate earned on money deposited in the Pooled Money Investment Account.
9. Provided, that if legislation is enacted during the 1981–82 fiscal year which establishes a bond fund or other special fund for the construction, renovation, or replacement of correctional institutions, the amounts appropriated in this act for site and environmental study, architectural programming, master planning, schematics, site acquisition, or construction of any correctional facility shall be deemed a loan from the General Fund and shall be repaid from funds made avail-

Item Amount

able by that legislation if that legislation so provides.

524-490—Reappropriation, Department of Corrections. Notwithstanding any other provisions of law, the unencumbered balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in such appropriations and any additional purposes provided in this section, and shall be available for expenditure until June 30, 1982:

036—Special Account for Capital Outlay

(2) Item 566(h), Budget Act of 1980—California Institution for Men—remodel sewage plant—construction.

(3) Item 566(n), Budget Act of 1980—San Quentin State Prison—wastewater treatment facilities—construction.

(4) Item 566.1, Budget Act of 1980—California Rehabilitation Center—upgrade sewage treatment plant—preliminary plans, working drawings, and construction.

Provided that the funds previously appropriated for replacing two elevators in the Administration building at the California Rehabilitation Center may be used to replace only one elevator.

543-001-001—For support of Board of Corrections 316,650

Schedule:

(a) 100000–Personal services 595,519

(b) 300000–Operating expenses and equipment 966,074

(c) Reimbursements ..... −1,244,943

543-101-001—For local assistance, Board of Corrections for transfer to the County Jail Capital Expenditure Fund 40,000,000

543-101-170—For local assistance, Board of Corrections, payable from the Corrections Training Fund 6,975,000

Provisions applicable to Item 543-101-001 through Item 543-101-170—for local assistance, Board of Corrections.

1. The amount of $40,000,000 in Item 543-101-001 is appropriated for financial assistance to county jail facilities.
2. Provided that, up to $231,031 in Item 543-101-001 may be transferred to Item 543-001-001 for costs related to administration of the County Jail Expenditure Program

Item Amount

3. The amount of $6,975,000 in item 543-101-170 is appropriated from the Corrections Training Fund for allocation to cities, counties, and cities and counties, pursuant to Sections 6035–6043 of the Penal Code, payable from the Corrections Training Fund provided, that funds appropriated in the item may be transferred to Item 543-001-001 for costs related to administration of this project. Provided further, that $1,975,000 of the amount appropriated by this item shall not be expended sooner than 30 days after notification in writing of the necessity therefor to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairman of the committee, or his or her designee, may in each instance determine.
4. Provided that funds appropriated in this item shall not be allocated until the Board meets the following:
   a. Identifies specific data measuring each of the listed criteria in Section 556 of the proposed regulations for this program and provides for local agencies applying for these funds to include such data.
   b. Develops a procedure, perhaps on a unit basis, for identifying the extent to which such data submitted by a local agency meets each of the criteria.
   c. Adopts a weighted system for each of the proposed criteria for purposes of evaluating each proposal against others.
   d. Utilizes the weighted evaluation system for ranking counties and allocates a greater percentage of the amount requested to local agencies with higher rankings than others.
5. Provided that, if legislation is enacted during the 1981–82 fiscal year appropriating funds for the construction, renovation, or replacement of county jails, the amount appropriated in this act for transfer to the County Jail Capital Expenditure Fund shall be deemed a loan from the General Fund and repaid from any funds made available in this legislation for this purpose.

544-001-001—For support of the Board of Prison Terms 5,566,239
Schedule:
(a) 100000-Personal Services 3,726,272

Item			Amount
(b) 300000-Operating Expenses and Equipment		1,839,967	
545-001-001—For support of the Youthful Offender Parole Board			2,442,933
546-001-001—For support of Department of the Youth Authority			159,859,319
Schedule:			
(a) 10-Prevention and Community Corrections		2,663,454	
(1) 10-Total Prevention and Community Corrections	2,936,606		
(2) Reimbursements	−273,152		
(b) 20-Institutions and Camps		123,642,322	
(1) 20-Total Institutions and Camps	133,734,452		
(2) Reimburse- ments	−10,092,130		
(c) 30-Parole Services		20,949,745	
(1) 30-Total Parole Services	21,087,535		
(2) Reimbursements	−137,790		
(d) 40-Planning, Research, Evaluation and Development		2,336,565	
(e) 50-Administration		10,267,233	
(1) 50-Total Administration	10,349,503		
(2) Reimbursements	−82,270		
546-001-890—For support of Department of the Youth Authority, payable from the Federal Trust Fund			464,474
Schedule:			
(a) 20-Institutions and Camps		378,474	
(b) 40-Planning, Research, Evaluation and Development		86,000	
546-101-001—For local assistance, Department of the Youth Authority			65,163,546
Schedule			
(a) 10-Prevention and Community Corrections		64,902,946	
(1) 10.20.010-Delinquency Prevention	1,533,300		
(2) 10.20.020-County Justice Subvention Program	63,369,646		
(b) 20-Institutions and Camps, Transporation of Wards		46,600	

Item Amount

(c) 30-Parole Services—Assistance to Counties for Detention of Youth Authority Parolees.. 214,000

Provisions applicable to Item 546-101-001—for local assistance, Department of the Youth Authority:

1. Provided that $46,600 is appropriated in Program 20 for transportation of persons committed to Department of the Youth Authority to or between its facilities, including the return of parole violators; provided, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.
2. Provided further, that $33,300 is appropriated in Program 10.20 for county delinquency prevention commissions, Department of the Youth Authority, to be allocated by the Director of the Youth Authority, in accordance with Section 1792.1 of the Welfare and Institutions Code.
3. Provided that $1,500,000 is appropriated in Program 10.20 for contracting with public or private agencies engaged in prevention of delinquency, as authorized by Article 5.5 (commencing with Section 1790) of Chapter 1 of Division 2.5 of the Welfare and Institutions Code, Department of the Youth Authority.
4. Provided further, that $214,000 is appropriated in Program 10.20 for reimbursement to counties for the cost of the detention of Youth Authority parolees, who are detained on alleged parole violations, pursuant to Section 1776 of the Welfare and Institutions Code.
5. Provided, that $63,369,646 is appropriated for assistance to counties in the operation of programs pursuant to the County Justice System Subvention Program in accordance with Article 7 (commencing with Section 1805) of Chapter 1 of Division 2.5 of the Welfare and Institutions Code, Department of the Youth Authority.
6. Provided further, that $1,500,000 of the funds appropriated in category (a) of Item 546-101-001 for delinquency prevention programs shall be expended in accordance with the following schedule:

(a) Sugar Ray Youth Foundation ..	466,000
(b) John Rossi Youth Foundation .	134,000
(c) Youth Service Bureaus funded by the state in 1980–81.....	697,600

Item		Amount
(d) Projects selected by department	202,400	

Provided further, that the Department of the Youth Authority may use any part of the $202,400 specified in subdivision (d) for restitution projects.

7. Provided further, that any county receiving funds from the County Justice System Subvention Program shall maintain the same level of expenditures in the 1981–82 fiscal year on delinquency prevention, as defined by the county during the 1980–81 fiscal year, that was maintained during the 1980–81 fiscal year.

546-301-036—For capital outlay, Department of the Youth Authority, payable from the Special Account for Capital Outlay		2,646,713
Schedule:		
(b) O.H. Close School—upgrade security sound system, construction	300,687	
(c) DeWitt Nelson School—upgrade security sound system, construction	231,586	
(d) Northern California Youth Center —Central—upgrade security sound system, construction	91,946	
(e) Fred C. Nelles School—16 bed modular adjustment unit, preliminary plans, working drawings, and construction	336,000	
(f) Northern California Youth Center —16 bed modular confinement unit, preliminary plans, working drawings, and construction	324,840	
(g) Minor Capital Outlay—handicapped accessibility—Statewide ..	341,236	
(h) Minor Capital Outlay—various statewide	871,018	
(i) DeWitt Nelson School—relocatable classroom building—preliminary plans, working drawings, and construction	149,400	

Provisions applicable to Item 546-301-036—for capital outlay, Department of the Youth Authority:

Item Amount

1. Prior to the expenditure of the $195,435 appropriated in Item 546-301-036 a Special Education Program, the Department of the Youth Authority and the Department of Finance shall determine the availability of funding all or a portion of this project from federal funds. The amount appropriated therein shall be reduced by the amount of federal funds available for this purpose.

EDUCATION

Education—K–12

610-001-001—For support of Department of Education 63,920,174
Schedule:

Department of Education

(a) 100000-Personal services 28,137,617
(b) 300000-Operating expenses and equipment 7,169,742
(c) 557671-Unallocated legal 500,000
(d) Reimbursements ..... −4,558,624
(dx) Unallocated reduction ..... −990,000

California State Library

(e) For support Division of Libraries, California Library Services Board and Board of Library Examiners.. 6,551,013
(1) 100000-Personal Services 3,312,636
(2) 300000-Operating Expenses and Equipment 3,299,377
(3) Reimbursements .. −13,000
(4) Amount payable from category (k) of Item 610-101-001 −48,000

State Special Schools

(f) California School for the Blind, Fremont 3,070,397
(1) 500000-Support 3,948,713
(2) Reimbursements .. −878,316

Item		Amount
(g) Diagnostic School for Neurologically Handicapped Children, Northern California	1,931,137	
(1) 500000-Support	2,161,652	
(2) Reimbursements	−230,515	
(h) Diagnostic School for Neurologically Handicapped Children, Southern California	1,973,631	
(1) 500000-Support	2,203,479	
(2) Reimbursements	−229,848	
(i) California School for the Deaf, Fremont	8,888,045	
(1) 500000-Support	10,451,190	
(2) Reimbursements	−1,563,145	
(j) California School for the Deaf, Riverside	9,347,508	
(1) 500000-Support	11,000,810	
(2) Reimbursements	−1,653,302	
(k) Diagnostic School for Neurologically Handicapped Children, Central California	1,899,708	
(1) 500000-Support	2,150,979	
(2) Reimbursements	−251,271	
610-001-140—For support of Department of Education, payable from Item 610-101-140, the California Environmental License Plate Fund		0
Schedule:		
(a) 100000-Personal Services	7,079	
(b) 300000-Operating Expenses and Equipment	9,252	
(c) Amount payable from Item 610-101-140	−16,331	
610-001-178—For support, Department of Education, for the purpose of administering the driver training program as specified in Item 610-101-178 and for the purpose of conducting school bus driver instructor training as provided in Section 1204 of the California Administrative Code, payable from the Driver Training Penalty Assessment Fund		566,332
Schedule:		
(a) 100000-Personal services	291,893	
(b) 300000-Operating Expenses and Equipment	274,439	
610-001-344—For support of Department of Education, payable from the State School Building Lease Purchase Fund		456,671
Schedule:		
(a) 100000—Personal Services	333,092	

Item		Amount
(b) 300000-Operating Expenses and Equipment	123,579	
610-001-680—For support of the Department of Education, for California State Agency for Surplus Property, payable from the Surplus Property Revolving Fund		14,409,935
Schedule:		
(a) 100000-Personal Services	3,464,144	
(b) 300000-Operating Expenses and Equipment	10,945,791	
610-001-890—For support, Department of Education, payable from the Federal Trust Fund		33,215,019
Schedule:		
Department of Education		
(a) 100000-Personal Services	16,959,519	
(b) 300000-Operating Expenses and Equipment	15,268,059	
California State Library		
(c) 100000-Personal Services	491,131	
(d) 300000-Operating Expenses and Equipment	496,310	
610-001-955—For support of Department of Education for instructional materials warehousing and shipping costs, payable from Item 610-101-001 through the State Instructional Materials Fund		0
Schedule:		
(a) 100000-Personal Services	111,024	
(b) 300000-Operating Expenses and Equipment	117,587	
(c) Amount payable from Item 610-101-001	−228,611	

Provisions applicable to Items 610-001-001 through 610-001-955—for support of the Department of Education:

1. Provided, that the funds specified in Item 610-001-001, category (c), may be expended only upon their allocation to category (b), subject to the approval of the Department of Finance The Department of Finance shall notify the Chairman of the Joint Legislative Budget Committee upon giving such approval.
2. Provided that $893,168 of the funds appropriated by Item 610-001-001 for the support of the Department of Education is provided in lieu of the appropriation made by subdivision (b) of Section 41312, and in lieu of the apportionment of funds specified in Section 41353, of the Education Code, for the state administrative expenses

Item Amount

related to the child nutrition program and nutrition education projects.

3. Provided that funds included in the appropriation by Item 610-001-001 for the State Special Schools, categories (f) through (k), for student transportation allowances, is provided in lieu of funds which would otherwise be transferred in accordance with provisions of Sections 14007 and 41301.5 of the Education Code. The funds shall be allocated pursuant to provisions of Sections 59030.5, 59124.5 and 59223 of the Education Code.
4. Provided that funds included in the appropriation by Item 610-001-001 for the support of the Department of Education shall be utilized to perform licensing activities pursuant to Health and Safety Code Section 1511 for specified community day care facilities which are under contract with the Department of Education Such licensing functions shall be authorized and defined through interagency agreement with the Department of Social Services The 10 staff services analyst positions authorized to perform these licensing functions shall be limited in term to June 30, 1982.
5. Provided that $58,400 of the funds included in the appropriation Item 610-001-001 for the support of the Department of Education, category (b), shall be utilized for California's participation in the Education Commission of the States
6. Provided, that two of the clerical positions in the vocational education field offices for which funds are appropriated in categories (a) and (b) of Item 610-001-001 shall continue to be authorized only through June 30, 1982.
7. Provided, that notwithstanding Section 33403 of the Education Code, or any other provision of law, no funds appropriated pursuant to this act shall be used by the Department of Education to prepare evaluation reports on the following programs during the 1981–82 fiscal year:
   a. Professional development and improvement centers.
   b. Indian education centers.
   c. Alternative schools.
   d. Bilingual teacher corps.
   e. Demonstration programs in reading and mathematics.

Item Amount

8. Provided, that notwithstanding the provisions of Sections 41304 and 41904 of the Education Code, the amount provided in Item 610-001-178 shall be the only funds provided for support of the driver instruction unit within the Department of Education.
9. Provided, that the $143,721 appropriated in Item 610-001-001 for support of activities related to the prevention of genetic diseases, disorders, and birth defects, as specified in Chapter 978, Statutes of 1977, shall be available for expenditure only if a statute is enacted to authorize the continued conduct of such activities.
10. Provided, that the Department of Education shall enter into an interagency agreement with the Commission for Teacher Preparation and Licensing, pursuant to which (a) one half-time professional position and $5,000 for related operating expenses, funded from the federal Title VII funds appropriated in Item 610-001-890, shall be transferred to the commission and (b) the commission shall be guaranteed equal involvement with the department in the review of Title VII program applications from institutions of higher education and any other matters related to teacher training programs funded by Title VII.
11. Provided that $113,753 of the funds appropriated to the Department of Education in categories (a) and (b) of Item 610-001-001 are for the Farm Labor Vehicle Driver Training Program.
12. Provided, that $85,000 of the funds appropriated in category (b) of Item 610-001-001 shall be available for expenditure for the purposes of improving the census procedures or instruments, or both, required by Section 52164.1 of the Education Code. These funds may be used by the Department of Education to develop or improve a single instrument or procedure to test English language proficiency, or to conduct equivalency or other studies, if approved by the Director of Finance and upon notification of the Joint Legislative Budget Committee pursuant to the provisions of Section 28 of this act.

Item Amount

13. Provided further, that 50 percent of the appropriation in Item 610-001-001, categories (a) and (b), for staff and support for special education compliance review shall be redirected in the 1981–82 fiscal year to support special education program quality reviews.
14. Provided further, that exclusive of upgrades and downgrades associated with recruitment or training, the Department of Education shall fund the cost of General Fund position upgrades with savings from General Fund position downgrades
15. Provided further, that prior to expenditure of any funds in excess of $200,000 from category (c) of Item 610-001-001, the Department of Education and the Department of Finance shall follow the notification procedures contained in Section 28 of this act.
16. Provided further, that the monitoring and review of school improvement programs shall be performed by a consortia comprising two or more school districts—each of which receives funding for educational programs pursuant to the consolidated application process—or two or more such districts with one or more county superintendents of schools. Districts shall form consortia either for the purpose of improving school programs by conducting program reviews of educational programs using consolidated application funding pursuant to Sections 54003.5 and 52035 of the Education Code, or to provide development assistance and reviewing school site plans, or both. Districts may elect to have administrative subregions apply for membership in a consortium with other districts.

    The department shall provide funds for its existing program review budget for consortia to carry out their activities. The funding will be determined each year by a formula established by the department, and will be disbursed under a contract based on the consortium agreement approved by each governing board. In addition, the department will provide the necessary trainers and training materials to train plan and program reviewers needed by the consortia to carry out planning and program review.

Item Amount

By the end of 1981–82, 35 percent of the state's school districts shall have been included in a consortium; by the end of 1982–83, 50 percent of the schools will have been included in a consortium; and by the end of 1984–85, 70 percent of the school districts shall be members of a consortium prior to the end of the 1984–85 fiscal year, the Legislature shall review the effectiveness of the consortium, program and determine whether, in the subsequent year, 100 percent of the state's school districts will be included in a consortium.

Program review in consortia shall be scheduled by the member districts of each consortium on a four- or five-year cycle in accordance with each district's program needs. Reviews may be schedules more frequently for schools if the consortium council and member districts so choose.

The State Department of Education shall review individual schools only in nonconsortia districts. Reviews shall be conducted during the second year of implementation; after that, reviews will not be conducted more frequently than once every five years. Additionally, the evaluators used by the department shall live within a geographical proximity of the districts they evaluate.

There shall be a process whereby school site councils can obtain needed technical assistance from the department, and also to appeal either district or consortium decisions, whenever necessary.

610-101-001—For local assistance, Department of Education 7,367,943,410

Schedule:

10-Instruction:..... (6,970,834,254)

(a) 10.10-School Apportionments . 5,920,828,759

(b) 10.20-Consolidated Programs 352,481,667

(1) 10.20.020—School Improvement Program 161,160,077

(2) 10.20.030—Economic Impact Aid 174,977,067

(3) 10.20.040—Miller-Unruh Reading Program 16,029,086

Item		Amount
(4) 10.20.050—Native American Indian Education Program	315,437	
(c) 10.30-Other Compensatory Programs		5,019,828
(1) 10.30.050—Demonstration Programs in Reading and Math	4,276,789	
(2) 10.30.050—American Indian Education Centers	743,039	
(d) 10.60-Special Education Programs for Exceptional Children		692,504,000
20-Instructional Support:		(48,017,050)
(e) 20.10-Curriculum Services		1,062,432
(1) Educational Technology	862,432	
(2) Grants for legal education	200,000	
(f) 20.20-Instructional Materials Management and Distribution		44,297,611
(1) Subventions	44,069,000	
(2) Warehousing and Shipping	228,611	
(g) 20.50-Staff Development		2,657,007
30-Special Programs		(328,807,448)
(h) 30.10-Child Development		246,201,227
(1) 30.10.010—Preschool Education	30,054,555	
(2) 30.10.020—Child Care Services	216,146,672	
(i) 30.20-Child Nutrition		25,150,221
(j) 30.40-Urban Impact Aid		57,456,000
50-Library Services		(5,519,558)
(k) 50.20-Statewide Library Support and Development		5,519,558
60-Legislative Mandates		(14,765,100)
(*l*) 60.05-School Attendance Review Boards		4,500,000
(m) 60.10-Jury Duty for Teachers		1,100,000
(n) 60.15-Collective Bargaining		6,500,000
(o) 60.20-School Employee Dismissal Evaluations		8,250
(p) 60.35-Pupil Basic Skills		300,000
(q) 60.40-Pupil Disciplinary Procedures		325,000

Item		Amount
(r) 60.45-School Administrators Transferred to Teaching	1,850	
(s) 60.50-Immunization Records	600,000	
(t) 60.55-Pupil Basic Skills	1,000,000	
(u) 60.60-Scoliosis Screening	430,000	
610-101-140—For local assistance, Program 20.10-Curriculum Services, Department of Education, payable from the California Environmental License Plate Fund		500,000
Schedule:		
(a) For transfer to Item 610-001-140 for support	16,331	
(b) For local assistance	483,669	
610-101-178—For local assistance, Department of Education, payable from the Driver Training Penalty Assessment Fund, to be transferred to Section A of the State School Fund		17,844,067
610-101-680—For local assistance, Program 30.50-Surplus Property, Department of Education, payable from the Surplus Property Revolving Fund		10,000,000
610-101-890—For local assistance, Department of Education, payable from the Federal Trust Fund		829,118,411
Schedule:		
10—Instruction	(494,883,228)	
(a) 10.20—Consolidated Programs	275,892,650	
(b) 10.30—Other Compensatory Programs	52,523,314	
(c) 10.50—Adult Education	9,287,237	
(d) 10.60—Special Education Programs for Exceptional Children	103,307,800	
(e) 10.70—Vocational Education Programs	53,872,227	
20—Instructional Support	(30,807,812)	
(f) 20.10—Curriculum Services	30,807,812	
30—Special Programs	(298,761,828)	
(g) 30.10—Child Development	2,056,000	
(h) 30.20—Child Nutrition	296,705,828	
50—Library Services	(4,665,543)	
(i) 50.20—Statewide Library Support and Development	4,665,543	
Provided that the funds appropriated in category (e) for the Vocational Education Programs, shall be transferred for direct disbursement from 887, the Vocational Education Federal Fund.		
Provisions applicable to Items 610-101-001 through 610-101-890 for local assistance, Department of Education:		

Item Amount

1. Provided that the funds appropriated in category (f) for the Instructional Materials Management and Distribution program, shall be transferred for direct disbursement by the Department of Education from the State Instructional Materials Fund.
2. Provided that the funds appropriated in the following categories and for the following programs shall be transferred for direct disbursement by the Department of Education from the State School Fund:
   Category (a) School Apportionments
   (b) Consolidated Programs
   (d) Special Education
   (g) Staff Development
3. Provided that the funds appropriated in category (i) for Child Nutrition, shall be transferred by the Department of Education for direct disbursement from the State Child Nutrition Fund.
4. Provided further, that funds appropriated in category (a) are for transfer by the State Controller during the 1981–82 fiscal year to Section A of the State School Fund, in lieu of the amount which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 1981–82 fiscal year pursuant to Sections 14002, 14004, 41301 and 41304 of the Education Code, an amount as needed, in addition to the sums accruing to Section A of the State School Fund from other sources for the purposes specified herein, for apportionment pursuant to Article 3 (commencing with Section 2550) of Chapter 12 of Part 2, Section 14054, Section 41841.5, Article 10 (commencing with Section 41850), and Article 12 (commencing with Section 41900) of Chapter 5 of Part 24, Section 42238, and Chapter 8 (commencing with Section 52200) of Part 28 of the Education Code, during the 1981–82 fiscal year according to the following schedule:
   a. Program 10.10—School Apportionments 5,583,833,620
   b. Program 10.10—For home-to-school transportation 172,725,000
   c. Program 10.50—Adult Education 168,916,110

Item		Amount
	d. Program 10.80—Special Instructional Programs For the purposes of Chapter 8 (commencing with Section 52200) of Part 28 of the Education Code	16,679,429
	e. Less amounts payable from the State School Fund	−15,710,000
	f. Less amount payable from Section 19.12	−32,200,000
	g. Small school district transportation	17,500,000
	h. General aid to school districts (Section 54061 of the Education Code)	9,084,600

5. Provided further, that of the funds appropriated in category (a) no more than $128,726,000 shall be expended in program 10.10—School Apportionments for the purposes of Section 42243.6 of the Education Code. If the Superintendent of Public Instruction receives claims pursuant to Section 42243.6 which in total exceed that amount, such claims shall be referred to the Board of Control for review and possible inclusion of the excess in a subsequent claims bill.

   Provided, that no funds shall be expended for the purposes of Section 42243.6 of the Education Code until and unless all such claims have been audited and approved by the State Controller pursuant to that section.
6. Provided further, that no more than $1,199,000 appropriated in category (a), for the purposes of Section 2558 of the Education Code shall be apportioned pursuant to Section 41841.5 of the Education Code.
7. Provided further, that for the purpose of apportioning the funds appropriated in category (a) the Superintendent of Public Instruction shall recalculate the revenue limit of each school district for the 1981–82 fiscal year to exclude therefrom an amount equal to the difference between the 1979–80 fiscal year revenue limit calculated pursuant to Section 42237 of the Education Code and a revenue limit calculated for the 1979–80 fiscal year pursuant to that section but which excludes all amounts received pursuant to Chapter 292, Statutes of 1978, as

Item Amount

amended by Chapter 332, Statutes of 1978, for fiscal year 1978–79 for purposes of child development; however, the reduction in the 1981–82 revenue limit required to be made by this provision shall be made only to the extent to which comparable reductions in school apportionments are not required by other legislation enacted during the 1981–82 Regular Session.

Provided further, that the funds appropriated in category (a) of Item 610-101-001 are apportioned such that each school district in the 1981–82 fiscal year shall receive no less than 101 percent of the amount computed for that district in the 1980–81 fiscal year pursuant to the provisions of Assembly Bill No. 77 of the 1981–82 Regular Session, if enacted.

8. Provided further, that not more than $172,725,000 of the funds appropriated in category (a) may be allocated for the purpose of reimbursement of home-to-school transportation.
9. Provided further, that the inflation factor specified in Section 42238(g) (4) of the Education Code for Adult Education shall be 1.05 in-lieu of the 1.06 factor specified in statute.
10. Provided that each school district which conducted adult education programs for substantially handicapped adults in activity centers, work activity centers, sheltered workshops, state hospitals, and other community settings, shall set aside an amount of money from its adult education block entitlement equal to its current fiscal year revenue limit times the average daily attendance generated in these facilities in the 1979–80 fiscal year times 1.02; provided further, that classes and courses offered in activity centers, work activity centers, sheltered workshops, and state hospitals shall be authorized pursuant to Education Code Sections 8510.5(a) (5) and 41976(e); provided further, that a school district shall operate classes in these facilities and shall expend all funds set aside pursuant to this proviso and shall use all funds exclusively for such classes for substantially handicapped adults; provided further, that the condition imposed by this proviso may be waived by the Superintendent of Public Instruction upon certification from the school district that the local demand for the program is

Item Amount

less than the required level of service.

11. Provided further, that all school districts, county offices of education, and community college districts shall, upon request, make facilities available, at cost (including, but not limited to, the pro rata cost of janitorial services and other maintenance activities, utilities, and security services, as well as the cost of making any special repairs directly attributable to the migrant summer school programs), and, if available, facilities suitable for the summer climate, for the operation of migrant summer school programs. The Superintendent may allow neighboring districts jointly to offer facilities if he determines that the use of one district's facilities for an area will adequately meet the needs of the migrant summer school program for the entire area. If the Superintendent of Public Instruction determines that requests from legitimate prospective users of such facilities were denied without due cause, the superintendent shall assess a penalty of one thousand dollars ($1,000). The penalty amount shall be returned to Section A of the State School Fund.
12. Provided further, that funds appropriated for the School Improvement Program in Category (b) (1) are for transfer by the State Controller to Section A of the State School Fund in lieu of the appropriations made for the 1981–82 fiscal year pursuant to subdivisions (a) and (b) of Section 75 of Chapter 894 of the Statutes of 1977, for the purpose of making allowances for the School Improvement Program and notwithstanding the third paragraph of Section 87 of Chapter 894 of the Statutes of 1977, and pursuant to Article 4 (commencing with Section 52046) of Chapter 6 of Part 28 of the Education Code according to the following schedule:
    (a) For the purpose of making allowances for kindergarten and grades 1 to 6, inclusive 135,506,261
    (b) For the purpose of making allowances for grades 7 to 12 inclusive 19,498,191

Item Amount

provided, that the Department of Education shall allocate the funds scheduled above to each district eligible to receive an allowance on the basis of the per unit of average daily attendance amounts specified in subdivision (b) of Section 52046 of the Education Code, adjusted on a pro rata basis to conform to the amounts scheduled above.

Provided further, that the Department of Education may make adjustments in the above schedule so long as the total adjustment does not exceed 5 percent of the total amount appropriated in category (b) (1). Such adjustments shall be reported to the Department of Finance and the Joint Legislative Budget Committee.

Provided further, that $6,155,625 of the funds appropriated in Category (b) (1) shall be allocated for implementation of School Improvement Programs commencing in January 1982 in schools which implemented planning, pursuant to subdivision (a) of Section 52046 of the Education Code, during the 1980–81 and 1981–82 fiscal years.

13. Provided further, that funds appropriated for the Economic Impact Aid Program in Category (b) (2) are for transfer by the State Controller to Section A of the State School Fund, in lieu of the appropriations made for the 1981–82 year pursuant to Section 54053, Section 54054, and Section 54056 of the Education Code, and notwithstanding the second paragraph of Section 87 of Chapter 894, Statutes of 1977, for the purposes of the Economic Impact Aid Program, pursuant to Chapter 1 (commencing with Section 54000) of Part 29 of the Eduction Code.

Provided further, that $15,932,484 of the funds in excess of $159,044,583 shall be allocated by the Superintendent of Public Instruction pursuant to Section 54041 of the Education Code, to a limited number of districts with high concentrations of limited and non-English-speaking pupils and other economic impact aid pupils that receive insufficient funds through the economic impact aid formula. No district receiving funds from the Economic Impact Aid Program shall be allocated less than $5,000.

Item Amount

14. Provided further, that funds appropriated in category (b) (3) are for special elementary school reading instrucion program teachers pursuant to Chapter 2 (commencing with Section 54100) of Part 29 of the Education Code.
15. Provided further, that funds appropriated in category (c) (1) are for demonstration programs in reading and mathematics pursuant to Chapter 4 (commencing with Section 58600) of Part 31 of the Education Code.
16. Provided further, that funds appropriated in category (c) (2) for Indian education centers are limited to carrying out the provisions of Article 6 (commencing with Section 33380) of Chapter 3 of Part 20 of Division 2 of Title 2 of the Education Code.
17. Provided further, that funds appropriated in category (d), for Special Education are to be allocated only in accordance with provisions of Chapter 7 of Chapter 797, Statutes of 1980, superseding all prior law Provided that $3.6 million or so much money as is necessary of these funds may be used to meet the matching requirement necessary to maximize the funds available under PL 94-482, Vocational Education, National Priority Programs for handicapped students.

    Provided further, that funds included in category (d) for the purposes of Article 8 (commencing with Section 56770) of Chapter 7 of Part 30 of the Education Code shall not exceed $66,187,800.

    Provided further, that notwithstanding Sections 56723 and 56782 of the Education Code, or any other provisions of law, the adjustment in 1981–82 for Special Education shall be 1.08.
18. Provided further, that of the amounts appropriated in category (d), no more than $350,000 may be used for inservice training for special education teachers.

    Provided further, that $2,600,000 of the funds appropriated by Item 610-101-001 (d) shall be transferred to Item 430-101-001 (m) for the purpose of providing education to state hospital residents who are receiving education services pursuant to Chapter 1191, Statutes of 1980.

Item Amount

19. Provided further, that funds appropriated in category (e) (1) are for instructional television programs and are to be expended in accordance with the provisions of Section 41920 of the Education Code.
20. Provided further, that funds appropriated in category (f) are for transfer by the State Controller, in lieu of the appropriation provided for in Section 60246 of the Education Code, to the State Instructional Materials Fund, for allocation during the 1981–82 fiscal year, pursuant to Article 3 (commencing with Section 60240) of Chapter 2 of Part 33 of the Education Code; and that such funds shall be transferred to the State Instructional Materials Fund by the State Controller in amounts claimed by the Department of Education, and that the remaining balance, if any, be transferred to the State Instructional Materials Fund on June 30, 1982.
21. Provided further, that funds appropriated in category (g) are for transfer by the State Controller to Section A of the State School Fund, in lieu of the amount which would otherwise be appropriated for staff development and resource centers pursuant to subdivisions (a) and (b) of Section 74 of Chapter 894, Statutes of 1977, for the purpose of making allowances for purposes of Article 1 (commencing with Section 44670), Article 2 (commencing with Section 44680) of chapter 3.1 of Part 25, and Article 10 (commencing with Section 44630) of Chapter 3 of Part 25 of the Education Code according to the following schedule:

(a) School Personnel Staff Development	988,719
(b) Resource Centers	1,554,788

Provided further, that the $4 reimbursement rate specified in Section 2, Chapter 966, Statutes of 1977, shall be increased to four dollars and fifty-eight cents ($4.58) for the purpose of allocating funds scheduled in program 20.50.010; that $210,000 of the amount scheduled in category (g) shall be utilized to establish appropriate training programs for teachers on waiver in bilingual programs directly or by contract with the existing staff development resource centers, county offices of education, four-year public and private institutions of

Item		Amount

postsecondary education, bilingual program consortia or a consoritum formed by two or more institutions, and any contracts for training programs shall be awarded on a competitive basis in accordance with criteria developed by the Department of Education; and that $572,250 of the amount scheduled in category (g) shall be for staff development resource centers established pursuant to Chapter 3.1 (commencing with Section 44670) of Part 25 of the Education Code for the purpose of providing in-service training for teachers currently on waiver, and such funds shall be allocated to those resource centers which are in closest proximity to, and best able to serve, teachers on waiver.

22. Provided further, that the Department of Education, in utilizing the fund appropriated in category (c) (1) for Professional Development and Program Improvement Centers shall support the program in the 1981–82 fiscal year in at least 13 school districts and shall include as criteria for participation a district's efforts to establish a multidistrict project and to obtain and use matching funds from local, state, or federal sources.
23. Provided further, that funds appropriated in category (h) (1) are for apportionment to school districts and other eligible agencies maintaining preschool programs pursuant to Article 7, Chapter 2 (commencing with Section 8235) of Part 6 of the Education Code.
24. Provided further, that funds appropriated in category (h) (2) and $2,056,000 appropriated from the Federal Trust Fund, Item 610-101-890, are for child development programs, for allocation to school districts and other eligible agencies maintaining children's centers and child care programs pursuant to Chapter 2 (commencing with Section 8200) of Part 6 of the Education Code according to the following schedule:

(a) General child development programs	170,026,348
(b) Campus children's centers	4,927,837
(c) High-school-age parenting and infant development	3,935,328
(d) Migrant day care	7,292,730
(e) Special allowances for rent	344,944

Item		Amount
	(f) Special allowances for handicapped	579,340
	(g) Alternative payment program	12,874,874
	(h) Resource and referral	4,648,241
	(i) Transfer from the Federal Trust Fund	−2,056,000
	(j) Campus child care tax bailout	3,280,331
	(k) Unallocated inflation	10,292,699

Provided further, that funds scheduled in category (a) for county child care services shall be allocated subject to the requirements of Section 19.07 of this act.

Provided further, that funds appropriated in category (h) (2) include funds to continue support for child care programs supported in Fiscal Year 1980–81 with Federal Title XX funds made available to the Department of Education through contract with the Department of Social Services.

Provided further, that community college districts which levied child development permissive override taxes pursuant to Sections 8329 and 8330 of the Education Code in the 1977–78 fiscal year and received fiscal relief through Chapter 282 of the Statutes of 1979 shall not receive reimbursement for child care services from the superintendent in excess of 75 percent of the average daily enrollment funding standards for campus child care programs. Campus child care programs operated by the University of California, California State University and Colleges, and community colleges that did not levy a permissive override tax in the 1977–78 fiscal year shall receive reimbursement from the superintendent which equals 100 percent of the average daily enrollment funding standards for campus child care programs.

Provided further, that $3,280,331 of the funds scheduled for campus Children Centers shall be allocated by the Department of Education on order of the Chancellor of the California Community Colleges. The chancellor shall order the allocation of thes funds to community college districts which levied child care permissive override taxes in 1977–78 pursuant to Sections 8329 and 8330 of the Education Code in an amount equal to 109 percent of the prop-

Item		Amount
	erty tax revenues, tax relief subventions, and state aid required to be made available by the district to its child development program for the 1979–80 fiscal year pursuant to Section 30 of Chapter 1035 of the Statutes of 1979. These funds shall be used only for the purpose of community college child development programs.	
25.	Provided further, that for the Child Care Program funds scheduled for migrant day care services shall, in part, be allocated to agencies for the provision of services within state-funded migrant housing centers, and further for the priority provision of services to the resident children. Provided further, that notwithstanding any other provision of law, agencies maintaining child care and child development programs in migrant housing centers shall be responsible to the local housing agency contracting with the state, for use of facilities within the migrant housing center.	
26.	Provided further, that funds appropriated in category (i) for Child Nutrition are for transfer to the State Child Nutrition Fund pursuant to Section 41312 of the Education Code for child nutrition programs pursuant to the provisions of Section 41311 and clause (3) of subdivision (a) of Section 41312 of the Education Code; and that claims for reimbursement of meals pursuant to this appropriation shall be submitted by school districts not later than September 30, 1981, to be eligible for reimbursement. Provided further, that, notwithstanding any other provisions of law, funds appropriated in category (i), for Child Nutrition, shall be available for allocation in accordance with provisions of Section 49536 of the Education Code, except that such allocation shall not be made on the basis of all meals served but shall be made on the basis of the number of meals that are served and which qualify as free or reduced priced meals in accordance with provisions of Sections 49501, 49550, and 49552 of the Education Code.	

Item Amount

Provided further, that, notwithstanding provisions of Sections 42238(g) (3) and 49536 of the Education Code, the adjustment in 1981–82 for meals for needy pupils shall be 1.05 in lieu of the cost adjustment factor based on the "Food Away from Home Index".

27. Provided further, that funds appropriated in category (k), State Library Support and Development, are for allocation by the California Library Services Board to eligible libraries and library systems pursuant to Chapter 4 (commencing with Section 18700) of Part 11 of the Education Code according to the following schedule:

(a) System reference	1,423,366
(b) Transactions	2,588,802
(c) Consolidations and affiliations	56,700
(d) Statewide data base	486,413
(e) Systems advisory boards	35,273
(f) Systems communications and delivery	1,012,700
(g) Unallocated reduction for local library services	−83,696

Provided further, that $48,000 be transferred from Item 610-101-001(k) to Item 610-001-001(e) for support of 1.5 positions for administration of the California Library Services Act.

28. Provided further, that funds appropriated in program 60—Legislative Mandates, are for reimbursement in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs which relate to educational programs, of any new program or increased level of service of an existing program mandated by statute according to the schedule of categories (*l*) through (u).

Provided, that allocations to the appropriate local entities shall be made by the State Controller in accordance with the provisions of each statute that mandates the reimbursement of such costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 2231 of the Revenue and Taxation Code.

Item Amount

29. Provided further, that $17,500,000 of the funds appropriated in category (a) of Item 610-101-001 shall be apportioned by the Superintendent of Public Instruction to provide funding for the following revenue limit adjustment, which is hereby authorized for the 1981–82 fiscal year:

(a) The revenue limit of each school district with less than 2,501 units of average daily attendance for the second principal apportionment in the 1978–79 fiscal year and 3 percent of its general fund total expense of education in the 1977–78 fiscal year shall be increased in the 1981–82 fiscal year by an amount not to exceed the difference between its approved home-to-school transportation costs in the 1977–78 fiscal year and 3 percent of the district general fund total expense of education in the 1977–78 fiscal year or the difference between its approved home-to-school transportation costs in the 1978–79 fiscal year and 3 percent of the district general fund total expense of education in the 1978–79 fiscal year, whichever is greater.

(b) In the event that apportionments resulting from the revenue limit increase authorized by this proviso exceed $17,500,000 in the 1981–82 fiscal year, the Superintendent of Public Instruction shall adjust on a pro rata basis such apportionments so that the total amount does not exceed that amount.

30. Provided further, that, in lieu of any statutory appropriation for such purpose, and notwithstanding any provision of law to the contrary, not more than $9,084,600 of the funds appropriated in category (a) of Item 610-101-001 shall be allocated by the Superintendent of Public Instruction for general aid to school districts, pursuant to the provisions of Section 54061 of the Education Code.

31. Provided that the funds appropriated in category (e) (3) of Item 610-101-001 shall be allocated as a grant by the Superintendent of Public Instruction to a private, nonprofit foundation for the purpose of conducting a program on youth and the administration of justice in at least 15 school districts; provided further that such funds shall be allocated in four equal installments during 1981–82, on September 1, December 1, February 1, and May 1.

Item Amount

32. Provided further, that in lieu of the unit rate specified in Section 41920 of the Education Code, the Superintendent of Public Instruction shall allow a unit rate of $0 525 for reimbursement of instructional television programs.
33. Provided further, that pursuant to Section 23.5 of Chapter 798, Statutes of 1980, regarding the use of cost-of-living adjustments by agencies subject to cost controls, the Department of Education shall continue to implement this section in fiscal year 1981–82.
34. Provided further, that $163,500 of the amount appropriated in category (g) shall be appropriated for support of two school resource centers. To the extent that federal funds are made available for support of federal teacher centers in these locations, the appropriation in category (g) shall be reduced.
35. Provided further, that of the funds appropriated for the purpose of making apportionments to school districts maintaining kindergarten and grades 1 to 12, inclusive, in the 1981–82 fiscal year, the funds appropriated in Section 19.12 for that purpose shall be expended first, before the expenditure of funds appropriated in category (c) of Item 610-101-001.

Provisions applicable to Item 610-101-140—for local assistance, Department of Education.

1. Provided that $29,000 of the funds appropriated in category (b) of Item 610-101-140 shall be allocated by the Superintendent of Public Instruction as a grant to a private, not for profit educational organization which will serve approximately 2,200 elementary and secondary students in Los Angeles County and the immediately surrounding area, and which will provide such students with an experimentally based environmental education program.
2. Provided further, that not more than $250,000 of the funds appropriated by Item 610-101-140 shall be used to contract with the California Energy Extension Service to organize and manage an energy conservation program in schools.

Provisions applicable to Item 610-101-178—for local assistance, Department of Education·

Item Amount

1. Provided that, notwithstanding the provisions of Sections 41304, 41305, 41306, 62000 and 62002 of the Education Code and Article 12 (commencing with Section 41900) of Chapter 5 of Part 24 of the Education Code, funding for driver training programs during 1981–82 shall be made from the funds appropriated from Section A of the State School Fund.

Provided further, that the offering of a driver training program is permissive and not a requirement of the school curriculum However, each school district maintaining a high school or high schools, each county superintendent of schools, and the California Youth Authority, choosing to offer a driver training program, is eligible to receive financial assistance in accordance with this provision.

Provided further, that as a condition of the acceptance of such financial assistance, each participating school district, county superintendent of schools, and the California Youth Authority shall provide driver training programs during 1981–82 which are in compliance with the programmatic requirements set forth in Article 12 (commencing with Section 41900) of Chapter 5 of Part 24 of the Education Code, as such programmatic requirements existed on June 29, 1981, except that Section 41902 shall not be applicable.

Provided further, that the Department of Education shall allocate these funds among all participating school districts, county offices of education, and the California Youth Authority in accordance with Article 12 (commencing with Section 41900) of Chapter 5 of Part 24 of the Education Code.

Provisions applicable to Item 610-101-890—for local assistance, Department of Education:

1. Provided that, notwithstanding the provisions of Section 28, the Director of Finance shall not augment the amount available for expenditure from category (i).

610-490—Reappropriation, Department of Education. Notwithstanding any other provision of law, on the effective date of this act, the specified balances of the appropriations provided in the following citations, are reappropriated for the purposes provided for in said appropriations, and shall be available for

Item Amount

expenditure until June 30, 1982.

001—General Fund

(1) Item 327, Budget Act of 1980 School Improvement Program planning grant funds; $2,398,000 of the $4,796,000 appropriated for planning in fiscal year 1980–81 shall be reappropriated to support one-half year of planning for secondary schools initiating the planning process in 1980–81 pursuant to subdivision (a) of Section 52046 of the Education Code.

(2) Section 70, Chapter 894, Statutes of 1977, the undisbursed balance for the independent evaluation of the School Improvement Program, the undisbursed balance

(3) Item 323(a) and (d), Budget Act of 1980 California School for the Blind, Fremont and California School for the Deaf, Fremont, $200,000 of the funds appropriated for purposes of relocation.

(4) Section 16, Chapter 1329, Statutes of 1980, the unexpended balance for the pilot attendance projects established in Section 46013 of the Education Code.

(5) Item 352(c), Budget Act of 1980, Mentally Gifted Minors, the undisbursed balance of the $225,000 authorized by Chapter 282, Statutes of 1979, Section 23(e) for the evaluation of the Mentally Gifted Minors program.

(6) Section 12(a), Chapter 797, Statutes of 1980, the undisbursed balance of the $100,000 appropriated for the independent evaluation of Master Plan.

(7) Section 23.4, Chapter 798, Statutes of 1980, the unallocated or unexpended balances, for the purposes specified in Sections 8277.1 to 8277.7, inclusive, of the Education Code, relating to the renovation and repair of child care facilities to insure compliance with state and local health and safety standards, and acquisition and lease of relocatable facilities.

(8) Item 332(c), Budget Act of 1980, for demonstration programs in reading and mathematics for the purpose of project evaluation and dissemination activities.

Item	Amount
610-495—Reversion, Department of Education. Notwithstanding any provisions of law, as of June 30, 1981, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made:	
001—General Fund	
(1) As of July 1, 1981, $200,000 of the funds appropriated in Section 73 of Chapter 894, Statutes of 1979, for the 1981–82 fiscal year for an independent evaluation of the Master Plan for Special Education, shall revert to the unappropriated surplus of the General Fund. The Department of Education shall allocate $200,000 of Federal P.L. 94-142 funds for this evaluation.	
630-101-001—For transfer to the State Teachers' Retirement Fund for the State Teachers' Retirement System, in lieu of the appropriations provided for in Sections 23401 and 23402 of the Education Code, and in lieu of the reimbursement to local entities, in accordance with Subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the State-mandated costs pursuant to Chapter 89, Statutes of 1974, Chapter 1036, Statutes of 1979, and Chapter 1286, Statutes of 1980	223,209,556
Provisions applicable to Item 630-101-001—for Contributions to Teachers' Retirement Fund.	
1. Provided, that, notwithstanding any other provision of law to the contrary, funds appropriated by this item shall first apply to the payment of claims for the 1980–81 and 1981–82 employer costs of unused sick leave credits pursuant to the provisions of Chapter 89, Statutes of 1974.	
2 Provided further, that, notwithstanding any other provisions of law to the contrary, the State Teachers' Retirement System shall not bill school districts for increased employer costs as a result of Chapter 89, Statutes of 1974.	
632-001-001—For support of the California Advisory Council on Vocational Education and Technical Training	99,382
Schedule:	
(a) 100000-Personal Services ... 176,998	
(b) 300000-Operating Expenses and Equipment ... 125,738	
(c) Amounts payable from the Vocational Education Federal Fund (Item 632-001-887) ... −203,354	

Item	Amount
632-001-887—For support of the California Advisory Council on Vocational Education and Technical Training, to be transferred to Item 632-001-001, payable from the Vocational Education Federal Fund	203,354
Provisions applicable to Item 632-001-001 through 632-001-887—for support of the California Advisory Council on Vocational Education and Technical Training: 1. Provided, that the funds appropriated from the Vocational Education Federal Fund are available for support after transfer from the Federal Trust Fund.	
633-001-890—For support of the California Occupational Information Coordinating Committee payable from the Federal Trust Fund	299,630
(a) 100000—Personal Services 194,888	
(b) 300000—Operating Expenses and Equipment 104,742	
635-101-001—For transfer to Section A of the State School Fund	110,000,000
Provisions applicable to Item 635-101-001—for transfer to Section A of the State School Fund. 1 Provided, that $110,000,000 of the funds appropriated in this item shall be transferred to Section A of the State School Fund and shall be available for the purpose of recertifying the 1980–81 second principal apportionment. 2. Provided, further that up to $80,000,000 may be used to fund any deficit in the 1980–81 second principal apportionment pursuant to Sections 2558 and 42238 of the Education Code exclusive of any deficit resulting from Section 42243.6 of the Education Code. 3. Provided further, that none of these funds may be used to increase the amount authorized for adult education in Item 352 of the Budget Act of 1980. 4. Provided further, that $30,000,000 shall be expended pursuant to legislation enacted during the 1981 Regular Session in order to provide for the allocation of any 1980–81 funding deficit for programs authorized by Chapter 797 of the Statutes of 1980.	
636-001-407—For support of Commission for Teacher Preparation and Licensing, payable from the Teacher Credentials Fund	3,402,735
Schedule:	
(a) 100000-Personal Services 2.407,156	

Item		Amount
(b) 300000-Operating Expenses and Equipment	1,017,876	
(c) Amount payable from the Federal Trust Fund (Item 636-001-890)	−22,297	
636-001-890—For support of Commission for Teacher Preparation and Licensing, to be transferred to Item 636-001-407, payable from the Federal Trust Fund		22,297
Provisions applicable to Items 636-001-407 through 636-001-890—for support of Commission for Teacher Preparation and Licensing:		
1 Provided, that the provisions applicable to Item 984-001-494 shall not apply to the authorization of a deficiency for the purpose of funding professional standards review for the Commission for Teacher Preparation and Licensing, and the Director of Finance may authorize a deficiency expenditure for that purpose pursuant to Section 11006 of the Government Code, except that any authorizations for additional expenditures shall be subject to Section 28 of this act.		
642-001-001—For support of California Postsecondary Education Commission		2,310,525
Schedule:		
(a) 100000-Personal Services	2,006,365	
(b) 300000-Operating Expenses and Equipment	1,359,912	
(c) Reimbursements	−6,000	
(d) Amount payable from the Federal Trust Fund (Item 642-001-890)	−1,049,752	
642-001-890—For support of California Postsecondary Education Commission, to be transferred to Item 642-001-001, payable from the Federal Trust Fund		1,049,752
Provisions applicable to Items 642-001-001 through 642-001-890—for support of California Postsecondary Education Commission.		
1. The amount provided from the General Fund for existing federally funded positions shall revert if federal funds for those positions are not reduced		
642-490—Reappropriation, California Postsecondary Education Commission. Notwithstanding any other provisions of law, the undisbursed balance on the effective date of this act, of the appropriation provided in the following citation, is reappropriated for the purpose provided in said appropriation, and shall be available for expenditure until June 30, 1982:		
001—General Fund		

Item		Amount
(1) Item 359, Budget Act of 1980, up to a maximum of $30,000, to study CSUC student affirmative action program.		
644-001-001—For support of University of California....		1,050,874,409
Schedule:		
(a) 400001-Support	1,039,451,817	
(b) 400004-University-wide Research Program in Integrated Pest Management	1,730,081	
(c) 400005-Space-Related Research Program	1,102,064	
(d) 400006-State Data Program	162,676	
(e) 400007-Undergraduate Teaching Excellence	1,677,956	
(f) 400008-Planning of a Medical Education Program in the Fresno-San Joaquin Valley Region	100,101	
(g) 400009-Medical Education Program—Berkeley	1,040,559	
(h) 400010-Biomedical Education Program—Riverside	949,297	
(i) 400011-Charles Drew Medical Program	3,835,051	
(j) 400012-Podiatry Program	778,592	
(k) 400017-Institute of Appropriate Technology	46,215	
644-001-046—For support of University of California, payable from the Transportation Planning and Development Account, State Transportation Fund....		807,949
Schedule:		
(a) 400020-Institute of Transportation Studies	807,949	
644-001-144—For support of University of California, payable from the California Water Fund		100,000
Schedule:		
(a) 400013-Research in Mosquito Control	100,000	
644-001-146—For support of University of California, payable from the Capital Outlay Fund for Public Higher Education		15,634,830
Schedule.		
(a) 400003-Replacement of Instructional Equipment	10,884,830	
(b) 400014-Deferred Maintenance and Special Repair Projects	4,750,000	
Provisions applicable to Item 644-001-001 through 644-001-188—for support of University of California:		
1. Provided, that the appropriations from these funds are exempt from Section 31 of this act.		

Item Amount

2. Provided further, that none of the funds appropriated may be expended to initiate major capital outlay projects, either by contract or lease-purchase agreement, without prior legislative approval.
3. Provided further, that funds appropriated by Item 644-001-001 Schedule (a) for the Student Affirmative Action Program are available only on the condition that the university provides a contribution of $1,099,250 for such program from funds not appropriated by this act.
4. Provided further, that the funds appropriated by Item 644-001-001, Schedule (i) are for support of University of California program of clinical health sciences education, research, and public service, conducted in conjunction with the Charles R. Drew Postgraduate Medical School, as provided for in Sections 1, 2, and 3 of Chapter 1140 of the Statutes of 1973.
5. Provided, that the University of California shall ensure by adequate controls that funds appropriated by Item 644-001-001, Schedule (i) are expended solely for the support of such programs.
6. Provided further, that the funds appropriated by Item 644-001-001, Schedule (j) are for support of a program of basic and clinical health science education and primary health care delivery research in the field of podiatry, University of California, to be conducted in conjunction with the California College of Podiatric medicine as provided for in Sections 1 and 4, inclusive, of Chapter 1497, Statutes of 1974.
7. Provided further, that the funds appropriated by Item 644-001-146, Schedule (b), notwithstanding the provisions of Section 2 of this act, shall be available for expenditure until June 30, 1983.
8. Provided further, that of the funds appropriated by Schedule (a), Item 644-001-188, no expenditure may be made unless the University contributes $100,000 to the program from funds not appropriated by this act.

644-301-146—For capital outlay, University of California, payable from the Capital Outlay Fund for Public Higher Education 23,444,000
Schedule:

Item	Amount
Universitywide:	
(1) Project programming and preliminary plans	250,000
(2) Engineering and environmental planning studies	60,000
(3) Minor capital outlay	2,785,000
(4) Equip northern regional library compact shelving facility	305,000
(5) Preliminary plans and working drawings for southern regional library compact shelving facility	512,000
Davis Health Sciences:	
(6) Annual payment toward the purchase of Sacramento Medical Center	200,000
Los Angeles Campus:	
(8) Equip Schoenberg Hall addition	198,000
Irvine Campus:	
(9) Construct social ecology building	3,515,000
Berkeley Campus.	
(10) Working drawings and construct Cory Hall, alterations for microelectronics fabrication laboratory	1,118,000
(11) Equip Cory Hall, alterations for microelectronics fabrication laboratory	1,239,000
(12) Construct Cory Hall, utilities systems and handicapped improvements (California Administrative Code deficiencies)	917,000
Davis Health Sciences:	
(13) Construct veterinary medicine expansion, San Joaquin Valley clinical facility	1,310,000
Davis Campus:	
(14) Preliminary plans for Food and Agriculture Sciences Building I	972,000
Santa Cruz Campus	
(15) Working drawings and construct animal quarters addition	359,000
Riverside Campus.	
(16) Working drawings, construct, and equip nematode isolation and quarantine facility	612,000
Irvine Campus:	
(18) Working drawings and construct organic chemistry laboratory conversion	202,000

Item		Amount
Berkeley Campus:		
(19) Construct California Administrative Code deficiencies (handicapped), step 2	110,000	
San Diego Campus:		
(20) Construct California Administrative Code deficiencies (handicapped), step 1	153,000	
Davis Campus:		
(21) Working drawings and construct California Administrative Code deficiencies (handicapped), step 2	410,000	
Riverside Campus:		
(22) Working drawings and construct handicapped access alterations, step 1	253,000	
Santa Cruz Campus:		
(23) Working drawings and construct California Administrative Code deficiencies (handicapped), step 2	242,000	
Berkeley Campus:		
(24) Working drawings and construct California Administrative Code deficiencies, elevators, step 2	692,000	
Davis Campus:		
(29) Working drawings and construct natural gas service, electrical cogeneration facility	413,000	
San Diego Marine Sciences:		
(31) Working drawings and construct SID seawall extension, step 2	331,000	
Los Angeles—Health Sciences:		
(32) Construct Drew/UCLA undergraduate medical education program facilities, completion of (psychiatric and clinical science) building, Martin Luther King, Jr., County General Hospital	1,946,000	
(33) Construct Medical Education Center	4,340,000	
644-301-189—For capital outlay, University of California, payable from the Energy Account, Energy and Resources Fund		875,250
Schedule:		
(1) Preliminary plans for gas turbine generator	323,000	
San Diego Campus:		
(2) Preliminary plans for combustion turbine cogeneration system	192,000	

Item		Amount
San Francisco Health Sciences:		
(3) Preliminary plans for a cogeneration facility	12,250	
Los Angeles Campus:		
(4) Preliminary plans for energy cogeneration facility	348,000	
644-301-718—For capital outlay, University of California, payable from the Health Sciences Facilities Construction Program Fund		2,616,000
Schedule:		
Los Angeles Health Sciences:		
(1) Equip Health Sciences Center alterations, (released School of Nursing space for bio-medical library)	49,000	
Irvine Health Sciences:		
(2) Construct library module, UCIMC	666,000	
Davis Health Sciences		
(3) Construct veterinary medicine expansion, San Joaquin Valley clinical facility	1,901,000	
644-301-993—For capital outlay, University of California, payable from the Hospital Reserve Account University Funds		244,000
Schedule:		
Irvine Health Sciences:		
(1) Preliminary plans for UCIMC Medical Center diagnostic service module	154,000	
(2) Working drawings for UCIMC Medical Center diagnostic service module	90,000	

Provisions applicable to Items 644-301-146 through 644-301-993—for capital outlay, University of California:

1 Provided, that funds appropriated by Item 644-301-146, Schedule (1) shall be released only for those major capital outlay projects for working drawings and construction, which are anticipated to be included in the 1982–83 Governor's Budget, except that a maximum of $100,000 shall be available for expenditure on July 1, 1981, for utility and site development and for development of environmental impact reports for major capital outlay projects, and for development of benefit/cost analyses of planning alternatives for proposed 1983–84 capital outlay projects.

Item Amount

2. Provided, that with the exception of Schedules (1), (2), (3), (4), (6), (8), and (11) appropriated by Item 644-301-146 and Schedule (1) by Item 644-301-718, that these projects are subject to prior approval of the State Public Works Board.
3. Provided, that withdrawals shall be as required to meet current obligations as certified by the University of California for projects scheduled in Items 644-301-146 through 644-301-993.
4. Provided, that notwithstanding the provisions of Section 2 of this act, the appropriations made in item 644-301-146 for equipment items shall be available for expenditure only during the 1981–82 and 1982–83 fiscal years.
5. Provided, that funds appropriated for Item 644-301-718 shall be released only for those programs as contemplated by the Health Sciences Facilities Construction Program Bond Act of 1971. Provided further, that notwithstanding the provisions of Section 2 of this Act, the appropriations made in this item for equipment items shall be available for expenditure only during the 1981–82 and 1982–83 fiscal years.
6. Provided, that the University of California shall maximize the use of hospital reserve funds for construction of projects in Item 644-301-993.
7. Provided, that any proposed changes in the scope of individual minor energy conservation retrofits based upon completed preliminary engineering and energy savings evaluations for projects scheduled in Item 644-301-146 shall be approved by the Department of Finance before submission to the State Public Works Board.

644-490—Reappropriation, University of California. Notwithstanding any other provisions of law, the undisbursed balance, on the effective date of this act, of the appropriation provided in the following citation, is reappropriated for the purpose provided for in said appropriation, and shall be available for expenditure until June 30, 1982:

146—Capital Outlay Fund for Public Higher Education:

(1) Chapter 510, Statutes of 1980, Item 549(3)—general and advance planning studies of seismic safety in university facilities.

178—Health Sciences Facilities Construction Program Fund:

Item		Amount
(1) Chapter 129, Statutes of 1973, Item 378 (23)—working drawings and construct Moffitt Hospital modernization, new service, facilities and related alterations, San Francisco.		
660-001-001—For support of Hastings College of Law..		7,110,446
Schedule:		
(a) 100000-Personal Services	6,836,255	
(b) 300000-Operating Expenses and Equipment	3,490,515	
(c) Reimbursements	−1,935,403	
(d) Amount payable from the Federal Trust Fund (Item 660-001-890)	−980,921	
(e) Unallocated savings	−300,000	
660-001-890—For support of Hastings College of Law, to be transferred to Item 660-001-001, amount payable from the Federal Trust Fund		980,921
661-001-001—For support of Trustees of the California State University and Colleges and the California State University and Colleges		920,635,599
Schedule:		
(a) 01-Instruction	600,732,646	
(b) 02-Organized Research	82,050	
(c) 03-Public Service	593,137	
(d) 04-Academic Support	113,460,785	
(e) 05-Student Service	70,580,783	
(f) 06-Institutional Support	241,790,342	
(g) 07-Independent Operations	45,429,674	
(h) Reimbursements	−152,033,818	
661-001-146—For support of Trustees of the California State University and Colleges and the California State University and Colleges payable from the Capital Outlay Fund for Public Higher Education		6,117,579
Schedule:		
(a) 01-Instruction (replacement of instructional equipment)	4,159,750	
(b) 06-Institutional Support (deferred maintenance and special repair projects)	1,957,829	
661-001-189—For support of Trustees of the California State University and Colleges and the California State University and Colleges, for Institutional Support Program 06, payable from the Energy Account, Energy and Resources Fund		679,649

Item Amount

661-001-890—For support of Trustees of the California State University and Colleges and the California State University and Colleges, for Student Service Program 05, payable from the Federal Trust Fund 56,270,430

Provisions applicable to Items 661-001-001 through 661-001-890—for support of Trustees of the California State University and Colleges and the California State University and Colleges:

1 Provided, that the funds appropriated in Item 661-001-001 may be reallocated upon order of the Trustees of the California State University and Colleges subject to being reported to the Department of Finance; provided further, that no instructional faculty positions authorized for the 1981–82 fiscal year shall be used for administration, administrative assistance, department chairmanships, or noninstructional research

2. Provided further, that no portion of the funds appropriated in Item 661-001-001 for instructionally related activities may be expended for intercollegiate athletics.

3. Provided further, that reimbursements in excess of the amount budgeted for nonresident tuition in Item 661-001-001, program 01, Instruction, shall revert to the General Fund, unless authorized for expenditure by the Department of Finance with written notification to the Joint Legislative Budget Committee and the committee in each house which considers appropriations; provided further, that expenditures from such reimbursement shall not be authorized sooner than 30 days after notification of such approval in writing has been delivered to the chairman of the legislative fiscal committees, or such lesser time as the chairmen of such committees, or their designee, may in each instance determine.

5 Provided, that no new students shall be admitted into any of the Joint Doctoral programs in 1981–1982 and thereafter.

661-301-146—For capital outlay, Trustees of the California State University and Colleges and the California State University and Colleges, payable from the Capital Outlay Fund for Public Higher Education 16,405,460

Schedule:

Systemwide—Trustees of the California State University and Colleges:

(1) Architectural and engineering planning and studies..... 150,000

Item		Amount
	(2) Preliminary planning—1982–83 projects	125,000
	(3) Minor capital outlay	2,377,810
	State University, Chico:	
	(4) Working drawings and construct removal of architectural barriers to the physically handicapped	290,000
	State University, Hayward:	
	(5) Working drawings for removal of architectural barriers to the physically handicapped	14,400
	Humboldt State University:	
	(6) Working drawings and construct removal of architectural barriers to the physically handicapped	157,700
	San Jose State University:	
	(7) Working drawings and partial construction for removal of architectural barriers to the physically handicapped	58,200
	Polytechnic State University, San Luis Obispo:	
	(8) Working drawings and construct removal of architectural barriers to the physically handicapped	294,000
	State University, Los Angeles:	
	(8.1) Working drawings and construct modifications to existing elevators to remove architectural barriers to the physically handicapped	82,000
	State University, Hayward:	
	(9) Working drawings for modifications to the fine arts laboratory ventilation system	10,000
	San Francisco State University:	
	(10) Construct modifications to the science buildings to meet Fire Marshal requirements	163,000
	State University, Hayward:	
	(11) Construct modifications to the administration building to meet safety code requirements	156,000
	San Jose State University:	
	(12) Construct modifications to existing elevators to meet safety code requirements	376,000
	State University, Long Beach:	
	(13) Construct modifications to the science building to meet safety code requirements	947,000

Item	Amount
(14) Working drawings for modifications to existing elevators to meet safety code requirements	10,000
State University, Fullerton:	
(15) Working drawings for modifications to the letters and science building to meet Fire Marshal requirements	15,000
State University, Los Angeles:	
(16) Working drawings and construct modifications to existing elevators to meet seismic code requirements	245,000
Humboldt State University:	
(17) Equip science building	494,000
State University, Long Beach:	
(18) Equip music building	480,000
State University, Los Angeles:	
(19) Equip computer facility	20,000
State University, Northridge:	
(20) Equip art and design center	214,000
San Diego State University:	
(21) Equip conversion of old library addition	256,700
(21.1) Working drawings and construct site preparation for data processing center	282,000
San Jose State University:	
(22) Equip library	1,095,500
(22.1) Preliminary plans and working drawings for site preparation for data processing center	44,000
State University, Northridge:	
(23) Construct faculty office addition	2,417,000
State University, Fresno:	
(24.1) Working drawings for dairy unit relocation	98,000
San Francisco State University:	
(24.2) Working drawings for science building conversion	75,000
Polytechnic State University, San Luis Obispo.	
(24.3) Working drawings for library conversion	95,600
(24.4) Preliminary plans for engineering south building	148,000
Humboldt State University:	
(24.5) Preliminary plans for remodeling engineering building	17,000

Item		Amount
	Systemwide—Trustees of the California State University and Colleges:	
	(25) Preliminary plans, working drawings and construct energy conservation retrofits	1,201,550
	San Diego State University:	
	(26) Working drawings and construct cogeneration plant, phase 2	3,604,000
	State University, Northridge:	
	(27) Construct an energy management system	335,000
	State University, Sacramento:	
	(29.1) Working drawings and construct remodel Fish and Game Building for nursing	57,000
661-301-189	—For capital outlay, Trustees of California State University and Colleges and the California State University and Colleges, payable from the Energy Account, Energy and Resources Fund	320,000
	Schedule:	
	State Polytechnic University, Pomona:	
	(1) Preliminary plans for cogeneration plant	137,000
	San Jose State University.	
	(2) Preliminary plans for cogeneration plant	70,000
	State Polytechnic University, San Luis Obispo:	
	(3) Preliminary plans for a cogeneration plant	58,000
	State University, Northridge:	
	(4) Preliminary plans for a cogeneration plant	55,000

Provisions applicable to Items 661-301-146 through 661-301-189—for capital outlay, Trustees of the California State University and Colleges, and the California State University and Colleges:

1 Provided, with the exception of Item 661-301-146, Schedules (1), (2), (3), (17), (18), (19), (20), (21), and (23) that these projects are subject to the prior approval of the State Public Works Board.

2. Provided, that a maximum of $25,000 of the funds appropriated in Schedule (1) shall be available for expenditure for the development of technical studies and engineering studies of energy conservation projects for possible inclusion in subsequent budgets Provided further, that the funds appropriated in Item 661-301-146

Item Amount

Schedule (2) shall be released only for those major capital outlay projects for working drawings or working drawings and construction, which are anticipated to be included in the 1982–83 Governor's Budget, except that a maximum of $30,000 shall be available for expenditure on July 1, 1981, for utility and site development of major capital outlay projects.

3. Provided, that notwithstanding the provisions of Section 2 of this act, the appropriations made in these Items for equipment items shall be available for expenditure only during the 1981–82 and 1982–83 fiscal years.
4. Provided, that withdrawals shall be as required to meet current obligations as certified by the Trustees of the California State University and Colleges.
5. Provided, that the modification of the fine arts laboratory at Hayward, funded pursuant to project (9) of Item 661-301-146, shall be limited to those modifications necessary to correct code deficiencies.
6. Provided, that a maximum of $99,000 appropriated in project (3) of Item 661-301-146 shall be available for allocation by the Chancellor's Office to remodel the old Fish and Game Building on the Sacramento campus. These funds shall be in addition to any other funds appropriated for this project in Item 661-301-146.
7. Provided, that the State Public Works Board may not approve construction funds for cogeneration projects until legislative policy on energy conservation has been developed. Any savings in operating costs attributed to reduced consumption of energy shall be subtracted from the appropriations for utilities in Items 661-001-001 to 661-001-890, inclusive. Any income from the sale of energy generated by these projects shall be deposited in the Energy Fund

661-490—Reappropriation, California State University and Colleges. Notwithstanding any other provisions of law, the undisbursed balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in said appropriations, and shall be available for expenditure until June 30, 1982.

001—General Fund

Item Amount

(1) Chapter 510, Statutes of 1980, Item 379(f). Notwithstanding any other provisions of law, a maximum of $704,603 from the unencumbered balance on June 30, 1981, of savings from the appropriation in Item 379(f), Chapter 510, Statutes of 1980, is hereby reappropriated for use in meeting the cost of utility price increases and, subject to the approval of the Department of Finance, for transfer by the State Controller to and in augmentation of Item 661-001-001, and shall remain available for encumbrance until June 30, 1982.

146—Capital Outlay Fund for Public Higher Education

(1) Chapter 510, Statutes of 1980, Item 561(3)—preliminary plans for federal energy conservation project proposals.

(2) Chapter 510, Statutes of 1980, Item 558.1(16)—preliminary plans and working drawings for Moss Landing Marine Laboratories I.

661-495—Reversion, California State University and Colleges. Notwithstanding any other provisions of law, as of June 30, 1981, the unencumbered balance of the appropriations provided in the following citations, shall revert to the unappropriated surplus of the fund from which the appropriation was made:

146—Capital Outlay Fund for Public Higher Education

(1) Chapter 510, Statutes of 1980, Item 558(21)—San Francisco State University—preliminary plans and working drawings for science building conversion.

(2) Chapter 510, Statutes of 1980, Item 558(22)—Polytechnic State University, San Luis Obispo —preliminary plans and working drawings for library conversion.

(4) Chapter 510, Statutes of 1980, Item 558.1(17)—State University, Fresno—preliminary plans and working drawings for dairy unit relocation.

686-001-001—For support of California Maritime Academy 3,252,218

Schedule:

(a) 100000-Personal Services 3,354,168

(b) 300000-Operating Expenses and Equipment 2,290,285

(c) Reimbursements ..... −1,535,200

Item		Amount
(d) Amount payable from the Federal Trust Fund (Item 686-001-890)	−857,035	
686-001-890—For support of California Maritime Academy, to be transferred to Item 686-001-001, payable from the Federal Trust Fund.		857,035
Provisions applicable to Items 686-001-001 through 686-001-890—for support, California Maritime Academy:		
1. Provided, that the Department of Finance shall reduce the funds appropriated in Item 686-001-001 by the amount of federal funds received in 1981–82 for the purchase of fuel oil		
2. Provided further, that the Department of Finance shall increase the funds appropriated in Item 686-001-890 by the amount of federal funds received in 1981–82 for the purchase of fuel oil.		
686-301-146—For capital outlay, California Maritime Academy, payable from the Capital Outlay Fund for Public Higher Education		91,000
Schedule:		
(1) Preliminary plans and working drawings for wind turbine electric power generator	30,000	
(2) Preliminary plans, working drawings and construct Arcade for Marine Engineering Training Facility	61,000	
Provisions applicable to Item 686-301-146—for capital outlay, California Maritime Academy:		
1. Provided, that the project in category (a) is subject to prior approval of the State Public Works Board.		
2. Provided, that prior tp expenditure of any working drawing funds for the project in category (a), the academy shall submit a detailed feasibility study which includes on-site wind velocity recordings to the chairmen of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee.		
687-001-001—For support of Board of Governors of the California Community Colleges		3,306,413
Schedule:		
(a) 100000-Personal Services	4,366,616	
(b) 300000-Operating Expenses and Equipment	1,747,199	
(c) Reimbursements	−2,034,932	
(d) Amount payable from Community College Fund for Instructional Improvement . .	−6,379	

Item		Amount
(e) Amount payable from the Community College Credentials Fund (Item 687-001-165)	−591,091	
(f) Unallocated reduction	−175,000	
687-001-165—For support of Board of Governors of the California Community Colleges, to be transferred to Item 687-001-001, payable from the Community College Credentials Fund		591,091
Provisions applicable to Item 687-001-001 through 687-001-165, for support of Board of Governors of the California Community Colleges:		
1. Provided, that of the General Fund appropriation in Item 687-001-001, a total of $40,000 shall be transferred to the Community College Fund for Instructional Improvement for the purpose of state operations.		
687-101-001—For local assistance, Board of Governors of the California Community Colleges		1,103,492,588
Schedule:		
(a) 20.20-Partial Financing of the Academic Senate for the California Community Colleges	67,775	
(b) 20.30-Vocational Education Special Projects	0	
(1) Total Vocational Education Special Projects	4,000,000	
(2) Reimbursements	−4,000,000	
(c) 20.35.020-Community College Extended Opportunity Programs and Services	24,466,419	
(d) 20.10-Instructional Improvement	760,000	
(e) 30-Apportionments	1,078,198,394	
Provisions applicable to Item 687-101-001 through 687-101-146—for local assistance, Board of Governors of the California Community Colleges:		
1. Provided, that the funds appropriated in Item 687-101-001, Schedule (c) are conducted under the provisions of Article 8 (commencing with Section 69640) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, and that the board of governors shall allocate funds on a priority basis and to local programs on the basis of need for student financial aid and services.		
2. Provided further, that the funds appropriated in Item 687-101-001, Schedule (d) shall be expended only for grants.		
3. Provided further, that of the funds appropriated in Item 687,101-001, Schedule (e):		

Item Amount

a. $1,060,613,264 is for transfer by the State Controller during the 1981–82 fiscal year to Section B of the State School Fund, in lieu of the amount which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section B of the State School Fund for the 1981–82 fiscal year pursuant to Section 14020 of the Education Code, an amount as needed, in addition to the sums accruing to Section B of the State School Fund from other sources for the purposes specified in this item, for apportionment pursuant to legislation enacted during the 1981 Regular Session

b. $17,585,130 is for transfer by the State Controller during the 1981–82 fiscal year to Section B of the State School Fund, in lieu of the amount which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section B of the State School Fund for the 1981–82 fiscal year pursuant to Sections 14020 and 84301 of the Education Code, for funding the excess direct instructional cost of providing special facilities, special education materials, educational assistance, mobility assistance, transportation, program accountability, and program developmental services for handicapped students enrolled at community colleges.

4. Provided further, that notwithstanding the provisions of Section 2 of this act, the appropriation made in Item 687-101-146 shall be available for expenditure until June 30, 1983

5. Provided further, that any amount of state general apportionment aid computed which is credited to a community college district as a result of that district providing instruction to residents residing at state hospitals and which exceeds the actual cost of providing that instruction, as determined by the Chancellor of the California Community Colleges by August 31, 1981, after consultation with the Department of Finance, the Department of Developmental Services, and other affected parties, shall not be apportioned to that district for general aid, but shall be added by the Chancellor to any other appropriations made by this act to fund the excess direct costs of facilitating the education of hand-

Item		Amount

icapped students enrolled at community colleges pursuant to Chapter 275 of Statutes of 1976, as amended.

Actual cost shall be determined by the Chancellor of the Community Colleges, after consultation with the Department of Developmental Services and the Department of Finance.

Provided further, that each community college district which provided instructional services to residents of state hospitals during the 1980–81 fiscal year shall continue to offer the same relative level of instructional service during the 1981–82 fiscal year

6. Provided further, that no community college district providing services to substantially handicapped persons in the 1980–81 fiscal year shall receive any apportionments or allocation from Section B of the State School Fund unless the district maintains a proportional level of such services in the 1981–82 fiscal year pursuant to regulations contained in Section 59500 to 59503, inclusive, of Title V of the California Administrative Code.

687-301-146—For capital outlay, Board of Governors of the California Community Colleges, to be allocated, by the Board of Governors of the California Community Colleges to community college districts for expenditure by such districts, as set forth in the schedule below, payable from the Capital Outlay Fund for Public Higher Education 9,596,200

Schedule:

Palomar Community College District, Palomar College:		
(1) Construct Mission Road improvements	218,500	
Butte Community College District, Butte College:		
(3) Working drawings and construct sanitary sewer oxidation pond	72,500	
Yosemite Community College District, Columbia College:		
(12) Working drawings and construct removal of architectural barriers to the physically handicapped	130,900	

Item		Amount
	Contra Costa Community College District, Contra Costa College:	
(14)	Working drawings and construct removal of architectural barriers to the physically handicapped	145,800
	Imperial Community College District, Imperial Valley College:	
(15)	Working drawings and construct removal of architectural barriers to the physically handicapped—Phase II	11,700
	Los Angeles Community College District, East Los Angeles College:	
(16)	Construct removal of architectural barriers to the physically handicapped—Phase II	26,800
	Los Angeles City College:	
(17)	Construct removal of architectural barriers to the physically handicapped—Phase II	51,200
	Long Beach Community College District, Long Beach City College:	
(18)	Working drawings and construct removal of architectural barriers to the physically handicapped	16,200
	Los Angeles Community College District, Los Angeles Trade Technical College:	
(19)	Construct removal of architectural barriers to the physically handicapped—Phase II	56,300
	Cabrillo Community College District, Cabrillo College:	
(20)	Working drawings and construct removal of architectural barriers to the physically handicapped	108,700
	San Mateo Community College District, Skyline College:	
(21)	Working drawings and construct removal of architectural barriers to the physically handicapped—	

Item		Amount
	Phase II	11,300
	Peralta Community College District, Merritt College:	
(23)	Construct removal of architectural barriers to the physically handicapped—Phase II	261,500
	Glendale Community College District, Glendale College:	
(25)	Working drawings and construct removal of architectural barriers to the physically handicapped	109,500
	San Bernardino Community College District, San Bernardino Valley College:	
(26)	Working drawings and construct removal of architectural barriers to the physically handicapped—Phase II	75,200
	San Mateo Community College District, Canada College:	
(27)	Working drawings and construct removal of architectural barriers to the physically handicapped—Phase II	76,400
	College of San Mateo:	
(28)	Working drawings and construct removal of architectural barriers to the physicallly handicapped—Phase II	154,400
	Monterey Peninsula Community College District, Monterey Peninsula College:	
(29)	Working drawings and construct removal of architectural barriers to the physically handicapped	225,700
	Santa Monica Community College District, Santa Monica College:	
(30)	Equip remodel vocational building	29,500

Item	Amount
Contra Costa Community College District, Contra Costa College:	
(31) Equip applied arts and administration complex	231,200
Peralta Community College District, Feather River College:	
(32) Equip vocational building	94,400
Santa Monica Community College District, Santa Monica College:	
(33) Equip remodel old library student activities and science basement	186,300
Long Beach Community College District, Long Beach City College:	
(34) Equip library addition (Liberal Arts Campus)	122,100
Los Angeles Community College District, East Los Angeles College:	
(35) Equip remodel existing library	26,300
Mendocino Community College District, Mendocino College:	
(38) Working drawings and construct off-site development	1,370,400
(39) Working drawings and construct on-site development	1,898,700
(40) Working drawings for library and alternate learning center	65,900
Kern Community College District, Cerro Coso College:	
(42) Construct occupational laboratory building	3,249,500
Sierra Community College District, Sierra College:	
(45) Working drawings and construct removal of architectural barriers to the physically handicapped	68,400
Compton Community College District, Compton College:	
(46) Working drawings and construct removal of architectural barriers to the physically handicapped	155,700

Item		Amount
San Mateo Community College District, College of San Mateo:		
(47) Working drawings and construct asbestos material removal	50,700	
Community College Systemwide:		
(48) Project planning and preliminary planning	150,000	

COMMUNITY COLLEGE CONSTRUCTION BOND ACT PROGRAM

687-301-736—For capital outlay, Board of Governors of the California Community Colleges, to be allocated, by the Board of Governors of the California Community Colleges to community college districts as set forth in the schedule below, payable from the State Construction Program Fund		663,900
Schedule:		
Rancho Santiago Community College District, Santa Ana College:		
(1) Construct removal of architectural barriers to the physically handicapped (Phase II)	18,400	
Mount San Antonio Community College District, Mount San Antonio College:		
(2) Working drawings and construct removal of architectural barriers to the physically handicapped	148,100	
Los Angeles Community College District, West Los Angeles College (Airport Campus):		
(3) Construct removal of architectural barriers to the physically handicapped (Phase II)	10,300	
Contra Costa Community College District, Los Medanos College:		
(4) Working drawings and construct removal of architectural barriers to the physically handicapped	106,700	
Diablo Valley College:		
(5) Working drawings and construct removal of architectural barriers to the physically handicapped	197,400	

Item		Amount
	Merced Community College District, Merced College:	
(6)	Working drawings and construct removal of architectural barriers to the physically handicapped	24,400
	Los Angeles Community College District, Los Angeles Harbor College:	
(7)	Construct removal of architectural barriers to the physically handicapped (Phase II)	13,700
	Yosemite Community College District, Modesto Junior College:	
(8)	Working drawings and construct removal of architectural barriers to the physically handicapped	58,800
	Los Angeles Community College District, Los Angeles Southwest College:	
(9)	Construct removal of architectural barriers to the physically handicapped (Phase II)	41,400
	Los Angeles Pierce College:	
(10)	Construct removal of architectural barriers to the physically handicapped (Phase II)	22,300
	West Los Angeles College:	
(11)	Construct removal of architectural barriers to the physically handicapped (Phase II)	17,600
	Los Angeles Valley College:	
(12)	Construct removal of architectural barriers to the physically handicapped (Phase II)	4,800

Provisions applicable to Item 687-301-146 through 687-301-736—for capital outlay, Board of Governors of the California Community Colleges:

2. Provided that notwithstanding the provisions of Section 2 of this Act, the appropriations made in Item 687-301-146 for equipment items shall be available for expenditure only during the 1981–82 and 1982–83 fiscal years.
3. Provided that these funds in Item 687-301-736, or so much thereof as may be necessary, are hereby appropriated for expenditures only for programs which have been approved pursuant to the provisions of the Community College Construction Act of 1980 (Chapter 4 (commencing

Item Amount

with Section 81800) of Part 49 of the Education Code) as contemplated by the Community College Construction Program Bond Act of 1972 (Sections 1 to 10, inclusive, of Chapter 937 of the Statutes of 1971). All such appropriations shall be paid out of the State Construction Program Fund.

4. Provided, that the funds appropriated by category (44) of Item 687-301-146 shall be released only for those major capital outlay projects for working drawings or working drawings and construction which are anticipated to be included in the 1982–83 Governor's Budget. Provided further, that the funds released shall not exceed the state's matching share requirement as determined by either: (a) Section 81838 of the Education Code, for those districts which are able to fund their matching share requirement as determined by Section 81838, or (b) the Office of the Chancellor of the California Community Colleges, for those districts which are unable to fund their matching share requirement as determined by Section 81838 of the Education Code. The state's matching share requirement shall be determined by the district's ability to fund the major capital outlay project as determined by the Office of the Chancellor of the California Community Colleges. Provided further, that, with the exception of category (44) of Item 687-301-146, these items shall be subject to the prior approval of the State Public Works Board.

687-490—Reappropriation, Board of Governors of the California Community Colleges. Notwithstanding any other provisions of law, the undisbursed balances, on the effective date of this act, of the appropriation provided in the following citation, is reappropriated for the purposes provided for in that appropriation, and shall be available for expenditure until June 30, 1983:

146—Capital Outlay Fund for Public Higher Education

(1) Item 402(34), Budget Act of 1976—working drawings and construct applied arts, administration, and maintenance complex, Contra Costa Community College District, Contra Costa College.

798-001-001—For support of the Student Aid Commission 84,924,472

Item		Amount
Schedule:		
(a) 100000-Personal Services	3,168,736	
(b) 300000-Operating Expenses and Equipment	6,203,905	
(c) 400001-Scholarships (Cal Grant (a))	58,800,687	
(d) 400002-College Opportunity Grants (Cal Grant (b))	25,387,575	
(e) 400003-Occupational Education and Training Grants (Cal Grant (c))	2,898,504	
(f) 400004-Fellowships for Graduate Study	2,698,000	
(g) 400006-Dependents of Deceased or Disabled Peace Officers Grants	15,000	
(h) 400007-Bilingual Teacher Grants	2,610,700	
(i) Amount payable from the Federal Trust Fund (Item 798-001-890)	−11,800,000	
(j) Amount payable from the State Guaranteed Loan Reserve Fund (Item 798-001-951)	−5,058,635	
798-001-890—For support of the Student Aid Commission, to be transferred to Item 798-001-001, payable from the Federal Trust Fund		11,800,000
798-001-951—For support of the Student Aid Commission, to be transferred to Item 798-001-001, payable from the State Guaranteed Loan Reserve Fund		5,058,635

Provisions applicable to Items 798-001-001 through 798-001-951—for support of the Student Aid Commission:

1. Provided, that funds appropriated in Item 798-001-001, Schedules (c) through (e) are for awards in the Cal Grant Program under provisions of Article 4 (commencing with Section 69560), Article 5 (commencing with Section 69580), and Article 6 (commencing with Section 69600) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, Student Aid Commission, and that upon order of the Director of Finance, the State Controller shall transfer funds as are necessary between these schedules.
2. Provided further, that the funds appropriated in Item 798-001-001, Schedules (f) through (h) are for grant awards and graduate fellowship awards under provisions of Article 2 (commencing with Section 52150) of Chapter 7 of Part 28 of the Education Code and under provisions of Article 9 (commencing with Section 69670) of

Item	Amount
Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, and for scholarhip awards under provisions of Section 4709 of the Labor Code, Student Aid Commission, and that upon order of the Director of Finance, the State Controller shall transfer funds as are necessary between these schedules and between Schedules (f) through (h) and Schedules (c) through (e).	
3. Provided further, that if federal trust funds for the 1981–82 fiscal year exceed budgeted levels, the funds appropriated in Item 798-001-890 shall, to the extent allowable by law, be reduced on a dollar-per-dollar basis.	
4. Provided further, that the funds appropriated from the State Guaranteed Loan Reserve Fund, Item 798-001-951 are for the following:	
a. Guaranteed Student Loan Program	58,438
b. State Guaranteed Student Loan Program, for purposes of Chapter 1201, Statutes of 1977	5,000,197
5. Provided further, that for Item 798-001-951 notwithstanding the provisions of Item 984-001-988, the Director of Finance may authorize deficiencies pursuant to Section 11006 of the Government Code from funds appropriated from the State Guaranteed Loan Reserve Fund pursuant to Section 69766 of the Education Code	

GENERAL GOVERNMENT

810-001-001—For support of the Office of Criminal Justice Planning	2,579,856
Schedule:	
(a) 100000-Personal Services	1,828,468
(b) 300000-Operating Expenses and Equipment	1,719,982
(c) 400001-State Agency Match	50,000
(d) Amount payable from the Indemnity Fund (Item 810-001-214)	−369,023
(e) Amount payable from the Federal Trust Fund (Item 810-001-890)	−649,571
810-001-214—For support of the Office of Criminal Justice Planning, to be transferred to Item 810-001-001 payable from the Indemnity Fund	369,023

Item	Amount
810-001-890—For support of the Office of Criminal Justice Planning, to be transferred to Item 810-001-001 payable from the Federal Trust Fund	649,571

Provisions applicable to Items 810-001-001 through 810-001-890—for support of the Office of Criminal Justice Planning:

1. Provided, that the funds appropriated in Item 810-001-001 Schedule (c) are for allocation by the Office of Criminal Justice Planning, to the Judicial Criminal Justice Planning Committee, and to the several state offices, departments, boards, bureaus, commissions and other state agencies in augmentation of their respective appropriations for support or for other purposes chargeable to the General Fund in such amounts as will make sufficient money available for the State's matching fund contribution for federal grants made by Law Enforcement Assistance Administration and notwithstanding Section 2 of this act, the amount appropriated in this schedule shall be available for expenditure until June 30, 1984.
2. Provided further, that the funds appropriated from the Indemnity Fund, Item 810-001-214, are for administrative costs incurred pursuant to subdivision (d) of Section 13967 of the Government Code.
3. Provided further, that the funds appropriated in Item 810-001-890 are for support, Office of Criminal Justice Planning (state agencies grant), payable from federal funds.
4. $115,245 of the funds appropriated in Item 810-001-001 for support costs of the Career Criminal Prosecution Program shall be available for expenditure only if legislation is enacted during the 1981–82 Regular Session of the Legislature reauthorizing this program.

810-011-890—For support of the Office of Criminal Justice Planning, allocation of Federal grants, amount payable from Federal Trust Fund	7,860,619
810-101-001—For local assistance, Office of Criminal Justice Planning	7,611,852
(a) 50—California Crime Resistance Program, to be allocated pursuant to Chapter 5 (commencing with Section 13840) of Title 6 of Part 4 of the Penal Code	1,250,000
(c) Career Criminal Apprehension Program	2,500,000

Item		Amount
(d) 50—California Career Criminal Prosecution Program to be allocated pursuant to Chapter 2.3 (commencing with Section 999b) of Title 6 of Part 2 of the Penal Code	3,861,852	
810-101-214—For local assistance, Office of Criminal Justice Planning, Victim/Witness Centers Program, payable from the Indemnity Fund		3,620,138
(a) 50—Victim/Witness Centers Program, to be allocated pursuant to Section 13967 of the Government Code	3,000,000	
810-101-890—For local assistance, Office of Criminal Justice Planning, payable from the Federal Trust Fund		27,476,930
Provisions applicable to Item 810-101-001 through 810-101-890 for local assistance, Office of Criminal Justice Planning:		
1. Provided, that the amount scheduled in Item 810-101-001(c) shall only be awarded to local governmental entities which provide a minimum 10 percent local cash match for the State General Fund amount allocated.		
2. Provided further, that local victims/witness assistance programs, including those previously founded with LEAA or other federal, state, or local funds, may not receive indemnity funds unless they comply with state statutory and administrative requirements.		
3. Provided, that notwithstanding Section 2 of this act, the amounts appropriated in category (c) of Item 810-101-001 and category (a) of Item 810-101-214 shall be available for expenditure until June 30, 1984.		
4. Provided further, that the amount payable from the Indemnity Fund shall be pursuant to to Section 13967 of the Government Code.		
5. Provided further, that $1,930,926 of the funds appropriated in Item 810-101-001 (d) for the California Career Criminal Prosecution Program shall be available for expenditure only upon reappropriation in legislation which modifies or repeals the provisions of Section 3 of Chapter 1151 of the Statutes of 1977.		
812-001-268—For support of Commission on Peace Officer Standards and Training payable from the Peace Officers' Training Fund		3,876,957
Schedule:		
(a) 100000-Personal Services	2,520,608	

Item		Amount
(b) 300000-Operating Expenses and Equipment	1,356,349	
812-101-268—For local assistance, Commission on Peace Officer Standards and Training, for allocation to cities, counties and cities and counties, pursuant to Section 13523 of the Penal Code, and for payment of contracts pursuant to Section 13503(c) of the Penal Code, payable from the Peace Officers' Training Fund		15,420,197
814-001-001—For support of Office of the State Public Defender, Program 10		7,585,954
816-101-001—For local assistance, Assistance to Counties for Defense of Indigents for payment by the State Controller		1,775,000
Schedule:		
(a) 10-Public Defender Assistance	775,000	
(b) 20-Capital Case Defense	1,000,000	
Provisions applicable to Item 816-101-001—for local assistance, Assistance to Counties for Defense of Indigents:		
1. Provided, that the funds appropriated in Schedule (a) are for contributions to counties for providing legal assistance to indigents in accordance with Section 987.6 of the Penal Code.		
2. Provided further, that the funds appropriated in Schedule (b) are for reimbursement, in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs, which relate to the activities pursuant to Section 987.9 of the Penal Code, of any new program or increased level of service of an existing program mandated by statute, and provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates such costs and subdivision (d) of Section 2231 of the Revenue and Taxation Code.		
817-101-001—For local assistance, Subvention for Guardianship/Conservatorship Proceedings, State Controller		1,835,989
Provisions applicable to Item 817-101-001—for local assistance, Subvention for Guardianship/Conservatorship Proceedings.		

Item Amount

1. Provided, that the funds appropriated are for reimbursement, in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs, which relate to guardianship and conservatorship proceedings, of any new program or increased level of service of an existing program mandated by statute, and provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates the reimbursement of such costs and subdivision (d) of Section 2231 of the Revenue and Taxation Code

818-101-001—For local assistance, Payment to Counties for Costs of Homicide Trials for payment by the State Controller 100,000

Provisions applicable to Item 818-101-001—for local assistance, Payment to Counties for Costs of Homicide Trials:

1. Provided, that this item is for payment to counties for cost of homicide trials pursuant to Sections 15201 to 15203, inclusive, of the Government Code, Department of Finance provided, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.

819-001-001—For the payment of tort liability claims, settlements, compromises and judgments against the state, its officers, servants and employees of state agencies, departments, boards, bureaus or commissions supported from the General Fund, for expenditure by the Department of Justice, subject to approval of the Department of Finance in its discretion 500,000

Provisions applicable to Item 819-001-001—for support for Administration and Payment of Tort Liability Claims:

1. Provided, that in addition thereto, there is hereby appropriated from each fund, other than the General Fund, an amount sufficient for payment of tort liability claims, settlements, compromises and judgments against the state, its officers, servants and employees of state agencies, departments, boards, bureaus or commissions, arising from activities supported from such fund, provided, that no expenditure from any such appropriation from a fund other than the General Fund for payment of tort liability

Item		Amount
claims, settlements, compromises and judgments shall be made unless approved by the Department of Finance in its discretion; and provided further, that notwithstanding the limitation in the first paragraph of this section, expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.		
820-001-001—For support of Commission for Economic Development		325,621
Schedule:		
(a) 100000-Personal Services	176,293	
(b) 300000-Operating Expenses and Equipment	167,828	
(c) Reimbursements	−18,500	
Provisions applicable to Item 820-001-001 for support of Commission on Economic Development:		
1. Provided, that the commission shall work with the Department of Economic and Business Development and the advisory council to the department to avoid duplication of effort.		
822-001-942—For support of the Motion Picture Council, payable from Motion Picture Council Account, Special Deposit Fund		244,733
Schedule:		
(a) 100000-Personal Services	168,086	
(b) 300000-Operating Expenses and Equipment	76,647	
Provisions applicable to Item 822-001-942—for support of the Motion Picture Council.		
1. Provided, that the Motion Picture Council shall not expend more than the amount of fee revenue collected		
826-001-001—For support of the California Arts Council		2,322,403
Schedule:		
(a) 100000-Personal Services	1,315,186	
(b) 300000-Operating Expenses and Equipment	1,148,518	
(e) Amounts payable from the Federal Trust Fund (Item 826-001-890)	−125,000	
(f) Reimbursements	−16,301	
826-001-890—For support of the California Arts Council, to be transferred to Item 826-001-001, payable from the Federal Trust Fund		125,000
826-011-001—For California Arts Council Grants		7,349,011
Schedule:		
(a) 400001-Grants for Programs and Projects to Support the Arts	8,018,696	

Item		Amount
(b)	400002-Grants for Art in Public Buildings	200,000
(c)	Amounts payable from the Federal Trust Fund (Item 826-011-890)	−820,000
(d)	Amount payable from Item 435, Budget Act of 1980, reappropriated pursuant to Item 826-490	−49,685
826-011-890—For support of the California Arts Council, for grants, to be transferred to Item 826-011-001, payable from the Federal Trust Fund		820,000

Provisions applicable to Item 826-011-001 through 826-001-890, for support of the California Arts Council:

1. Provided, that any organization applying for a grant under the support to prominent organizations element of the organizational grants program may not receive a grant under either the local organization development element or the expanding public participation element of the organizational grants program.
2. Provided further, that any organization applying for a grant under either the local organization development element or the expanding public participation element of the organizational grants program may not receive a grant under the support to prominent organizations element of the organizational grants program.
3. Provided further, that funds in Item 826-011-001, schedule (a) for the local organization development, expanding public participation, and support to prominent organizations program elements shall not be expended unless the grant recipient provides a dollar for dollar cash match; provided further, that for grants to individual artists no matching funds shall be required.
4. No funds appropriated in Item 826-011-001, including the funds reappropriated in Item 826-490, shall be expended for sites for the Alternatives in Education program if the evaluation design for that program is not completed by the California Arts Council by July 1, 1981.

826-101-001—For local assistance State/Local Partnership grants, California Arts Council 1,400,000

Item		Amount
826-490—Reappropriation, California Arts Council. Notwithstanding any other provisions of law, the unencumbered balance, or a portion thereof as may be specified in this item, on the effective date of this act, of the apropriation provided in the following citation, is reappropriated for the purposes provided for in the appropriation, as amended by this section, and shall be available for expenditure until June 30, 1982:		
001—General Fund		
(1) Item 435, Budget Act of 1980, for support, provided that on the effective date of this act, the unencumbered balance of $49,685 shall be available for transfer to Item 826-011-001.		
828-001-001—For support of Native American Heritage Commission		205,075
Schedule:		
(a) 100000-Personal Services	124,505	
(b) 300000-Operating Expenses and Equipment	80,570	
Provisions applicable to Item 828-001-001—For support of Native American Heritage Commission:		
1. Provided, that the Native American Heritage Commission is phased out over the period of fiscal years 1981–82 through 1984–85.		
829-001-001—For transfer by the State Controller from the General Fund to the California Public Broadcasting Fund for support of the California Public Broadcasting Commission		2,020,154
829-001-140—For support of the California Public Broadcasting Commission, to be transferred to Item 829-001-907, payable from the California Environmental License Plate Fund		100,000
829-001-907—For support of the California Public Broadcasting Commission, payable from the California Public Broadcasting Fund		2,020,154
Schedule:		
(a) 100000-Personal Services	322,479	
(b) 300000-Operating Expenses and Equipment	420,234	
(c) 400000-Special Items of Expense	1,601,903	
(d) Amount payable from California Environmental License Plate Fund (Item 829-001-140)	—100,000	

Item		Amount
(e) Unallocated reduction, except that no reduction shall be made with respect to direct aid programs	−224,462	
Provisions applicable to Items 829-001-001 through 829-001-907—for support of the California Public Broadcasting Commission:		
1. Provided that, notwithstanding the provisions of Section 8836 of the Government Code, funds made available under Schedule C of Item 829-001-907 are to be allocated by the California Public Broadcasting Commission without a required reserve for local community broadcast operations.		
830-001-001—For support of Agricultural Labor Relations Board		9,120,793
Schedule:		
(a) 10-Board Administration	3,597,588	
(b) 20-General Counsel Administration	5,523,205	
(c) 30-Administrative Services	649,917	
(d) 31-Distributed Administrative Services	−649,917	
832-001-001—For support of Public Employment Relations Board		4,665,971
Schedule:		
(a) 100000-Personal Services	3,599,412	
(b) 300000-Operating Expenses and Equipment	883,559	
(c) 400001-Factfinding (EERA)	133,000	
(d) 400002-Impasse (SEERA, HEERA)	50,000	
832-490—Reappropriation, Public Employment Relations Board. Notwithstanding any other provisions of law, the unencumbered balances, or a portion thereof as may be specified in this section, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in such appropriations, as amended by this section, and shall be available for expenditure until June 30, 1982·		
001—General Fund		
(1) Item 375, Budget Act of 1979, for support, provided that on the effective date of this act, the unencumbered balance shall be available for transfer to Item 832-001-001 of this act		
Provisions applicable to Item 832-490—For reappropriation, Public Employment Relations Board:		

Item			Amount
1. Provided, that none of the funds reappropriated by category (1) for transfer to Item 832-001-001 shall be transferred to Item 832-001-001 unless and until authorized in writing by the Department of Finance.			
835-001-001—For support of Department of Industrial Relations			71,675,922
Schedule:			
(a) 10-Regulation of Workers' Compensation Self-Insurance Plans		401,158	
(1) 10-Total Regulation of Workers' Compensation Self-Insurance Plans	915,580		
(2) Reimbursements	−514,422		
(b) 20-Conciliation of Employer-Employee Disputes		1,445,513	
(c) 30-Preventing, Settling, Adjudicating and Administrating Disputes under Workers' Compensation Laws		28,796,556	
(d) 40-The Prevention of Industrial Injuries and Deaths of California Workers		18,937,558	
(1) 40-Total the Prevention of Industrial Injuries and Deaths of California Workers	19,180,704		
(2) Reimbursements	−243,146		
(e) 50-Enforcement and Promulgation of Laws Relating to Wages, Hours, and Conditions of Employment, and Licensing and Adjudication		16,250,726	
(1) 50-Total Enforcement and Promulgation of Laws Relating to Wages, Hours, and Conditions of Employment, and Licensing and Adjudication	16,737,600		
(2) Reimbursements	−486,874		
(f) 60-Promotion, Development and Administration of Apprenticeship and Other On-the-Job Training		4,372,822	

Item		Amount
(1) 60-Total Promotion, Development and Administration of Apprenticeship and Other On-the-Job Training	4,568,490	
(2) Reimbursements	−195,668	
(g) 70-Labor Force Research and Data Dissemination		1,471,589
(1) 70-Total Labor Force Research and Data Dissemination	1,478,069	
(2) Reimbursements	−6,480	

Provisions applicable to Item 835-001-001—For support of Department of Industrial Relations·

1. Provided, that the Director of Industrial Relations, after receiving approval of the Director of Finance, may establish a maximum of 15 positions in the Division of Labor Standards Enforcement for unlicensed contractors enforcement to be funded by reimbursements from the State Contractors' License Board, if funds are appropriated by Item 123-018-735 for that purpose
2. Provided further, that of the funds appropriated by category (e), $85,000 for support of the Industrial Welfare Commission shall not be encumbered unless and until legislation is enacted which changes the period when funds escheat to the state from the Unpaid Wage Fund from seven to four years.

835-001-890—For support of Department of Industrial Relations payable from the Federal Trust Fund .. 15,457,402

Schedule.

(a) 40-The Prevention of Industrial Injuries and Death to California Workers		14,622,091
(b) 50-Enforcement and Promulgation of Laws Relating to Wages, Hours, Conditions of Employment, and Licensing and Adjudication		152,590
(c) 70-Labor Force Research and Data Dissemination		682,721

Item	Amount
835-101-001—For local assistance, Department of Industrial Relations, for reimbursement, in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs, which relate to activities of the Department of Industrial Relations, of any new program or increased level of service of an existing program mandated by statute, provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates the reimbursement of such costs and of subdivision (d) of Section 2231 of the Revenue and Taxation Code, State Controller	20,000,000
835-301-036—For minor capital outlay, Department of Industrial Relations payable from the Special Account for Capital Outlay	80,650
835-490—Reappropriation, Department of Industrial Relations. Notwithstanding any other provision of law, the unencumbered balance, on the effective date of this act, of the appropriation provided in the following citation, is reappropriated for the purposes provided for in that appropriation, and shall be available for expenditure until June 30, 1982:	
001-General Fund	
(1) That portion of Item 424(b), Budget Act of 1980, allocated to the Workers' Compensation Appeals Board on-line computer system, but not to exceed $493,938.	
844-001-001—For transfer by the State Controller to the Uninsured Employer's Fund	4,210,578
845-001-001—For support, to the Department of Industrial Relations, for payment of the additional compensation for subsequent injury provided for by Sections 4750 through 4755 of the Labor Code	2,745,000
Provisions applicable to Item 845-001-001—for support for Subsequent Injuries:	
1. Provided, that this item shall not be construed as a limitation on expenditures provided by Section 4706.5 of the Labor Code.	
2. Provided further, that the amount available from this item shall not be available for expenditure at any time that funds appropriated by Section 4706.5 of the Labor Code are available for expenditure.	

Item Amount

3. Provided further, at the end of fiscal year 1981–82, any expenditures made from the General Fund against this appropriation item shall be reduced by any amounts remaining available from the funds appropriated by Section 4706.5 of the Labor Code.
4. Provided further, that notwithstanding any other provisions of law the funds made available by Section 4706.5 of the Labor Code will be available without regard to fiscal year.

846-101-001—For local assistance, Disaster Service Workers 247,500

Provisions applicable to Item 846-101-001—for local assistance, Disaster Service Workers:

1. Provided, that this item is for furnishing of workers' compensation to disaster service workers and their dependents, in accordance with the provisions of Section 3201 through 6002 of the Labor Code, including the reimbursing of the State Compensation Insurance Fund for the cost of services as adjusting agent, Governor's Office, Office of Emergency Services. The State Compensation Insurance Fund may draw from the State Treasury out of the appropriation made by this item, without at the time presenting vouchers and itemized statements, any portion of the appropriation contained in this item, to be used as a cash revolving fund. Expenditures made from the revolving fund in payment of claims for workers' compensation and adjusting services are excepted from the operation of Section 925.6 of the Government Code. Reimbursement of the revolving fund for such expenditures shall be made upon presentation to the State Controller of an abstract or statement of such expenditures. Such abstract or statement shall be in such form as the State Controller requires.

850-001-152—For support of Board of Chiropractic Examiners, payable from the State Board of Chiropractic Examiners Fund 403,663

851-001-264—For support of Board of Osteopathic Examiners of the State of California, payable from the Contingency Fund of the Board of Osteopathic Examiners..... 109,405

Provisions applicable to Item 851-001-264—for support of Board of Osteopathic Examiners:

Item		Amount
1. Provided, that the Board of Osteopathic Examiners shall reduce its activities as necessary so that the expenditures of the board do not exceed its revenues.		
2. Provided, that funds expended for general counsel services shall not exceed the amount equivalent to a half-time general counsel position salary.		
3. Provided further, that the board shall not obtain any additional General Fund moneys.		
853-001-290—For support of Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun, payable from the Board of Pilots Commissioners' Special Fund		52,199
855-001-191—For support of California Horse Racing Board, payable from the Fair and Exposition Fund		1,168,998
Schedule:		
(a) 100000-Personal Services	1,641,287	
(b) 300000-Operating Expenses and Equipment	400,411	
(c) Special item of expense	730,000	
(d) Reimbursements	−770,000	
(e) Amount payable from the General Fund pursuant to the Business and Professions Code, Section 19619(e)	−780,000	
(f) Amount payable from the Racetrack Security Account, Special Deposit Fund, (Item 855-001-942)	−52,700	
855-001-942—For support of the California Horse Racing Board, to be transferred to Item 855-001-191, payable from the Racetrack Security Account, Special Deposit Fund		52,700
855-011-942—Notwithstanding Section 19641(b)(1) of the Business and Professions Code, there is hereby transferred to the General Fund the unencumbered balance of the Racetrack Security Account, Special Deposit Fund, as of June 30, 1982		(917,300)
857-001-001—For support of Department of Food and Agriculture		34,364,925
Schedule:		
(a) 100000-Personal Services	41,173,390	
(b) 300000-Operating Expenses and Equipment	19,632,458	
(bb) Special items of expense	1,925,000	
(c) Reimbursements	−1,965,126	
(d) Amount payable from Food and Agriculture Code, Section 224 Subdivision (1)	−271,044	

Item	Amount
(dd) Amount payable from the Renewable Resources Agricultural Account (857-001-037)	−2,000,000
(e) Amount payable from the Department of Agriculture Fund (Item 857-001-111)	−20,684,225
(ee) Amount payable from the California Environmental License Plate Fund (Item 857-001-140)	−427,879
(f) Amount payable from the Fair and Exposition Fund for support of the Division of Fairs (Item 857-001-191)	−589,111
(g) Amount payable from the Fair and Exposition Fund for engineers' salaries (Item 857-001-191)	−231,238
(h) Amounts payable from the Federal Trust Fund (Item 857-001-890)	−2,197,300
857-001-037—For support of Department of Food and Agriculture, to be transferred to Item 857-001-001, payable from the Renewable Resource Energy Agricultural Account, without regard to fiscal year ..	2,000,000
857-001-111—For support of Department of Food and Agriculture, to be transferred to Item 857-001-001, payable from the Department of Agriculture Fund	20,684,225
857-001-140—For support of Department of Food and Agriculture, to be transferred to Item 857-001-001, payable from the California Environmental License Plate Fund	427,879
857-001-189—For support of Department of Food and Agriculture, for agricultural research and demonstration projects, payable from the Energy Account, Energy and Resources Fund ..... Schedule: (a) Biomass Utilization—Multi-Disciplinary Research of Various Fuels, Feed, and Chemicals (b) San Joaquin Valley—Agriculture and Energy Technology Project (c) Brush Densification (d) Photofermentation Synthesis of Ethyl Alcohol Using Algae (e) Administration Services	1,280,000
857-001-190—For support of Department of Food and Agriculture, for agricultural research and demonstration projects, payable from the Energy Account, Energy and Resources Fund. .... Schedule:	2,120,000

Item	Amount
(a) Genetic engineering of crop plants and microorganisms	
(b) Low dose gamma irradiation process of perishable commodities	
(c) Pre-export commodities pest treatment projects	
(d) Appraisal and improvement of California soils	
(e) Important farm land mapping projects	
(f) Apple growers research	
(g) Administrative services	
(h) Amount to be transferred to Item 857-001-001	
857-001-191—For support of Department of Food and Agriculture, to be transferred to Item 857-001-001, payable from the Fair and Exposition Fund	820,349
857-001-890—For support of Department of Food and Agriculture, to be transferred to Item 857-001-001, payable from the Federal Trust Fund..	2,197,300

Provisions applicable to Items 857-001-001 through 857-001-890—for support of Department of Food and Agriculture:

1. Provided, that state General Fund expenditures authorized by this item for hydrilla eradication in the All-American Canal and Imperial Valley waterways shall not exceed one-third of the total cost of the hydrilla eradication program at these sites.

1.5. Of the $345,235 appropriated in Item 857-001-140 for the gene resource conservation program, up to $222,885 shall be available for expenditure in the same proportion that the program receives up to $24,765 from nonstate sources

2. Provided further, that of the $820,349 appropriation in Item 857-001-191, the sum of $213,727 represents a portion of money originally appropriated by Section 19627.3 of the Business and Professions Code for district agricultural fairs or citrus fairs and expositions and is hereby reappropriated in Item 857-001-191 from the Fair and Exposition Fund during the 1981–82 fiscal year for engineering services.

3. Provided further, that no funds appropriated by Item 857-001-001 may be expended for the eradication or control of the plant pest Hydrilla until the Department of Food and Agriculture has presented specific work plans to the State Board of Food and Agriculture and the board has approved such plans.

Item	Amount
4. Provided further, that all projects funded in Items 857-001-189 and 857-001-190, Research to Promote Agricultural Productivity, shall fall within the following program areas: (a) energy conservation and alternative sources: (b) soil and land evaluation and conservation, including protection against urban encroachment: (c) water quality and supply: (d) genetic engineering as related to soil, water, and energy conservation; and (e) disease and pest research.	
5. Provided further, that loans for resource conservation projects shall be subject to all of the following: (a) the interest rate charged for such loans shall not be less than that generated from the Pooled Money Investment Fund; (b) Department of Food and Agriculture charges for administration shall not exceed 3 percent of the loans; and (c) implementation of the resource conservation loan program is contingent upon enactment of a statute specifically authorizing such a program.	
6. Provided further, that the department shall establish funding priorities and may transfer funds appropriated in Item 857-001-189 and Item 857-001-190 between those items to fund projects on a priority basis.	
857-101-001—For local assistance, Department of Food and Agriculture	6,737,879
Schedule:	
(a) 10-Salaries of County Agricultural Commissioners	382,800
(b) 20-Subventions to Counties for the Pesticide Regulatory Program	2,880,912
(c) 30-Subventions to Counties for Medfly Detection	3,474,167
857-101-191—For local assistance, Department of Food and Agriculture, for local fairs' unemployment insurance, payable from the Fair and Exposition Fund	400,000
Provisions applicable to Items 857-101-001 through 857-101-191—for local assistance, Department of Food and Agriculture.	
1. Provided, that the funds in Schedule (a) of Item 857-101-001 are also available for compensation for services performed for agricultural departments and are to be expended in accordance with the provisions of Section 2221 to 2224, inclusive, of the Food and Agriculture Code.	

Item		Amount
2. Provided further, that the funds in Item 857-101-191 are appropriated for the contributions, or the cost of benefits in lieu of contributions, payable from the Fairs and Exposition Fund to the Unemployment Fund by all entities conducting fairs, including county, district, combined county and district, and citrus fruit fairs receiving funds pursuant to Division 8 of the Business and Professions Code, as a result of unemployment insurance coverage pursuant to Section 605 of the Unemployment Insurance Code.		
857-301-036—For capital outlay, Department of Food and Agriculture, payable from the Special Account for Capital Outlay		262,000
Schedule:		
(a) 50.10-Working drawings and construction—Truckee Inspection Station (Phase II)	222,000	
(b) Minor capital outlay—Baja California Inspection Station	40,000	
864-001-001—For support of the Political Reform Act of 1974 (Proposition 9), the following sums are hereby appropriated to the following agencies and officers for the administration, investigation and regulation of the political campaigns, officials, and lobbyists		1,858,871
Schedule.		
(a) 10-Secretary of State	514,107	
(1) 10-Total Secretary of State 522,307		
(2) Reimbursements −8,200		
(b) 20-Franchise Tax Board	1,112,711	
(c) 30-Attorney General	232,053	
(d) 40-Fair Political Practices Commission	(1,762,984)	
Provisions applicable to Item 864-001-001—for support of the Political Reform Act of 1974		
1. Provided, that the funds appropriated in the following schedules are to be transferred by the State Controller as listed below		
Schedule (a) transferred to Item 089-001-001		
Schedule (b) transferred to Item 173-001-001		
Schedule (c) transferred to Item 082-001-001		
866-001-001—For support of Public Utilities Commission		16,114,668
Schedule		
(a) 100000-Personal Services	31,864,164	
(b) 300000-Operating Expense and Equipment	6,446,998	
(c) Reimbursements	−2,645,963	

Item		Amount
(d) Amount payable from the State Energy Resources Conservation and Development Special Account, General Fund (Item 866-001-019)		−7,024,969
(f) Amount payable from the Transportation Rate Fund (Item 866-001-412)		−12,044,173
(g) Amount payable from the Federal Trust Fund (Item 866-001-890)		−465,432
866-001-019—For support of Public Utilities Commission, to be transferred to Item 866-001-001, payable from the State Energy Resources Conservation and Development Special Account, General Fund		7,024,969
866-001-412—For support of Public Utilities Commission, to be transferred to Item 866-001-001, payable from the Transportation Rate Fund		12,044,173
866-001-890—For support of Public Utilities Commission, to be transferred to Item 866-001-001, payable from the Federal Trust Fund		465,432

Provisions applicable to Item 866-001-001 through 866-001-890—for support of Public Utilities Commission:

1. Provided further, that no position authorized for the railroad operations and safety section shall be transferred to any other section or branch within the transportation division.
2. Provided further, that the commission shall report quarterly to the Legislature with respect to the commission's enforcement of its general orders regarding railroad safety, including, but not limited to, General Order No. 114, and its implementation of the above provisos regarding staffing.
3 Provided further, that the above provisos to this item shall not be effective after either the United States Secretary of Transportation has adopted rules or orders under the Federal Railroad Act of 1970 which cover the subject matter of the Public Utilities Commissions General Orders, or a court decision is rendered which holds that Federal law preempts State involvement in railroad safety regulation.

Item Amount

4. Provided further, that, except as otherwise provided below, no funds appropriated by Item 866-001-001 shall be available for contracted legal representation or services related to appealing any court decisions or the decision of any agency or commission of the Federal Government rendered against the Public Utilities Commission or the State Energy Resources Conservation and Development Commission concerning the use of nuclear power for generating electrical energy nor for contract costs of legal services for initiating, intervening, appealing, or otherwise participating in court actions or federal administrative actions concerning the issues surrounding nuclear power or power plants which are proposed for construction or actually constructed or operated within California or which provide electrical energy to California.
5. Provided further, that funds appropriated by Item 866-001-001 may be encumbered for the legal services described above only after the Public Utilities Commission has provided written notice to each house of the Legislature 30 days prior to contracting for such legal representation.
6. Provided further, that within such 30-day period, the Public Utilities Commission may undertake any action necessary, including, but not limited to, filing legal notices and papers necessary to protect and preserve rights in pending legal actions.
7. Provided further, that nothing in Item 866-001-001 shall be construed to affect constitutional rights or duties.
8. Upon enactment of any statute which is effective during the 1981–82 fiscal year that limits or repeals existing regulatory duties of the Public Utilities Commission with respect to water and sewer utility services or loading practices and patterns of service of highway carriers in conformance with the Commission's adopted Transportation Energy Efficiency Plan, the Director of Finance shall revert to the General Fund or the Transportation Rate Fund any funds appropriated therefrom to the Commission by Item 866-001-001 or 866-001-412 which are no longer needed.

Item		Amount
9. It was the intent of the Legislature in the appropriation made in the Budget Act of 1980 for the Railroad Operations and Safety Section to add two additional entry level (Assistant Safety Supervisor) positions to that section.		
10. To the extent that vacancies may occur, by whatever method (including, but not limited to, retirement, transfer, promotion, or death of present employees, or the creation of new positions) these vacancies shall be filled as soon as possible but not later than six months after the vacancy is known. In the filling of the vacancies in the positions in the Railroad Operations and Safety Section there shall be no single classification established for these positions, but rather one separate classification shall remain in effect for the State Rail Safety program and another separate classification for the Federal Rail Safety Standards program.		
11. Provided further, that the funds appropriated by Item 866-001-019, pursuant to the Warren-Alquist Act and transferred to Item 866-001-001, are to support the energy regulatory programs of the Public Utilities Commission.		
12. Provided, further, that upon enactment of legislation which is effective in fiscal year 1981–82 that limits or repeals existing regulatory duties of the Public Utilities Commission with respect to charter party and sightseeing and tour buses, PBX and radio-telephone equipment, and water and sewer utility services, the Director of Finance shall revert to the General Fund any funds appropriated to the commission in Item 866-001-001 which are no longer needed by the commission for these purposes.		
868-001-001—For support of State Bar of California, for payment of amounts authorized as per diem for public members of boards and committees pursuant to subdivision (c) of Section 6028 of the Business and Professions Code		25,000
871-001-001—For support of State Board of Control		954,321
Schedule:		
(a) 100000-Personal Services	2,082,988	
(b) 300000-Operating Expenses and Equipment	750,986	
(c) Reimbursements	−1,879,653	
Provisions applicable to Item 871-001-001—for support of Board of Control:		

Item	Amount
1. Provided, that the Board of Control shall identify all mandates for which parameters and guidelines have been adopted prior to January 1, 1981, and for which the board expects to receive any significant number of claims in the budget year In addition, for each of the identified mandates, the Board of Control shall include in the claims bill to be introduced in July 1981 a statewide estimate of costs as provided for by Section 2253.2 of the Revenue and Taxation Code.	
2. Provided further, that the Board of Control shall not routinely notify all local agencies and school districts regarding its proceedings. However, for each of its meetings the board shall notify all parties whose claims or proposals are scheduled for consideration and any party requesting notice of such proceedings.	
3. Provided further, that one analyst position, limited to two years, may be established only if school districts and county offices of education are required by this act to use the Board of Control claims process for seeking reimbursement of new federal and court mandate claims and for all current claims which exceed the amounts appropriated therefor in the Budget Act.	
4. Provided further, that the Board of Control shall report to the Joint Legislative Budget Committee within 30 days after the end of each quarter of the fiscal year during which the Victims of Violent Crimes claims backlog increases.	
872-001-001—For support, to the State Board of Control for the payment of claims and Board of Control services pursuant to Chapter 5 (commencing with Section 13959) of Part 4 of Division 3 of Title 2 of the Government Code.	0
Schedule:	
(a) 400001-Claims	12,770,141
(b) 400002-Board of Control Services	1,805,438
(c) Amount payable from the Indemnity Fund (Item 872-001-214)	−14,575,579
872-001-214—For support, to the State Board of Control for the payment of claims and Board of Control services pursuant to Chapter 5 (commencing with Section 13959) of Part 4 of Division 3 of Title 2 of the Government Code, to be transferred to Item 872-001-001, payable from the Indemnity Fund .	14,575,579

Item			Amount
872-101-001—For local assistance, Indemnification of Private Citizens Program, for costs incurred by local agencies pursuant to the provisions of Chapter 1123, Statutes of 1977, State Controller			0
(a) Local assistance		100,000	
(b) Amount payable from the Indemnity Fund (Item 872-101-214)		−100,000	
872-101-214—For local assistance, Indemnification of Private Citizens Program, for costs incurred by local agencies pursuant to the provisions of Chapter 1123, Statutes of 1977, to be transferred to Item 872-101-001, payable from the Indemnity Fund			100,000
873-001-001—For support of Commission on State Finance			505,345
874-001-001—For support of the California Information Systems Implementation Committee			56,818
876-001-001—For support of Commission of the Californias			140,878
Schedule:			
(a) 100000-Personal Services		94,043	
(b) 300000-Operating Expenses and Equipment		46,835	
878-001-001—For support of Commission on California State Government Organization and Economy			335,012
Provisions applicable to Item 878-001-001—for support of Commission on California State Government Organization and Economy:			
1. Provided, that no funds appropriated in this item shall be expended for contracting with private persons or groups for professional and technical services where such services are available through contract with state agencies.			
880-001-001—For support of California Commission on Interstate Cooperation			79,014
882-001-001—For support of Commission on the Status of Women			407,001
Schedule:			
(a) 100000-Personal Services		274,902	
(b) 300000-Operating Expenses and Equipment		132,099	
887-001-001—For support of Department of Finance			12,129,493
Schedule:			
(a) 10-Preparation and Enactment of the Annual Financial Plan		3,596,810	
(1) 10-Total Preparation and Enactment of the Annual Financial Plan	3,632,556		

Item		Amount
(2) Reimbursements ..	−35,746	
(b) 20-Support and Direction of the Annual Financial Plan	1,736,732	
(1) 20-Total Support and Direction of the Annual Financial Plan	1,875,190	
(2) Reimbursements ..	−138,458	
(c) 30-Assessment and Optimization of State-Administered and State-Financed Programs	4,720,343	
(1) 30-Total Assessment and Optimization of State-Administered and State-Financed Programs	5,303,661	
(2) Reimbursements ..	−583,318	
(d) 40-Development of Supportive Data	2,075,608	
(1) 40-Total Development of Supportive Data	2,183,540	
(2) Reimbursements ..	−107,932	
(e) 60-Executive	359,183	
(f) 61-Distributed Executive	−359,183	

Provisions applicable to Item 887-001-001—for support of Department of Finance:

1. Provided, that no funds appropriated in this item shall be expended to conduct external audits pursuant to OMB Circular No. A-102, Attachment P, unless and until the department is certified as an independent auditor by the federal government.

888-011-001—To the Department of Finance, for support of the California Fiscal Information System (CFIS)—program 50		10,560,781
Schedule:		
(a) 100000-Personal Services	1,552,093	
(b) 300000-Operating Expenses and Equipment	3,086,081	
454633-Implement the California State Accounting and Reporting System (CALSTARS)	4,441,186	
454634-Implement State Controller's Fiscal System	555,205	
(e) 400003-Modify State Payroll and State Treasurer's System	250,000	

Item	Amount
(f) 400004-Departmental Participation	676,216

Provisions applicable to Item 888-011-001—for support of the California Fiscal Information System (CFIS)·

1. Provided, that such amounts as are needed shall be transferred between categories scheduled in this item.
2. Provided further, that the funds appropriated for CFIS in Item 888-011-001 shall be transferred by the State Controller, upon order of the Department of Finance, or made available by the Department of Finance as a reimbursement to other items and departments for CFIS related activities.
3. Provided further, that the funds appropriated for CFIS in Item 888-011-001 shall be used for support of activities provided for in Chapter 1284, Statutes of 1978.
4. Provided further, that no funds appropriated for CFIS in category (c) of Item 888-011-001 for unanticipated tasks in the CALSTARS consulting contract shall be used for conversion workload associated with moving the system from the contingency site to the permanent site sooner than 30 days after submission in writing to the Assembly Committee on Ways and Means, the Senate Committee on Finance, and the Joint Legislative Budget Committee, of a conversion plan approved by the State Office of Information Technology. The conversion plan shall include a description and timetable of the tasks to be performed, the basis for estimating the cost of the work, and the reasons why state personnel cannot accomplish some or all of the conversion tasks.

891-001-001—For support of Office of Administrative Law	0
Schedule·	
(a) 100000-Personal Services	1,386,966
(b) 300000-Operating Expenses and Equipment	423,665
(c) Reimbursements	−1,810,631

Provisions applicable to Item 891-001-001—for support of Office of Administrative Law:

Item			Amount
1. Provided that the State Controller shall, upon executive order of the Department of Finance, transfer from the various items for support of State agencies with authority to adopt administrative regulations to this item, such sums in such amounts as determined by the Department of Finance, but not to exceed in the aggregate $1,810,631.			
894-001-001—For support of Military Department			14,075,144
Schedule:			
(a) 10-Army National Guard		6,766,153	
(1) 10-Total Army National Guard	7,681,537		
(2) Reimbursements	−915,384		
(b) 20-Air National Guard		1,051,466	
(c) 30-Office of the Commanding General		4,531,887	
(1) 30-Total Office of the Commanding General	4,537,887		
(2) Reimbursements	−6,000		
(d) 40-Military Retirement		1,291,513	
(e) 50-California Cadet Corps		434,125	
(1) 50-Total California Cadet Corps	450,592		
(2) Reimbursements	−16,467		
894-001-890—For support of Military Department, payable from the Federal Trust Fund			11,192,143
Schedule:			
(a) 10-Army National Guard		8,687,382	
(b) 20-Air National Guard		2,486,761	
(c) 30-Office of the Commanding General		18,000	
Provisions applicable to Items 894-001-001 through 894-001-890—for support of Military Department:			
1. Provided, that no expenditures shall be made from appropriation Item 894-001-001 as a substitution for personnel, equipment, facilities, or other assistance, or for any portion thereof, which in the absence of such expenditure, or of this appropriation, would be available to the Commanding General of the State Military Forces, the California National Guard or the California National Guard Reserve from the federal government.			

Item		Amount
2. Provided further, that the appropriation Item 894-001-001 for Program 40 shall be for military retirements, in accordance with the provisions of Sections 228 and 256 of the Military and Veterans Code, Military Department.		
3. No funds appropriated by this act may be used for purposes of the California Specialized Training Institute on or after November 1, 1981, unless a statute expressly authorizing that program is enacted by the Legislature and is chaptered prior to that date.		
4. The California Specialized Training Institute shall place greater emphasis in its Civil Emergency Management Course (Emergency Coordination Center Exercise) and Police Survival Course on an understanding of the functions, capabilities, responsibilities and potential for liaison with the California Department of Fair Employment and Housing, the U.S. Department of Justice Community Relations Services, local Human Relations Commissions, and any other entities with appropriate expertise in the nonviolent resolution of civil disorders.		
894-301-036—For capital outlay, Military Department payable from Special Account for Capital Outlay Schedule:		683,250
(a) 70.10-Project planning, working drawings and supervision of construction financed from federal funds	129,000	
(b) 70.20-Fresno Armory, A & E	154,250	
(c) 70.30-Fresno Aircraft Repair Facility, A&E	365,600	
(d) 70.40-Minor Capital Outlay	34,400	
894-301-890—For capital outlay, Military Department, payable from the Federal Trust Fund		21,740,800
(a) 70.20-Fresno-Armory Bldg A&E	53,200	
(b) 70.30-Fresno-Aircraft Repair Facility A&E	260,600	
(c) Other Federal construction funds	21,427,000	
Provisions applicable to Items 894-301-036 through 894-301-890—for capital outlay, Military Department:		
1. Provided, that none of the funds appropriated by Item 894-301-036 for architectural planning shall be encumbered for any project unless the Military Department has secured adequate written assurance, as determined by the Department of Finance, from the federal government		

Item Amount

that the construction phase of the project will be funded by federal funds.

2. Provided further, that the funds appropriated from the Federal Trust Fund constitutes federal funds as defined by Section 8.7

894-490—Reappropriation, Military Department. Notwithstanding any other provisions of law, the unencumbered balance, on the effective date of this act, of the appropriation provided in the following citation, is reappropriated for the purpose provided for in such appropriation, and shall be available for expenditure until June 30, 1982:

001—General Fund

(1) Section 15, Chapter 583, Statutes of 1979, to extend the appropriation reserved as a security deposit for the CAL GUARD bond sales.

910-101-001—For local assistance, Tax Relief 1,363,570,172

Schedule:

(a) 10-Senior Citizens' Property Tax Assistance	18,000,000
(b) 20-Senior Citizens' Property Tax Deferral Program	5,000,000
(c) 30-Senior Citizens Renters' Tax Assistance	51,500,000
(d) 40-Personal Property Tax Relief	511,625,000
(e) 50-Homeowners' Property Tax Relief	335,000,000
(f) 60-Subvention for Open Space	14,000,000
(g) 70-Payments to Local Government for Sales and Property Tax Revenue Loss	3,390,700
(h) 80-Renters' Tax Relief	425,000,000
(i) 90-Substandard Housing	54,471
(j) 95-Alternative Energy Tax Credits	1

Provisions applicable to Item 910-101-001—for local assistance, Tax Relief:

1. Provided, that schedule (a) is for property tax assistance to homeowner claimants, in accordance with the provisions of the Senior Citizens Property Tax Assistance and Postponement Law, Part 10.5 (commencing with Section 20501), of Division 2 of the Revenue and Taxation Code, Franchise Tax Board.

   Provided further, that any unexpended balance in schedule (a) may be used to make payments to senior citizen renter claimants under schedule (c).

Item Amount

2. Provided further, that schedule (b) is for property tax postponement and assistance to claimants, in accordance with the provisions of the Senior Citizens Property Tax Assistance and Postponement Law, Part 10.5 (commencing with Section 20501), if Division 2 of the Revenue and Taxation Code, State Controller. The appropriation made by this schedule shall be in lieu of the appropriation for the same purpose contained in Section 16100 of the Government Code.
3. Provided further, that schedule (c) is for property tax assistance to renter claimants, in accordance with the provisions of the Senior Citizens Property Tax Assistance and Postponement Law, Part 10.5 (commencing with Section 20501), of Division 2 of the Revenue and Taxation Code, Franchise Tax Board.

   Provided further, that any unexpended balance in schedule (c) may be used to make payments to senior citizen homeowner claimants under schedule (a).
4. Provided further, that schedule (d) is for reimbursement to local taxing authorities for revenue lost by reason of the repeal or reduction of the property tax on the following classes of property affected by the following provisions of the Revenue and Taxation Code: (1) business inventories under Section 219; (2) motion pictures under Section 988; (3) livestock under Sections 5523 and 5546; and (4) wine and brandy under Section 992; State Controller and that the reimbursement provided by this schedule pursuant to Section 16112 of the Government Code shall be calculated based on the applicable effective school district tax rate as certified to the State Controller by the county auditor.

   The appropriation made by this schedule shall be in lieu of the appropriation for the same purpose contained in Section 16100 of the Government Code.
5. Provided further, that schedule (e) is for reimbursement to local taxing authorities for revenue lost by reason of the homeowners' property tax exemption granted pursuant to Section 3k of Article XIII of the Constitution, State Controller. The appropriation made by

Item Amount

this schedule shall be in lieu of the appropriation required pursuant to Section 25 of Article XIII of the Constitution and the appropriation for the same purposes contained in Section 16100 of the Government Code.

6. Provided further, that schedule (f) is for providing reimbursement to local taxing authorities for revenue lost by reason of the assessment of open-space lands under Sections 423 , 423.3, and 423.5 of the Revenue and Taxation Code, and in accordance with the provisions of Chapter 3 (commencing with Section 16140) of Part 1 of Division 4 of Title 2 of the Government Code, State Controller. The appropriation made by this schedule shall be in lieu of the appropriation for the same purpose contained in Section 16100 or 16140 of the Government Code, and may not be augmented.
7. Provided further, that schedule (g) is for reimbursement to local taxing authorities for revenue lost in accordance with the provisions of Sections 2229 and 2230 of the Revenue and Taxation Code, State Controller and, provided that the reimbursement for property tax revenue loss resulting from the restricted valuation of land under a wildlife habitat contract pursuant to Chapter 1165, Statutes of 1973, shall be based on a comparison between the value of the land computed pursuant to Section 423.7 of the Revenue and Taxation Code and the value of the land computed pursuant to Section 110.1 of the Revenue and Taxation Code.
8. Provided further, that schedule (h) is for transfer by the State Controller, as needed, to the Tax Relief and Refund Account, General Fund, for the purpose of providing credits and refunds to renters as required by Section 17053.5 of the Revenue and Taxation Code, Franchise Tax Board.
9. Provided further, that schedule (i) is for transfer by the State Controller to the Local Agency Code Enforcement and Rehabilitation Fund for the purpose of providing funds to defray costs incurred in the enforcement of local housing code provisions and to fund housing rehabilitation programs for persons and families of low and moderate income as defined in

Item	Amount
Section 50093 of the Health and Safety Code provided, that the allocations from this item constitute full reimbursement for costs incurred by local entities under Sections 17299 and 24436.5 of the Revenue and Taxation Code and no additional reimbursement under Section 2231 of the Revenue and Taxation Code shall be made for costs incurred under Sections 17299 and 24436.5 of the Revenue and Taxation Code.	
10. Provided further, that schedule (j) is for transfer from the General Fund to the Controller for the purpose of making refunds as required by Sections 17052.8 and 17052.5 of the Revenue and Taxation Code.	
The appropriation made by schedule (j) shall be in lieu of any other sums provided for the purpose of making refunds as required by Sections 17052.8 and 17052.5 of the Revenue and Taxation Code.	
910-111-001—For each city that did not levy a property tax in the 1977–78 fiscal year, other than for voter-approved indebtedness, there is hereby appropriated for allocation to each of those cities an amount equal to the total amount which each of those cities would have received pursuant to Section 25761 of the Business and Professions Code, Section 4306 of the Public Utilities Code, and Section 26483 of the Revenue and Taxation Code, as determined by the Controller.	
954-001-852—The sum of $180,300,000, and in addition thereto, any remaining unexpended balance attributable to interest earnings, is hereby appropriated from the Federal Revenue Sharing Fund to the General Fund, for transfer by the State Controller at such times and in such amounts as are needed for Item 518-101-001 and Program 10.08 in augmentation of the state's share of the State Supplementary Payment Program for aged, blind, and disabled persons, payable from the Federal Revenue Sharing Fund	(180,300,000)
965-001-001—For the state's contribution for the cost of a health benefits plan, for annuitants and other employees, in accordance with Section 22825.7, 22828 and 22829 of the Government Code, which is not chargeable to any other appropriation	49,787,000
980-001-001—For augmentation for Employee Compensation	257,293,000
Schedule:	
(a) 400001-Civil Service and Related	113,564,000

Item		Amount
(b) 400002-University of California, Faculty	27,432,000	
(c) 400003-University of California, Nonfaculty	30,319,000	
(d) 400004-State University and Colleges, Academic	27,348,000	
(e) 400005-State University and Colleges, Nonacademic	23,865,000	
(f) 400007-Increases in Premiums for Employee Health Care	19,895,000	
(g) 400008-Premiums for Employee Dental Care	14,870,000	
980-001-494—For augmentation for employee compensation, payable from other—unallocated special funds		70,364,000
Schedule:		
(a) 400001-Civil Service and Related	61,434,000	
(b) 400007-Increases in premiums for Employee Health Care	5,741,000	
(c) 400008-Premiums for Employee Dental Care	3,189,000	
980-001-988—For augmentation for employee compensation, payable from other—unallocated nongovernmental cost funds		68,260,000
Schedule:		
(a) 400001-Civil Service and Related	59,586,000	
(b) 400007-Increases in Premiums for Employee Health Care	5,581,000	
(c) 400008-Premiums for Employee Dental Care	3,093,000	

Provisions applicable to Items 980-001-001 through 980-001-988—for augmentation for employee compensation:

1. Provided, that the funds in categories (a) are for salary increases, increases in benefits related thereto, and increases for expenditures resulting from changes in hours and other terms and conditions of employment to be allocated by the Department of Finance to the several state offices, departments, boards, bureaus, commissions, other state agencies, the Assembly Committee on Rules, the Senate Committee on Rules, the Joint Rules Committee, the Joint Legislative Audit Committee, and the Joint Legislative Budget Committee, in augmentation of their respective appropriations or allocations for support or for other purposes, in such amounts as will make sufficient money

Item Amount

available for each state officer or employee in the state service, and each state employee employed pursuant to the Comprehensive Employment and Training Act, excluding those employees in specifically structured positions, whose compensation, or portion thereof, is chargeable to the General Fund, Special Funds, or Nongovernmental Cost Funds, and each officer or employee of either house of the Legislature or joint committee thereof, to receive any such increases provided on or after July 1, 1981, by the State Personnel Board or the Department of Finance, or any successor thereto, or the Directors of Hastings College of Law, or any committee of the Legislature responsible for establishing salaries for officers and employees of the Legislature, as the case may be.

2. Provided further, that in categories (a) each state employee employed pursuant to the Comprehensive Employment and Training Act in a specifically structured position shall have his or her salary established by the Department of Finance to maximize use of fund within each prime sponsor area and excluding any minimum increase.
3. Provided further, that increases in compensation provided by categories (a) for increased salary ranges for positions established for the 1981–82 fiscal year shall not result in total annual salary increases of more than $113,564,000 from the General Fund, $61,434,000 from Special Funds, and $59,586,000 from Nongovernmental Cost Funds.
4. Provided further, that before any increase in salaries or benefits for any position for the 1981–82 fiscal year shall become effective, a certification shall be obtained from the Director of Finance that sufficient money is available from the appropriations in categories (a) through (e) of Item 980-001-001 and categories (a) through (c) of Item 980-001-494 and category (a) of Item 980-001-988 to meet the cost of such increases.
5. Provided further, that the funds appropriated in Items 980-001-001 and 980-001-494 for salary increases and increases in benefits related thereto for employees of the University of California are exempt from Section 31 of this act.

Item Amount

6. Provided further, that the funds appropriated in categories (b) through (e) of Item 980-001-001 are for salary increases and increases in benefits related thereto, to be allocated by the Department of Finance to the
   a. Regents of the University of California for
      (1) Faculty $27,432,000
      (2) Nonfaculty $30,319,000
   b. Trustees of the California State University and Colleges for
      (1) Academic $27,348,000
      (2) Nonacademic $23,865,000

   in augmentation of appropriations for support or for other purposes, in such amounts as will defray the cost, including staff benefits, of increases in compensation for positions provided in any increased salary range or rate established on or after July 1, 1981, for the 1981–82 fiscal year by the Regents of the University of California and the Trustees of the California State University and Colleges, and that increases in compensation provided by increased salary ranges for positions established for the 1981–82 fiscal year shall not result in total annual salary increases of more than appropriated by these schedules. Provided further, that any employees in the University of California whose salaries are paid from special funds shall receive increases from Item 980-001-494 and Item 980-001-001 shall be reduced accordingly.
7. Provided further, that it is the intent of the Legislature that salary increases from funds appropriated in categories (a) through (e) in Item 980-001-001 and category (a) in Item 980-001-494 and category (a) in Item 980-001-988 and adopted by the salary fixing authorities prescribed above shall be $85 per month or 6 percent, whichever is greater, for all full-time employees. All less than full-time employees shall receive a prorated share of the applicable salary increase.
8. Provided further, that with respect to state officers whose salaries are specified by statute, an amount sufficient to augment the amount of salaries authorized by the Budget Act of 1980 for such officers, during the 1981–82 fiscal year in the same manner as specified in Provision 7, above, pursuant to Section 11569 of the Gov-

Item		Amount
	ernment Code, shall be allocated from categories (a) through (e) of Item 980-001-001 and category (a) of Item 980-001-494 and category (a) of Item 980-001-988.	
	9. Provided further, that the funds appropriated for increases in premiums for employee health care and premiums for employee dental care are for allocation by executive order of the Department of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, Regents of the University of California, and the Trustees of the California State University and Colleges, in augmentation of their respective appropriations for support or for other purposes chargeable to the General Fund, Special Funds, and Nongovernmental Cost Funds, in such amounts as will make sufficient money available to fund, during the 1981–82 fiscal year, increases in premiums for employee health care and premiums for employee dental care; provided further, that the funds appropriated in category (f) of Item 980-001-001, category (b) of Item 980-001-494, and category (b) of Item 980-001-988 may be expended in accordance with Section 19.11 and other legislative enactments, including subsequent enactments.	
	10. Provided further, that the funds appropriated in category (g) of Item 980-001-001 and category (c) of Item 980-001-494 for dental care may be used to provide comparable or other insurance benefits for faculty employees of the University of California.	
	11. Provided further, that the Legislative Analyst shall study the feasibility of the state "picking up" a share of the employee's contribution to the retirement system and the likely impact of that practice on affected retirement systems and the state.	
980-011-001—For augmentation for employee compensation, annuitants		6,446,000
980-011-494—For augmentation for employee compensation, annuitants, payable from other—unallocated special funds		2,296,000

Item	Amount
980-011-988—For augmentation for employee compensation, annuitants, payable from other—nongovernmental cost funds	2,233,000

Provisions applicable to Items 980-011-001 through 980-011-988—for augmentation for employee compensation:

1. Provided, that the funds appropriated in Items 980-011-001, 980-011-494, and 980-011-088 are for allocation by the Department of Finance to the several state offices, departments, boards, bureaus, commissions and other state agencies, the Trustees of the California State University and Colleges, the Regents of the University of California, and the Directors of Hastings College of Law, in augmentation of their respective appropriations for support or for other purposes, in such amounts as will make sufficient money available to fund increases in the employer's contributions for retirement resulting from a 4 percent increase in payments made to annuitants.
2. Provided further, that the funds appropriated in Items 980-011-001, 980-011-494, and 980-011-988 shall not be allocated until legislation is enacted increasing the payments to annuitants that retired before January 1, 1981, by 4 percent.

982-001-001—For Augmentation for Price Increases	7,652,000
982-001-494—For Augmentation for Price Increases, payable from other—unallocated special funds	2,290,000
982-001-988—For Augmentation for Price Increases, payable from other—unallocated nongovernmental cost funds	1,921,000

Provisions applicable to Items 982-001-001 through 982-001-988—for augmentation for price increases:

1. Provided, that the General Fund appropriation is for allocation by executive order of the Department of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, in augmentation of their respective appropriations and to other items of this act, in such amounts as will make sufficient money available to fund, during the 1981–82 fiscal year, price increases in excess of budgeted projections resulting from higher postage rates.
2. Provided further, that for increases in prices due to higher postage rates in excess of budgeted projections payable from special funds, or nongovernmental cost funds, there is hereby appro-

Item	Amount
priated from each such fund from which such price increases are paid such amounts as the Department of Finance shall determine, as will make sufficient money available to fund such increased costs during the 1981–82 fiscal year, which amounts are to be made available by executive order of the Department of Finance in augmentation of appropriations from special funds or nongovernmental cost funds and to other items of this act.	
3. Provided further, that no part of this money shall be used for increases in personnel, personal service contracts, to upgrade a program now in existence, or to start any program not now provided for in this budget.	
4. Provided further, that the Department of Finance shall not authorize expenditures pursuant to this item sooner than 30 days after notification in writing of the necessity therefor has been given to the chairman of the committee of each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or sooner than such shorter time as the chairman of the Joint Legislative budget Committee, or his or her designee, may in each instance determine.	
984-001-001—For reserve for contingencies or emergencies	1,500,000
984-001-494—For reserve for contingencies or emergencies, payable from unallocated special funds ..	1,500,000
984-001-988—For reserve for contingencies or emergencies, payable from unallocated nongovernmental cost funds.....	1,500,000
Provisions applicable to Items 984-001-001 through 984-001-988—for reserve for contingencies or emergencies:	
1. Provided that the funds appropriated for reserve for contingencies or emergencies are to be expended only on written authorization of the Department of Finance for contingencies or emergencies.	
2. Provided further, that for the reserve for contingencies or emergencies, payable from special funds, there is hereby appropriated from each such special fund such sums as are necessary to meet contingencies, or emergencies, to be expended only on written authorization of the Director of Finance and that no deficiencies shall	

Item	Amount

be authorized by the Director of Finance in any appropriation of money from special funds made by this act for the 1981–82 fiscal year under the provisions of Section 11006 of the Government Code; provided further, that accounts, special accounts, and funds in the General Fund, which are treated as other governmental cost funds for accounting and budgeting purposes in accordance with Section 13303 of the Government Code, shall be considered to be special funds within the meaning of this item.

3. Provided further, that for reserve for contingencies or emergencies, payable from nongovernmental cost funds, there is hereby appropriated from each such nongovernmental cost fund which is subject to control or limited by this act such sums as are necessary to meet contingencies or emergencies, to be expended only on written authorization of the Director of Finance and, that no deficiencies shall be authorized by the Director of Finance in any appropriation of money from nongovernmental cost funds made by this act for the 1981–82 fiscal year under the provisions of Section 11006 of the Government Code.
4. Contingencies within the meaning of these funds are defined as proposed expenditures arising from unexpected conditions or losses for which no appropriation, or insufficient appropriation, or insufficient appropriation, has been made by law and which, in the judgment of the Director of Finance, constitute cases of actual necessity. Emergencies within the meaning of this item are hereby defined as proposed expenditures arising from unexpected conditions or losses for which no appropriation, or insufficient appropriation, has been made by law and which in the judgment of the Director of Finance require immediate action to avert undesirable consequences or to preserve the public peace, health or safety.
5. Emergency and contingency expenditure authorizations and deficiency expenditure authorizations shall be limited to purposes which have been specifically approved by the Legislature in budget acts or other legislation, except that not more than $200,000 of each fund may be expended for purposes for which no such specific prior authorizations exists.

Item Amount

6. Provided further, that authorizations for expenditures or deficiency expenditures arising from a contingency shall become effective no sooner than 30 days after notification in writing to the Joint Legislative Budget Committee, or no sooner than such lesser time as the committee, or its designee, may in each instance determine.

7. Provided further, that for expenditure authorizations or deficiency expenditure authorizations arising from an emergency, the Director of Finance shall file with the Joint Legislative Budget Committee within 10 days after approval, copies of all executive orders and allotment promises for emergency-related encumbrance or expenditure authorizations stating the reasons for, and the amount of, all such authorizations, except that any emergency augmentation from this item to any program in excess of 10 percent of the amount authorized for expenditure in the 1981–82 fiscal year for such program shall become effective no sooner than 30 days after notification in writing to the Joint Legislative Budget Committee or no sooner than such lesser time as the committee, or its designee, may in each instance determine, except that no such limit shall apply if the Director of Finance states in writing to the Chairman of the Joint Legislative Budget Committee or no sooner than such lesser time as the committee, or its designee, may in each instance determine, except that no such limit shall apply if the Director of Finance states in writing to the Chairman of the Joint Legislative Budget Committee the necessity and urgency for the allocation which, in the judgment of the director, makes prior approval impractical.

984-011-001—For Reserves for Contingencies or Emergencies (Loans) ..... (2,500,000)

Provisions applicable to Item 984-011-001—for Reserve for Contingencies or Emergencies.

1. Provided, that this appropriation is for loans that may be made to state agencies which derive their support from the General Fund or from sources other than the General Fund, upon such terms and conditions for repayment as may be prescribed by the Department of Finance and any sum so loaned shall, if ordered by the Department of Finance, be transferred by the State

Item	Amount
Controller to the fund from which the support of the agency is derived.	
2. Provided further, that no loan shall be made which requires repayment from a future legislative appropriation.	
984-490—Reappropriation, Reserve for Contingencies or Emergencies. As of June 30, 1981, the unexpended balances of the appropriations made by Items 491, 492 and 493, Budget Act of 1980, shall revert to the unappropriated surplus of the General Fund, special funds and nongovernmental costs funds, respectively.	
As of July 1, 1981, the amounts reverted as of June 30, 1981, for Items 491, 492, and 493, Budget Act of 1980, are reappropriated and shall be available until June 30, 1982, and may be expended on written authorization of the Department of Finance issued on or before said date, for contingencies and emergencies, within the meaning of said items, occurring during the 1980–81 fiscal year.	
986-301-036—For Project Planning, Unallocated Capital Outlay, payable from the Special Account for Capital Outlay	400,000
Provisions applicable to Item 986-301-036—for Unallocated Capital Outlay:	
1. Provided, that these funds are to be allocated by the Department of Finance to state agencies and that the amount appropriated in this item is not to be construed as a commitment by the Legislature as to the amount of capital outlay funds it will appropriate in any future fiscal year.	
988-001-001—For allocation by executive order of the Department of Finance to the several state offices, departments, boards, bureaus, commissions and other state agencies in augmentation of their respective appropriations for support or for other purposes, in amounts necessary to comply with and for purposes specified in Sections 11340.4 and 11349.7 of the Government Code, as added by Chapter 567, Statutes of 1979	2,300,000
988-001-494—For allocation by executive order of the Department of Finance to the several state offices, departments, boards, bureaus, commissions and other state agencies in augmentation of their respective appropriations for support or for other purposes, in amounts necessary to comply with and for purposes specified in Section 11340.4 and 11349.7 of the Government Code, as added by Chapter 567, Statutes of 1979, payable from other unallocated special funds	1,100,000

Item	Amount
988-001-988—For allocation by executive order of the Department of Finance to the serveral state offices, departments, boards, bureaus, commissions, and other state agencies in augmentation of their respective appropriations for suport or for other purposes in amounts necessary to comply with and for purposes specified in Sections 11340.4 and 11349.7 of the Government Code, as added by Chapter 567, Statutes of 1979, payable from other unallocated nongovernmental cost funds	100,000

Provisions applicable to Item 988-001-001 through 988-001-988—for support, for allocation by executive order of the Department of Finance:

1. Provided, that no allocation pursuant to this item shall become effective sooner than 30 days after notification in writing to the Chairman of the Joint Legislative Budget Committee and to the chairman of the appropriate fiscal subcommittee of each house, or sooner than such lesser time as the Joint Legislative Budget Committee, or its designee, may in each instance determine.

GENERAL SECTIONS

SEC. 4.00. Notwithstanding any other provisions of this act, no appropriations made by this act, or funds obtained from any other source may be expended by any state entity for electronic data-processing services, equipment, facilities, personnel, or supplies for any electronic data-processing activity, unless the procedures, including those relating to confidentiality and security of data, set forth in the State Administrative Manual concerning such expenditures have been met and followed. The Department of Finance is authorized to approve proposed expenditures subject to this section for the purpose of ensuring that required procedures have been followed. The provisions of this section shall not apply to expenditures for continuing previously approved efforts, as defined in the State Administrative Manual, including added costs due to merit salary increases and inflation.

Every State entity that expends, or anticipates expending, funds from any source for EDP equipment, personnel services, or supplies shall provide EDP planning information and cost estimates as required by the Department of Finance.

The Department of Finance may impose additional requirements that are more stringent than those set forth in the State Administrative Manual with respect to any particular expenditure if the Director of Finance determines that such requirements will best serve the needs of the state.

The provisions of this section shall not apply to the University of California, the State Compensation Insurance Fund, the community

college districts, agencies provided for by Article VI of the Constitution, or the Legislature.

The Director of the Department of Finance, with the assistance of the California Information Technology Advisory Board, is hereby directed to establish and publish as soon as practical, in the State Administrative Manual, policy statements in the following areas:

(1) Granting and rescinding of "selected delegation" for departmental feasibility studies;

(2) Use of distributed processors, mini and micro computers, remote job entry and word processing devices;

(3) Use and frequency of data processing systems audits;

(4) Data center management; and

(5) Data communications.

The director shall inform the Joint Legislative Budget Committee and the fiscal committees of the Legislature, not later than December 1, 1981, as to progress made in compliance with this requirement, and shall include a schedule for publication of each policy statement which has not been published as of that date.

SEC. 4.50. No funds appropriated by this act may be used to pay court-awarded attorney's fees unless payment of such fees is either:

(a) Specifically authorized and set forth in an item or section of this act; or

(b) Expressly authorized by a statutory provision other than Section 1021.5 of the Code of Civil Procedure.

Provided that this section shall not be construed as making an appropriation of funds for the payment of court-awarded attorney's fees.

SEC. 4.70. No funds appropriated by this act may be expended for a discretionary tort liability insurance policy sooner than 30 days after submission in writing of a cost-benefit analysis regarding such policy and the necessity for its purchase to the Chairman of the Joint Legislative Budget Committee, or no sooner than such lesser time as the chairman of the committee, or his or her designee, may in each instance determine.

SEC. 5.00. Because it is necessary to insure the availability of adequate equipment for physical facilities constructed for the operation of custodial, mental health, educational, administrative, military, and other agencies of the state government; because uncertainties as to completion dates make precise advance planning of equipment purchases impossible; and since delivery of some kinds of equipment cannot be made for six months or longer from the date of ordering; state agencies are therefore authorized to incur obligations, to be met during the 1982–83 fiscal year, for the purchase of equipment related to capital outlay projects for which the Legislature has appropriated construction funds; provided, that no obligation shall be incurred under the provisions of this section without the approval of the Department of Finance and the State Public Works Board. Purchase orders issued and contracts entered into under the provisions of this section shall not exceed a total of

$3,000,000 in estimated cost.

SEC. 5.30. The sum of $6,500,000 is hereby appropriated from the Transportation Planning and Development Account in the State Transportation Fund to the Controller for transfer to the unappropriated surplus in the General Fund.

SEC. 5.10. Because it is necessary to insure the availability of adequate specialized materials and equipment for physical facilities constructed for the operation of new prison facilities at Tehachapi, because uncertainties as to completion dates make precise advance planning of purchases impossible, and because delivery of some kinds of specialized materials and equipment cannot be made for six months or longer from the date of ordering, the Department of Corrections is authorized to incur obligations, to be met during the 1982–83 fiscal year, for the purchase of specialized materials and equipment related to this capital outlay project for which the Governor has included construction funds in the 1982–83 Budget. However, no obligation shall be incurred under the provisions of this section without the approval of the Department of Finance and the State Public Works Board. Purchase orders issued and contracts entered into under the provisions of this section shall not exceed a total of $4,000,000 in estimated costs.

SEC. 5.10. Notwithstanding any other provisions of law, the Director of Corrections is authorized to incur obligations not to exceed $4,000,000 to be met during the 1982–83 fiscal year for the purchase of specialized materials and equipment related to the Tehachapi project.

SEC. 5.40. (a) There is hereby appropriated, from the reserve account established pursuant to subdivision (b) of Section 71 of Chapter 161 of the Statutes of 1979 in the State Highway Account in the State Transportation Fund, to the State Highway Account, for expenditure by the Department of Transportation, an amount sufficient to fund the appropriations to the Department of Transportation made by this act.

It is the intent of the Legislature that all available revenues in the State Highway Account, including the reserve account, be used for the specific purposes authorized and in the order of receipt (first available—first used).

(b) There is hereby appropriated, on June 30, 1982, to the reserve account established pursuant to subdivision (b) of Section 71 of Chapter 161 of the Statutes of 1979 in the State Highway Account, all money in or due to the State Highway Account on that date which is not appropriated as of that date, to be available for expenditure only upon appropriation in the Budget Act.

SEC. 5.50. (a) There is continuously appropriated to the Contingent Funds of the Assembly and Senate, from the General Fund and from each special fund from which appropriations otherwise may be made to pay the cost of audits of state agencies supported by the fund conducted by the Auditor General, the amount necessary to pay the costs of those audits actually made.

(b) There is continuously appropriated from the Federal Trust Fund in the State Treasury to the Contingent Funds of the Assembly and Senate, an amount equal to amounts received by the state from the federal government for reimbursement of expenses of audits required by federal law or regulation and conducted by the Auditor General.

SEC. 6.10. None of the funds appropriated for support purposes under Section 2 of this act may be encumbered for any project for the alteration of a state building requiring total expenditures of $10,000 or more unless the Director of Finance determines that the proposed alteration is critical and that it is necessary to proceed using funds appropriated for support purposes. The maximum cost of any such project shall not exceed $100,000, and any approved critical project shall be reported to the Chairperson of the Joint Legislative Budget Committee or his or her designee, not less than 30 days prior to requesting bids for the project.

SEC. 6.20. Unless otherwise stated herein, all reappropriations for capital outlay from the General Fund shall be payable from the Special account for Capital Outlay.

SEC. 7.00. Any acquisition of land or other real property included in any appropriation made herein except appropriations from the California Water Fund, appropriations to the Department of Transportation for capital outlay purposes, shall be subject to the provisions of the Property Acquisition Law. The California Coastal Commission shall not be exempt from this provision.

All property acquisitions, notwithstanding other exemptions of this section, shall be reported to the State Public Works Board.

SEC. 8.00. No money appropriated herein in any item for capital outlay may be expended by any state agency, including the University of California, the California State University and Colleges and the community colleges, except amounts for acquisition of land or other real property, amounts needed for equipment, minor projects and amounts appropriated specifically for preliminary surveys, studies and planning until the Department of Finance and the State Public Works Board have approved preliminary plans for the project to be financed from such item of appropriation for capital outlay until the Chairperson of the Joint Legislative Budget Committee, or his or her designee, is provided a 20-day review of the preliminary plans or not sooner than such lesser time as the chairperson, or his or her designee, may in each instance determine, with the exception that community college approvals by the State Public Works Board will apply only to the allocation of state capital outlay funds appropriated heretofore and hereafter by the Legislature; including land acquisition and equipment funds; provided further, any appropriated amounts for working drawings or construction where said working drawings or construction have been started by any State agency prior to approval of the appropriated amounts by the Public Works Board, and all such amounts not approved by the board under this criterion shall be reverted to the

unappropriated balance of the appropriate fund; provided further, no major project for which appropriation is made hereunder regarding which the Director of Finance or his authorized representative requests review of working drawings shall be put out to bid until the working drawings therefor have been approved by the Department of Finance; provided further, that no substantial change or changes shall be made from the preliminary plans or working drawings as approved by the State Public Works Board and the Department of Finance unless there has first been obtained the written approval by the Department of Finance to make such change or changes; provided further, that any proposed construction bid alternates shall be approved by the Department of Finance prior to State Public Works Board allocation of construction amounts contained herein; provided further, that no more than $1,000 of the money appropriated herein may be spent for any single unit of equipment until prior approval for purchase of such equipment shall have been given by the Department of Finance.

The State Public Works Board shall defer all augmentations in excess of 20 percent of the amount appropriated herein for each capital outlay project until the Legislature makes additional funds available for the specific project.

Augmentations in excess of 10 percent of the amount appropriated herein for each capital outlay project shall be reported to the Chairperson of the Joint Legislative Budget Committee, or his or her designee, 20 days prior to board approval, or not sooner than such lesser time as the chairperson, or his or her designee, may in each instance determine. Any augmentation of construction projects shall be limited to the amount appropriated herein for construction contract costs.

Prior to State Public Works Board action on any capital outlay appropriation contained herein, or otherwise appropriated, the Department of Finance shall certify, in writing, to the Chairperson of the Joint Legislative Budget Committee, the chairpersons of the respective fiscal committees, and the legislative members of the board that the requested action is in accordance with the legislatively approved scope and cost. If, pursuant to the other provisions of this section, the Department of Finance approves changes to the approved scope or cost, or both, the department shall detail the changes and associated cost implications. Such reports shall also include all proposed or potential augmentations in excess of 10 percent of the amount appropriated herein for construction contract costs related to capital outlay projects.

The State Public Works Board shall defer action with respect to approval of any portion of an acquisition project, or approval of preliminary plans, when it is determined that the estimated cost of the total acquisition project, or construction project, approved by the Legislature is in excess of 20 percent of the amount appropriated, unless, in the case of acquisition projects, it is determined that a lesser portion of the property is sufficient to meet the objectives of the

project approved by the Legislature, and the Chairperson of the Joint Legislative Budget Committee, or his or her designee, is provided a 20-day prior notification of the proposed reductions in the acquisition project, or not sooner than such lesser time as the Chairperson, or his or her designee, may in each instance determine.

Nothing in this section shall be construed to limit or control the Department of Transportation in the expenditure of all funds appropriated to the department for capital outlay purposes, except those nontransportation projects such as the construction or improvement of departmental buildings, maintenance buildings, district headquarters, and similar support facilities and nonhighway land acquisition shall be subject to this section.

SEC. 8.10. (a) The Director of Parks and Recreation may not advertise, negotiate, renegotiate, or amend any concession contract, operating lease, or nongovernmental agreement which involves a total investment for any private party in excess of $100,000 or involves projected concessionaire gross receipts in excess of $100,000 on an annual basis under the terms of such agreement unless the director first obtains approval of the State Public Works Board. Prior to granting such approval, the State Public Works Board shall make a finding that the proposed concession operation was approved by the Legislature or could not have reasonably been presented to the Legislature through the annual budgeting process.

(b) In addition, none of the access, picnic, restroom, or camping facilities constructed with funds appropriated by this act shall be operated pursuant to any new or existing concession agreement unless the justification for the appropriation presented to the Legislature has included such concession operation.

SEC. 8.20. No expenditure for park furnishings shall be made from any appropriation contained in this act for expenditure by the Department of Parks and Recreation unless the department has made reasonable efforts to acquire such furnishings on a consolidated procurement basis or through California Conservation Corps labor. The department shall provide reasonable demonstration of such consolidated procurement to the Public Works Board and the Office of Procurement of the Department of General Services before the board and office authorize an expenditure or approve procurement.

SEC. 8.30. The Controller may not disburse funds from any appropriation or reappropriation for acquisition made to the Department of Parks and Recreation by this act to pay for any property rights, however secured or received, until the State Public Works Board has approved the transaction. In addition, the Attorney General and the Department of General Services shall inform the State Public Works Board of every action in inverse condemnation served upon either or both of them, which pertains to any acquisition for the state park system, by placing an item on the state board's agenda.

SEC. 8.50. In making appropriations to state agencies which are eligible for federal assistance programs, it is the intent and

understanding of the Legislature that applications made by such agencies for federal funds under any such programs shall be for the maximum amount allowable under federal law. Therefore, any amounts received from the federal government exceeding the amount appropriated herein are hereby appropriated, from the Federal Trust Fund for expenditure or for transfer to and disbursement from the State Treasury fund established for the purpose of receiving such federal assistance subject to any provisions of this act which are applicable to the expenditure of such funds, including Section 28.

SEC. 8.51. Each State Agency shall, by certification to the State Controller, identify the account within the Federal Trust Fund when charges are made against any appropriation made herein from the Federal Trust Fund.

SEC. 8.70. Any federal funds appropriated in this act and designated as "federal funds per Section 8.7" shall not be subject to the provisions of Section 28 of this act.

SEC. 8.80. Any funds recovered from the federal government to offset statewide indirect costs shall be transferred to the unappropriated surplus of the General Fund in a manner prescribed by the Department of Finance, unless expenditure of such funds is authorized by the Department of Finance. Such authorization may not become effective sooner than 30 days after notification in writing of the necessity therefore to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of the committee, or his/her designee, may in each instance determine. If in the judgment of the Director of Finance, a state agency has not transferred such funds on a timely basis, the director may certify to the State Controller the amount which the agency should have transferred to the General Fund, the Controller shall transfer such funds to the General Fund.

SEC. 9.00. Notwithstanding any other provision of law, the portion of each sum of money heretofore appropriated or allocated, hereby appropriated or hereafter allocated to the Regents of the University of California for capital outlay which remains after the purpose for which each said sum was appropriated or allocated has been accomplished, and which have been or hereafter are withdrawn from the State Treasury by the Regents of the University of California pursuant to the provisions of Section 92100 of the Education Code, together with increments, by way of interest or otherwise, on any such appropriation or allocations, shall be used and expended by the Regents of the University of California in executing and furthering the building and improvement program of the University of California; provided, that no such sums shall be allocated by the Regents of the University of California to projects for the purpose of augmenting those projects without prior approval of the State Public Works Board of the requested augmentation. Such sums shall be available for expenditure in payment of any

encumbrances heretofore or hereafter incurred without regard to fiscal years; provided, however, that any unencumbered balances existing as of the date on which each such appropriation or allocation otherwise would lapse, shall then revert.

SEC. 11.00. $9,719,749 of the funds appropriated from the Fair and Exposition Fund to the General Fund pursuant to Section 11.12, Budget Act of 1980, is reappropriated from the General Fund to the Fair and Exposition Fund.

SEC. 12.20. For the purposes of Article XIII B, there is hereby established a State "appropriations limit" of $16.306 billion for 1980–81 and $18.160 billion for 1981–82. Any judicial action or proceeding to attack, review, set aside, void or annul the "appropriations limit" for the 1980–81 and 1981–82 fiscal year shall be commenced within 45 days of the effective date of this act.

SEC. 12.30. (a) The contingency reserve for economic uncertainties established within the General Fund by Section 12.3 of the Budget Act of 1980 is hereby continued in existence. This reserve represents a reserve fund within the meaning of Section 5 of Article XIII B of the California Constitution. Notwithstanding Sections 16310 and 16314 of the Government Code, the Controller, may transfer as necessary from the contingency reserve for economic uncertainties to the General Fund such amounts as are needed to meet cash needs of the General Fund. The Controller shall return all such moneys so transferred without payment of interest as soon as there are sufficient moneys in the General Fund.

(b) The amount of the appropriation made pursuant to Section 12.3 of the Budget Act of 1980 is hereby reduced by the amount required from the contingency reserve for economic uncertainties to eliminate a General Fund deficit as of June 30, 1981, which amount shall be transferred by the State Controller to the unappropriated balance of the General Fund as of June 30, 1981. No transfer for the 1980–81 fiscal year pursuant to this subdivision shall be made from the contingency reserve for economic uncertainties to the General Fund after the Controller publishes the State of California Preliminary Annual Report—Accrual Basis, 1980–81 Fiscal Year.

(c) There is hereby appropriated from the General Fund for transfer by the Controller to the contingency reserve for economic uncertainties as of July 1, 1981, an amount necessary to bring the reserve's fund balance up to an amount equal to 3 percent of 1981–82 General Fund appropriations, as estimated jointly by the Office of the Legislative Analyst and the Department of Finance.

(d) There is hereby appropriated from the General Fund, without regard to fiscal years, for transfer by the State Controller to the contingency reserve for economic uncertainties as of June 30, 1982, the lesser of the amounts jointly estimated by the Legislative Analyst's office and the Department of Finance in accordance with subdivisions (1), (2), and (3):

(1) Five percent of total 1981–82 General Fund appropriations, less any balance existing in the contingency reserve for economic

uncertainties on that date;

(2) The difference between the state's 1981–82 "appropriations subject to limitation" and its "appropriations limits" as defined in Section 8 of Article XIII B of the California Constitution and established in this act; and

(3) The extent of available funds in the General Fund as of June 30, 1982.

(e) The appropriation made pursuant to subdivision (c) shall be reduced by the amount required from the contingency reserve for economic uncertainties to eliminate any General Fund deficit as of June 30, 1982, which amount shall be transferred by the Controller to the unappropriated balance of the General Fund as of June 30, 1982. No transfer for the 1981–82 fiscal year pursuant to this subdivision shall be made from the contingency reserve for economic uncertainties to the General Fund after the Controller publishes the State of California Preliminary Annual Report—Accrual Basis, 1981–82 Fiscal Year.

SEC 12.35 (a) There is hereby appropriated the unappropriated fund balance in each special fund as of June 30, 1981, as reported in the State of California Annual Report, 1980–81 Fiscal Year, prepared by the State Controller, to a contingency reserve for economic uncertainties account established in that special fund, which reserve account is hereby established within each special fund. This reserve account is a reserve fund within the meaning of Section 5 of Article XIII B of the California Constitution.

(b) There is hereby appropriated from each reserve account established pursuant to subdivision (a), an amount sufficient to fund any appropriation made by this act or other statute from the fund in which the reserve account is established.

(c) There is hereby appropriated on June 30, 1982, the unappropriated balance in each special fund to the reserve account established in that special fund pursuant to subdivision (a).

SEC. 12.40. The Director of Finance may direct the State Controller to make transfers between the Energy Account of the Energy and Resources Fund, the Resources Account of the Energy and Resources Fund, and the Energy and Resources Fund for the purpose of meeting cash flow needs. However, if a Department of Energy has not been created or a reorganization of the State Energy Resources Conservation and Development Commission has not been enacted by the Legislature or has not been carried out under a reorganization plan accepted by the Legislature pursuant to Section 12080.5 of the Government Code by December 31, 1981, the Director of Finance's authority to direct any transfers after December 31, 1981, from the Energy and Resources Fund or the Resources Account to the Energy Account shall be limited to amounts necessary to fund increases in employee compensation, price increases, and augmentations of appropriations pursuant to Section 16352 of the Government Code.

The Director of Finance shall notify the Chairperson of the Joint

Legislative Budget Committee and the chairperson of the committee in each house which considers appropriations 10 days prior to taking any action pursuant to this section.

SEC. 12.45. As of July 1, 1981, the State Controller shall transfer the unencumbered balance available for appropriation in the Energy and Resources Fund to the Energy Account, Energy and Resources Fund and the Resources Account, Energy and Resources Fund in the same ratio as the amounts appropriated by this act from each account bears to the total amount appropriated from both accounts.

As moneys are deposited in the Energy and Resources Fund in accordance with Section 6217 of the Public Resources Code, the State Controller shall allocate the amounts deposited in the fund between the two accounts in the ratio computed in this section until the two accounts have sufficient funds available for the amounts appropriated by this act from those accounts. Provided, however, that if a Department of Energy has not been created or a reorganization of the State Energy Resources Conservation and Development Commission has not been enacted by the Legislature or has not been carried out under a reorganization plan accepted by the Legislature pursuant to Section 12080.5 of the Government Code, no funds shall be deposited in the Energy Account after December 31, 1981, except as provided by Section 12.40.

SEC. 12.50. The final repayment date of the loans made to the State Air Resources Board from the Motor Vehicle Account, State Transportation Fund pursuant to Item 245.1, Budget Act of 1974 and Item 223, Budget Act of 1975, for the purposes of initiating and conducting a vehicle inspection program is hereby extended to June 30, 1983.

SEC. 12.52. The sum of $1,405,000 is hereby appropriated from the Resources Account (Fund 190) in the Energy and Resources Fund for transfer to Fund Number 125, without regard to fiscal years, for capital outlay and operating expenses and equipment.

SEC. 12.54. The sum of $1,405,000 is hereby appropriated from the Resources Account (Fund 190) in the Energy and Resources Fund for transfer to Fund Number 348, without regard to fiscal years, for capital outlay and operating expenses and equipment.

SEC. 12.56. The sum of $560,000 is hereby appropriated from the Resources Account (Fund 190) in the Energy and Resources Fund for transfer to Fund Number 160, without regard to fiscal years, for capital outlay and operating expenses and equipment.

SEC. 12.80. The sum of $2,210,200 is hereby appropriated from the California Water Fund to the Controller for transfer to the unappropriated surplus in the General Fund.

SEC. 13.00. The Department of Mental Health shall submit quarterly to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee all of the following information: (1) local mental health expenditures by county, (2) any changes to county mental

health allocations, and (3) all requests for new county mental health programs, together with the action taken on such requests by the Department of Mental Health.

SEC. 15.00. No appropriation made by this act or any other provision of law may be combined or used in any manner to avoid budgeting the salary or operating expenses of any position or to achieve any purpose which has been denied by any formal action of the Legislature.

SEC. 16.00. The Supplemental Report of the Committee of Conference on the Budget Bill, which contains agreed language on statements of intent or requests for studies and which was submitted to the Senate and Assembly concurrently with consideration of the Budget Bill for the 1981–82 fiscal year, reflects the intent of the Legislature in enacting the Budget Act of 1981 and should be interpreted as such by the various agencies of state government affected by the statements contained in the report. The Legislative Analyst shall transmit copies of the report to all agencies to which statements of intent and requests for studies are directed in order that each may be fully informed of the intent of the Legislature.

SEC. 18.00. Notwithstanding any statutes, regulations or state policy to the contrary, all contracts and interagency agreements for consultant or personal services, except such contracts as are expressly excluded below, shall, prior to their approval by the Department of General Services, be routed to the Department of Finance for review and approval. The Director of Finance shall, within 30 days of approving any such contract, so notify the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house which considers appropriations.

The Department of General Services, the Department of Finance, and the State Personnel Board shall prepare recommendations for improving the present system for contract oversight.

The following types of contracts are excluded from the provisions of this section:

(a) Contracts that require payment of less than $18,900 per party per 12-month period.

(b) Contracts for hearing reporter services.

(c) Contracts for employer training programs which provide on-the-job training for workers.

(d) Contracts for rehabilitation services entered into by the Department of Rehabilitation.

(e) Contracts for maintenance or service of equipment.

(f) Contracts for electronic data-processing services reported under Section 4 of this act.

(g) Contracts related to any type of construction.

(h) Contracts for community mental health training entered into by the Centers for Training in Community Psychiatry, Department of Mental Health.

(i) Contracts for library services entered into by the Department of Education.

(j) Contracts for family planning contraceptive services entered into by the Department of Health Services.

(k) Contracts with local agencies for administration of the Special Supplemental Food Program for Women, Infants, and Children.

(*l*) Contracts implementing the Welfare Reform Act, 1971, Career Opportunities Development Program, which provide on-the-job training for workers or which provide matching funds for on-the-job training for workers.

(m) Contracts for the Office of Economic Opportunity Weatherization Program entered into by the Employment Development Department.

(n) Contracts for transportation services for the elderly and handicapped entered into by the Department of Transportation pursuant to Section 16(b) (2) of the Mass Transportation Act of 1964, as amended.

(o) Contracts for childhood immunization services entered into by the Department of Health Services.

(p) Contracts for entertainment at fairs conducted by district agricultural associations.

SEC. 19.00. On or before September 30, 1981, the State Controller shall transfer to the General Fund any amount of accumulated surplus in the Service Revolving Fund as of June 30, 1981, as follows: for the Office of State Printing totals in excess of $13,454,740, and for the remainder of the Service Revolving Fund totals in excess of $37,710,126.

No machinery or equipment shall be purchased by or for the Office of State Printing except as provided for in this act and for emergency replacements.

The Director of General Services may authorize expenditures for an emergency replacement not sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of the committee, or his or her designee, may, in each instance determine.

No augmentation shall be made to the capital of the Service Revolving Fund for the benefit of the Office of State Printing during the 1981–82 fiscal year except as specifically provided for in this act. Any proposed capital addition to the Service Revolving Fund for the benefit of the Office of State Printing for the 1982–83 fiscal year shall be included in the proposed budget for that fiscal year as an appropriation.

Any surplus resulting from legislative printing shall be shown as a reimbursement to Item 013-021-001 of this act.

SEC. 19.02. (a) No funds appropriated by this act shall be allocated to any school district which increases its revenue limit pursuant to Section 42243.6 of the Education Code for the costs of any federal or court mandate which was not reimbursed during 1980–81.

(b) Claims for reimbursement of any federal or court mandate

which was not reimbursed during 1980–81 shall be presented to the Board of Control for inclusion in an omnibus claims bill. The Board of Control shall review all such claims to determine whether (1) a federal or court mandate exists, (2) the costs are necessary to meet the mandate, and (3) the costs are reasonable. Based on its review, the Board shall include in an omnibus claims bill an amount for reimbursement of reasonable and necessary costs.

SEC. 19.03. On July 1, 1981, all unappropriated balances remaining in the State Construction Program Fund from the Junior College Construction Program Bond Act of 1968 are hereby appropriated for the purposes of the Community College Program Bond Act of 1972.

SEC. 19.04. For the 1981–82 fiscal year, the oil and mineral revenues from federal lands which are deposited in the State School Fund shall be divided between Section A and Section B of the State School Fund, with 85 percent of these revenues to be credited to Section A and 15 percent to Section B of the fund. The amounts accruing to Section B under this section shall be used only for community college regular apportionments.

SEC. 19.07. The Legislature recognizes that child care programs have made valuable contributions towards insuring that public assistance recipients have been able to accept and maintain employment or related training. It is, therefore, the intent of the Legislature that the Department of Education shall insure that the following requirements are met:

(a) That counties shall comply with Section 8279 of the Education Code which requires counties to maintain their 1970–71 level of effort for child care services provided by county funds.

The Department of Education shall insure that each county complies with Section 8279 of the Education Code in one of the two following manners:

(1) The Department of Education shall not issue funds to a child care contractor within a county until such time as that county certifies in writing to the Department of Education that the county has obligated its 1970–71 child care maintenance of effort funding level, pursuant to Section 8279 of the Education Code, to local county child care contractors. Such sums awarded by a county to a local child care contractor shall not adversely affect an agency's contract reimbursement with the Department of Education pursuant to Sections 8265, 8265.5, 8266, and 8266.5 of the Education Code.

(2) Each county, which has a 1970–71 maintenance of effort funding level for child care, pursuant to Section 8279 of the Education Code, shall transmit such sum to the Department of Education. Funds derived from each county shall be returned to each respective county's child care contractors as a grant award and not within the reimbursement control of Sections 8265, 8265.5, 8266, and 8266.5 of the Education Code.

The Department of Education shall notify all such programs and all such counties which maintained such programs during the

1980–81 fiscal year of the provisions of this section.

SEC. 19.08. Of the funds appropriated by Item 610-101-001 of this act, no more than $128,726,000 from this act shall be expended for the purposes of Section 42243.6 of the Education Code, and no payment for a revenue limit adjustment authorized by Section 42243.6 of the Education Code shall be made until the State Controller has reviewed the claims for such adjustments and certifies to the Superintendent of Public Instruction that the amounts claimed are reasonable and not excessive amounts necessary to meet the mandate of the court or federal government. The superintendent shall withhold state school fund apportionments based on Section 42243.6 of the Education Code until the State Controller makes such certification.

SEC. 19.09. No pupil textbooks shall be adopted by the State Board of Education nor shall funds be available to finance contracts for textbooks in which the royalty amount exceeds 55 percent of the completed book bid which is the total cost less sales tax less all freight. Royalty amounts payable shall be adjusted in subsequent years in conformance with the Consumer Price Index—All Items, of the Bureau of Labor Statistics of the United States Department of Labor, provided that such adjustment shall occur only when the completed book bid is revised, pursuant to Sections 60201 and 60223 of the Education Code.

SEC. 19.11. Notwithstanding any other provisions of law, the employer's contributions for the 1981–82 fiscal year, which is chargeable to an appropriation made in this act, with respect to each state officer and employee or an annuitant who was in such employment or office, including an academic position with a California State University or College, or is a survivor of such person, or is an annuitant, shall be $58 for basic and related major medical plans with respect to employees or annuitants enrolled for self alone, or $107 for an employee or annuitant so enrolled for self and one family member, or $138 for an employee or annuitant so enrolled for self and two or more family members, or, if less, the amount necessary to pay the cost of such person's enrollment, including the enrollment of such person's family members, in a health benefits plan or plans.

SEC. 19.12. The funds transferred to a subaccount in the Special Account for Capital Outlay in the General Fund pursuant to Section 10.5 of Chapter 899, Statutes of 1980, for the purpose of providing capital outlay funds to school districts in the 1980–81 fiscal year, are hereby appropriated to Section A of the State School Fund in the 1981–82 fiscal year for the purpose of making apportionments to school districts maintaining kindergarten and grades 1 through 12, inclusive, pursuant to Sections 2558, 14054, 41841.5, and 42238 of the Education Code.

SEC. 19.13. As of the effective date of this act, the State Controller shall transfer $10,000,000 from the unencumbered balance of the University of California Teaching Hospital Revolving Fund,

specified in Section 28.13 of the Budget Act of 1976, to the unappropriated surplus of the General Fund.

In addition, the State Controller shall transfer $15,000,000 from the unencumbered balance of the University of California Teaching Hospital Revolving Fund to the unappropriated surplus in the General Fund, in accordance with the following schedule:

$5,000,000 on January 1, 1982.

$5,000,000 on April 1, 1982.

$5,000,000 on June 1, 1982.

SEC. 19.14. Notwithstanding the provisions of Section 42050 of the Vehicle Code and subdivision (b) of Section 41304 of the Education Code, the sum of $4,000,000 is appropriated from the Driver Training Penalty Assessment Fund to the Indemnity Fund to support the payment of indemnification claims of victims of crimes. Any surplus in the Indemnity Fund as of June 30, 1982, not to exceed $4,000,000, shall be transferred by the Controller to the General Fund.

SEC. 19.15. Notwithstanding the provisions of Section 42050 of the Vehicle Code and subdivision (b) of Section 41304 of the Education Code, the sum of $4,000,000 is appropriated from the Driver Training Penalty Assessment Fund to the Motor Vehicle Account in the State Transportation Fund to support postlicensing control program activities of the Department of Motor Vehicles.

SEC. 19.17. Notwithstanding the provisions of Section 1464 of the Penal Code added by Chapter 530, Statutes of 1980 and Sections 42050 and 42052(a) of the Vehicle Code as amended by Chapter 530, Statutes of 1980, and Section 41304 of the Education Code, the Controller shall transfer the unencumbered balance in the Driver Training Penalty Assessment Fund on June 30, 1982, to the General Fund.

SEC. 19.23. Notwithstanding any other provision of law, the State Controller shall, as of June 30, 1982, transfer the unappropriated balances available in the Forest Resources Improvement Fund to the unrestricted surplus of the General Fund.

SEC. 19.40. Upon enactment of Assembly Bill No. 202 of the 1981–82 Regular Session, the Department of the California Highway Patrol is authorized to employ an additional 670 state traffic officer positions, provided that the Department of Finance approves an implementation, detailed spending plan, and allocation of funds which does not exceed the actual revenue received and deposited in the California Highway Patrol Law Enforcement Account in the State Transportation Fund, which is proposed to be created by Assembly Bill No. 202.

In addition, if Assembly Bill No. 202 is enacted, the Commissioner of the California Highway Patrol may begin implementation of the program to increase staffing by 670 positions within existing budgeted resources prior to January 1, 1982, provided the Department of Finance approves in writing any necessary reallocation of budgeted resources.

In addition, the Commissioner of the California Highway Patrol may begin the build up of the California Highway Patrol prior to January 1, 1982, so that the Highway Patrol Academy can be utilized in an effective and efficient manner in the training of the additional officers.

SEC. 19.60. On the effective date of this act, the Controller shall transfer $654,436 from the Fingerprint Fees Account in the General Fund to the General Fund for expenditure for any of the purposes authorized in this act or other legislative enactments which appropriate money from the General Fund.

SEC. 19.70. It is the intent of the Legislature and executive branch in enacting this act that the University of California teaching hospitals suffer no fiscal penalties in the 1981–82 fiscal year as a result of the Medicare cost reimbursement limits issued pursuant to the authority of paragraph (1) of subsection (v) of Section 1861 of the Social Security Act (para. (1), subsec. (v), Sec. 1395x, Title 42, U.S.C.) and the Medi-Cal program cost reimbursement limits issued pursuant to the authority of Sections 14105, 14106, and 14124.5 of the Welfare and Institutions Code, and defined in Section 51508 of Title 22 of the California Administrative Code. Therefore, the Director of Finance may, following the adoption of a resolution by the Regents of the University of California declaring a teaching hospital fiscal emergency, authorize the accelerated expenditure, on a loan basis, of amounts budgeted for the university, in the form of an agreement to seek a supplementary appropriation from the General Fund to the extent of the equivalent dollar amount for the 1981–82 fiscal year, as is determined for each hospital, which is related to the difference in the reimbursement rates allowed by the Medicare and Medi-Cal programs and the reimbursement rates claimed by the University of California. In considering such supplemental appropriation, the financial condition of each hospital shall be taken into account. Provided further, that the University of California will appeal for exceptions to these limits pursuant to procedures for requesting such appeals; provided further, that no increased expenditure may exceed $2,333,692 or be authorized sooner than 30 days after notification in writing of the necessity therefor is made to the person of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of such committee, or his designee, may in such instance determine.

Any funds provided under the authority of this section shall be repaid to the fund from which they were derived with the proceeds of the claims appealed, regardless of fiscal year, as decisions on cost reimbursement limits which gave rise to their authorization permit repayment of the loan. It is the intent of the Legislature that provisions for repayment of any loan balances shall be determined after the procedures for requesting appeals have been exhausted and all decisions are rendered. The university shall report annually in its budget on the status of such appeals

SEC. 19.91. Notwithstanding any other provision of law, there is hereby appropriated from the Capital Outlay Fund for Public Higher Education the sum of $45,136,000, from the State School Building Lease-Purchase Fund the sum of $200,000,000, from the Energy and Resources Fund the sum of $27,882,000, from the State Parks and Recreation Fund the sum of $41,564,000, from the Transportation, Planning and Development Account in the State Transportation Fund the sum of $25,000,000, and from the Special Account for Capital Outlay in the General Fund the sum of $47,978,000 for transfer by the State Controller to the General Fund during the 1981–82 fiscal year, upon order of the Director of Finance.

The State Allocation Board may continue to give preliminary approval for Phase I and Phase II projects during the 1981–82 fiscal year; however, actual apportionment of funds shall be limited to the level of funds appropriated by the Legislature.

SEC. 19.92. Notwithstanding any other provision of law, an amount not to exceed $8,000,000 in the Special Account for Capital Outlay in the General Fund, may be used during the 1981–82 fiscal year to augment construction and acquisition projects, in accordance with Section 8, for which funds are appropriated herein from the Capital Outlay Fund for Public Higher Education, the Energy and Resources Fund, the State Parks and Recreation Fund, and the Special Account for Capital Outlay in the General Fund.

SEC. 19.93. Notwithstanding any other provision of law, the sum of $18,000,000 shall be transferred to the General Fund from the amounts continuously appropriated under Section 16409 of the Government Code.

SEC. 20.00. No money appropriated by this act shall be used to pay the salary of any authorized state position which was abolished effective September 1, 1981, and which position was vacant continuously during the period between October 1, 1980 and July 1, 1981. The State Controller, no later than August 1, 1981, shall notify in writing the Department of Finance of any authorized state position which was vacant continuously during such period. All such positions, except those exempt from civil service or those instructional and instructional-related positions authorized for the California State University and Colleges, are abolished effective September 1, 1981.

The State Controller, not later than December 1, 1981, shall furnish the Joint Legislative Budget Committee a report on all positions as of July 1, 1981, which were unfilled continuously during the period between October 1, 1980, and July 1, 1981.

SEC. 20.10. Notwithstanding any other provisions of law, expenditures under Item 016-001-001 of this act or any appropriation in augmentation of such item shall be exempt from the provisions of Sections 13320 and 13325 of, and Chapter 3 (commencing with Section 14250) of Part 5 of, and Chapter 6 (commencing with Section 14780) of Part 5.5 of, Division 3 of Title 2 of the Government Code, subdivision (a) of Section 713 of Title 2 of the California

Administrative Code and Sections 4, 8, 18, and 25 of this act, and may be expended as set forth in the Governor's Budget, or for such other purposes, including expenditures for such number of positions in various classifications, as may be authorized by the Joint Committee on Rules.

SEC. 21.30. Notwithstanding any other provision of the law, no expenditures under Items 112-001-704 through 163-064-702 shall be made for the implementation or operation of any information system or systems which allow the release of unadjudicated licensee complaint information or material to the public, unless such information or material specifically relates to a formal disciplinary action taken against a licensee pursuant to the provisions of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 21.40. Since it is imperative that the maximum amount of time possible be provided the State Board of Education in the selection of instructional materials and for private publishers and manufacturers and the State Printer to produce such materials for the ensuing school year, the Department of Education and the Department of General Services are authorized subject to the provisions of Sections 60000 to 60315, inclusive, of the Education Code, to incur obligations for production of instructional materials in an amount not to exceed $10 million in the aggregate during the 1981–82 fiscal year for delivery by the State Printer and private publishers and manufacturers to the Department of Education and local educational agencies beginning in the 1982–83 fiscal year.

SEC. 21.41. Notwithstanding the provisions of Section 8262 of the Education Code and Sections 14616 and 14780 of the Government Code, the Superintendent of Public Instruction may enter into and execute local agreements for allocation of the funds appropriated in subdivision (2) of category (h) of Item 610-101-001 and, to the extent permissible under federal law, for allocation of the funds appropriated in category (g) of Item 610-101-890 to any public or private entity or agency for (a) the delivery of child care and development services or (b) the furnishing of property, facilities, personnel, supplies, equipment, or administrative services related to the delivery of child care and development services. Prior to entering into or executing such local agreements, however, the Department of Education shall obtain approval from the Department of General Services and the Department of Finance as to the form and general content thereof. Such agreements may only be made for the delivery of child care and development services, or the furnishing of property, facilities, personnel, supplies, equipment, or administrative services related thereto, which conform to the provisions of Chapter 2 (commencing with Section 8200) of Part 6 of the Educaiton Code, excluding Section 8262.

SEC. 21.42. Notwithstanding the provisions of Chapter 2 (commencing with Section 8200) of Part 6 of the Education Code, the Superintendent of Public Instruction may develop unique

reimbursement rates for child care and development programs which (1) received state funding during 1980–81 and (2) serve severely handicapped children, as defined in subdivision (s) of Section 8208 of the Education Code. The Superintendent may allocate funds for these unique reimbursement rates to qualified recipients from the funds appropriated in subdivision (2) of category (h) of Item 610-101-001 and, to the extent permissible under federal law, from the funds appropriated in category (g) of Item 610-101-890. Reimbursements may be made for these programs, even though the following conditions exist:

(1) Eligibility for enrollment of a severely handicapped child in such a program shall be the sole basis of the child's need for service.

(2) Services are provided to severely handicapped children from birth up to the age of 21 years.

Reimbursements shall only be made for such programs if no fees are charged to the parents of the severely handicapped children receiving services.

SEC. 21.50. Because it is necessary to provide adequate time for planning and preparation for the 1982 California State Fair, during the 1981–82 fiscal year the California Exposition and State Fair is authorized to incur obligations for entertainment in an amount not to exceed $300,000 for the 1982 fair, and the sum of $300,000 is hereby appropriated from the General Fund to the California Exposition and State Fair for this purpose. The appropriation in this section shall be available for encumbrance only until June 30, 1983.

SEC. 22.00. No purchase order for acquisition or replacement of motor vehicles shall be issued against any appropriation made herein until the Department of General Services has investigated and established the necessity therefor.

All passenger-type motor vehicles purchased from any appropriation made by this act for the use of state employees and officers, or from any appropriation available for the use of the Department of Transportation, except constitutional officers, shall be American-made vehicles of the light class, as defined by the State Board of Control, unless excepted by the Director of General Services on the basis of unusual requirements, such as use by the California Highway Patrol, which would justify the need for an automobile of a heavier class.

No general use mobile equipment having an original purchase price of $25,000 or more shall be rented or leased from a nonstate source and payment therefor made from any appropriation made by this act, including any appropriation made by this act or from any other appropriation available therefor for the use of the Department of Transportation, without the prior approval of the Department of General Services after a determination that comparable state-owned equipment is not available, unless obtaining such approval would endanger life or property, in which case the transaction and the justification for not having sought prior approval shall be reported immediately thereafter to the department. For purposes of this

section, "general use mobile equipment" shall be deemed to refer to equipment that is listed in the Mobile Equipment Inventory of the State Equipment Council and which is capable of being used by more than one agency, and shall not be deemed to refer to such equipment having a practical use limited to the controlling agency only. Section 575 of the Vehicle Code shall have no application to this section.

SEC. 24.00. None of the moneys appropriated by this act or for an expenditure which is supplemented from money appropriated by this act shall be used to purchase furnishings for any house, mobilehome, or apartment of three or more rooms other than a dormitory which is rented to a state employee. This provision shall not apply to the purchase of refrigerators, heaters, air-conditioning equipment, stoves, linoleum, or equipment normally furnished in construction of the house as may be determined by the State Board of Control. Any such funds that are appropriated by this act for this purpose shall be held intact and be reverted to the fund from which they were appropriated. It is the intent of the Legislature that no money shall be appropriated henceforth for the purpose of house furnishings. Such furnishings are not to be provided by the state nor shall any money be paid from this appropriation for their replacement, repair or otherwise except in connection with the disposal of the same.

SEC. 24.50. Any increase in reimbursements resulting from action by the State Board of Control to increase the rent which is paid by employees for state owned housing shall be accounted for as an unscheduled reimbursement and shall not be available for expenditures.

SEC. 25.00. (a) No moneys appropriated by this act shall be used, either directly or by supplementing any other appropriation, to purchase rugs or carpets for any state office except for offices used by elective officers, the President of the University of California, a chancellor of the University of California, the Chancellor of the California State University and Colleges, a president of a state university or college, department heads and for other facilities or areas under the control of the agencies financed by this act in accordance with standards issued by the Director of General Services. The Director of General Services shall furnish a detailed report annually to the Joint Legislative Budget Committee of all rugs or carpets purchased for state facilities under this section.

Approval of the Director of General Services shall be obtained prior to procurement and installation of such materials. The Director of General Services may authorize the use of carpeting in other specialized facilities not meeting the established standards 30 days after notification in writing of the proposal with justification therefor to the Joint Legislative Budget Committee.

(b) The Director of General Services shall prepare and submit to the Chairperson of the Joint Legislative Budget Committee, or his or her designee, a cost-benefit analysis of open-office landscape proposals in either existing or new buildings 30 days prior to

implementing any open-office landscape proposal.

SEC. 25.10. The Director of General Services may not approve an agreement for the leasing of an office copy machine, unless not less than 30 days prior to its approval, the director submits in writing to the Chairperson of the Joint Legislative Budget Committee, or his or her designee, notification of his intent to approve such a lease and an explanation as to why the copier should be leased rather than purchased, or not sooner than such lesser time as the chairperson of said committee, or his or her designee, may in each instance determine.

SEC. 26.00. Whenever herein an appropriation is made for support it shall include salaries and all other proper expenses, including repairs and equipment, incurred in connection with the institution, department, board, bureau, commission, officer, employee, or other agency, for which such appropriation is made.

Whenever herein an appropriation is made for capital outlay, it shall include acquisition of land or other real property, major construction, improvements, equipment, designs, working plans, specifications, repairs and equipment necessary in connection with a construction or improvement project.

Whenever herein any item of appropriation contains provisions for acquisition of land or other real property, it shall include all necessary expenses in connection with the acquisition of such property.

Whenever herein an appropriation is made in accordance with a schedule set forth after such appropriation, the expenditures from such item for each category or project included in the schedule shall be limited to the amount specified for such category or project, except as otherwise provided in this act. Each such schedule is a restriction or limitation upon the expenditure of the respective appropriation made by this act, does not itself appropriate any money, and is not itself an item of appropriation.

As used in this act in reference to such schedules "category" or "project" means a class of expenditures such as, but not limited to:

(a) "Personal services" which shall include all expenditures for payment of officers and employees of the state; including salaries and wages, workers' compensation, compensation paid to employees on approved leave of absence on account of sickness, unemployment compensation benefits, insurance premiums for workers' compensation coverage, industrial disability leave and payments, nonindustrial disability benefits and payments, the state's contributions to the Public Employees' Retirement Fund, the Teachers' Retirement Fund, the University of California Retirement Fund to provide for that portion of retirement costs to be provided for Hastings College of Law in Item 660-001-001 of this Budget Act, the Old Age and Survivors' Insurance Revolving Fund, the Public Employees' Contingency Reserve Fund, and the state's cost of health benefits plans; but do not include compensation of independent contractors rendering personal services to the state under contract;

(b) "Operating expenses and equipment" which shall include all expenditures for purchase of materials, supplies, equipment, services (other than services of state officers and employees), and all other proper expenses;

(c) "Preliminary plans" are defined as a site plan, architectural floor plans, elevations, outline specifications, and a cost estimate. For each utility, site development, conversion and remodeling project, the drawings shall be sufficiently descriptive to accurately convey the location, scope, cost, and the nature of the improvement being proposed;

(d) "Working drawings" are defined as a complete set of plans and specifications showing and describing all phases of a project, architectural, structural, mechanical, electrical, civil engineering, and landscaping systems to the degree necessary for the purposes of accurate bidding by contractors and for the use of artisans in constructing the project. All necessary professional fees and administrative service costs are included in the preparation of such drawings;

(e) "Construct" or "construction" when used in connection with a capital outlay project shall include all such related things as fixtures, installed equipment, and auxiliary facilities;

(f) "Minor projects" include construction, improvements and equipment projects not specifically set forth in the schedule.

For the purpose of further interpreting the meaning of the words, terms and phrases used in such schedules, reference is hereby made to those documents entitled, "State of California Governor's Budget for 1981–82," submitted by the Governor to the Legislature at the 1981 portion of the 1981–82 Regular Session, the uniform accounting system prescribed by the Department of Finance under the provisions of Section 13300 of the Government Code, and the appropriate portions thereof. The State Board of Control shall establish such interpretations as are necessary to carry out the provisions of this section and shall furnish the same to the State Controller and to every state agency to whom appropriations are made under this act.

SEC. 26.50. Whenever herein an appropriation is made for support or other expenses for an institution, department, board, bureau, commission, officer, employee, or other agency, there shall be charged to such appropriation from which salaries and wages are paid: worker's compensation, compensation paid to employees on approved leave of absence on account of sickness, unemployment compensation benefits, industrial disability leave and payments, nonindustrial disability benefits and payments, the state's contribution to the Public Employees' Retirement Fund as provided by Sections 20751 and 20752 of the Government Code, the state's contribution to the Teachers' Retirement Fund as provided by Sections 23000 and 23400 of the Education Code, the state's contribution to the Old Age and Survivors' Insurance Revolving Fund as provided by Sections 20782 and 20783 of the Government

Code, the state's contribution to the Public Employees' Contingency Reserve Fund and the state's contribution for the cost of health benefits plans as provided by Sections 22828 and 22829 of the Government Code.

As of the effective date of this act, the state's contributions as provided by Sections 22828 and 22829 of the Government Code for any month shall be charged to the same appropriations used for payment of salaries and wages from which the employee premium contributions for such month are deducted.

The appropriations made by Sections 20751, 20752, 20782, 20783, 22828, and 22829 of the Government Code, by Sections 23000 and 23400 of the Education Code, shall continue to be available for expenditure, and shall be charged for any expenditure which is not chargeable to an appropriation for support or other expenses as provided in this section. This transfer may be chargeable to such appropriation for a previous fiscal year if there are no funds available from that fiscal year.

The State Controller may transfer to the State Payroll Revolving Fund the contributions required by Sections 20751, 20752, 20782, 20783, 22828, and 22829 of the Government Code, and upon certification by the Board of Administration of the Public Employees' Retirement System in accordance with Sections 20754 and 20784 of the Government Code, may transfer from the State Payroll Revolving Fund to the Public Employees' Retirement Fund and the Old Age and Survivors' Insurance Revolving Fund the amounts of contributions so certified.

SEC. 26.70. Each item appropriating funds for salaries and wages includes the additional funds necessary to continue the payment of the amount of salaries in effect on June 30, 1981, for the state officers whose salaries are specified by statute.

SEC. 26.80. No funds appropriated by this act may be encumbered for paying a civil service employee a salary which is above the maximum of the salary range of the employee's present classification for a period of more than 90 calendar days following termination of a career executive assignment (C.E.A.) appointment. The intent of the Legislature in permitting payment above the maximum of the salary range for the 90-day period is to facilitate the employee's adjustment to a lower salary level. The provisions of this section shall not apply with respect to an employee who accepted any C.E.A. appointment on or after June 20, 1976, and before July 1, 1977, and any such employee, who is otherwise eligible, shall receive a salary rate pursuant to the provisions of Rule 548.25, adopted by the State Personnel Board on May 18, 1976, based upon the highest C.E.A. level held by such employee during such period.

SEC. 27.00. The Department of Finance may, pursuant to a request by the officer, department, division, bureau, board, commission, or other agency to whom an appropriation is made herein, authorize the augmentation of the amount available for expenditure for a category or project designated in any schedule set

forth for such appropriation by transfer from any of the other designated categories or projects within the same schedule. The Department of Finance shall furnish the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee a report on all authorizations given pursuant to this section during the preceding quarter.

Augmentations of amounts available for expenditure for a category or project designated in any line of any schedule for personal services or operating expenses and equipment set forth for such appropriation by transfer from any of the other designated categories or projects within the same schedule shall not exceed, during any fiscal year:

(1) 20 percent of the amount so scheduled on that line for those support appropriations made herein which are $2,000,000 or less.

(2) 10 percent of the amount so scheduled on that line for those support appropriations made herein which are more than $2,000,000, except that transfers may be authorized in excess of 10 percent, but not in excess of 20 percent, not sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.

(3) The Department of Transportation Highway Program shall be limited to a schedule change of 10 percent.

SEC. 27.10. Notwithstanding any other provision of this act, all appropriations of General Fund money by this act for travel shall be reduced by 25 percent of the 1980–81 fiscal year level; except for the Department of Education, which shall be reduced by 17 percent of the 1980–81 fiscal year level; and except for those state agencies within the Health and Welfare Agency, the Department of Corrections, the California Youth Authority, and those appropriations made in Items 011-001-001 to 018-001-001, inclusive, which shall not be reduced.

SEC. 27.15. Notwithstanding any other provision of law, no more than 5 percent of the amount allocated for enforcement pursuant to Items 112-001-704 to 163-064-890, inclusive, may be used for any other purpose sooner than 30 days after written notice of the necessity therefor to the Chairperson of the Joint Legislative Budget Committee.

SEC. 27.50. The State Controller, at the request of an institution, department, board, bureau, commission, officer, employee or other agency for which an appropriation is made herein, may transfer under procedures established by the Department of Finance up to 10 percent of any appropriation made to each such agency by this act to an account established for each such agency within the State Expenditure Revolving Fund, which is hereby created for the purpose of the payment of payroll and other claims which costs are

to be subsequently charged to the appropriations made to each such agency in accordance with the schedule set forth in such appropriations. The Department of Finance may approve transfer in excess of 10 percent from any one appropriation.

All state agencies shall submit to the Department of Finance a statement of financial adjustment to the State Expenditure Revolving Fund no later than 30 days following the transaction month. No state agency shall deposit funds in the State Expenditure Revolving Fund in excess of 10 percent of any appropriation made to the agency in this act, unless approved by the Director of Finance.

It is the intent of the Legislature that transfers made by the State Controller shall be available for the same term as the appropriation from which the transfer was made, and expenditures thereof shall be subject to the provisions of Section 32 of the Act. All undisbursed funds shall be returned to the appropriations from which they are transferred and are subject to Section 16304.1 of the Government Code.

SEC. 28.00 (a) The Director of Finance may authorize the augmentation of the amount available for expenditure for any category in the schedule set forth for any appropriation in this act or any additional category in the amount of any funds which he/she estimates will be received by an officer, department, division, bureau, or other agency during the 1981–82 fiscal year from any other state agency, from any agency of local government or the federal government, from any appropriation made by the Legislature or from any other source which he/she determines has not been taken into consideration in the schedule or is in excess of the amount so taken into consideration.

(b) The director also may authorize expenditure for a new program not identified in the budget as such or for purposes which in his/her judgment constitute an increase in the level of services above that authorized by this act or other existing law not sooner than 30 days after notification in writing of the necessity therefor to the chairman of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of the committee, or his/her designee, may in each instance determine. Any authorization made pursuant to this subdivision too late for inclusion in the Governor's Budget for the 1982–83 fiscal year shall remain in effect for such period as the director may determine in each instance, but in no event after June 30, 1983.

The Director of Finance may also reduce any category whenever he/she determines that funds to be received will be less than the amount taken into consideration in the schedule.

(c) All authorizations reported or requested under the provisions of this section shall include all of the following:

(1) A description of the proposed expenditure and identification of the statutory authority for the expenditure.

(2) A determination whether the expenditure, if federally

funded, is specifically designed to be one-time, a continuing federal obligation, or one that the state is required (or expected) to fund at some future date.

(3) A determination whether the expenditure, if federally funded, supplements or replaces existing state expenditures.

(4) A determination whether the expenditure has previously been considered at some point in the legislative process and has been denied; and, if denied, for what reasons.

(d) All increased expenditures from department indirect cost funds in excess of the amount budgeted in this act or identified in a prior Section 28 notification are subject to the reporting requirements of this section.

SEC. 28.10. The Regents of the University of California may not enter into a lease-purchase agreement with another entity, public or private, which involves building space, unless such agreement is reviewed and approved by the Legislature.

SEC. 28.20. The Director of General Services may not execute a lease agreement between the state and another entity, public or private, in which the state is lessee when the agreement is to be for the lease of a building or building space or both which will be for the occupancy of any agency or agencies of the state with a firm lease period of five years or longer and an annual rental in excess of $10,000, unless not less than 30 days prior to its execution he notifies the chairman of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee or his or her designee in writing of his intention to execute such an agreement, or not sooner than such lesser time as the chairperson of said committee, or his or her designee, may in each instance determine, provided that no funds appropriated in this act may be encumbered or expended for any lease entered into on or after July 1, 1979, for office space in the County of Sacramento unless all solicitations for leases for office space in the County of Sacramento under these conditions shall contain the statement, "The state is anticipating capital construction in the City of Sacramento and intends to eventually reduce the use of space on a leased basis."

The Director of General Services shall not enter into a lease purchase agreement or a lease with the option to purchase agreement with another entity, public or private, which involves building space, unless the agreement has been approved through the normal budget process.

The Director of General Services may enter into a lease with an option to purchase approximately 50,000 square feet of office space to be constructed in conjunction with the construction of a city fire station on the northwest corner of 13th and I Streets in Sacramento.

SEC. 28.25. Notwithstanding any other provision of this act, no funds appropriated in this act shall be used for the purpose of redeeming early, certificates of the State Public Works Board Issue 1956 to the Public Employees' Retirement System in the event the Attorney General determines that it is not mandatory for the State

Public Works Board to make additional or redemption payments at any time the amount in the sinking fund account Issue 1956 exceeds by $25,000 the amount equal to one year's interest or any certificate then outstanding.

Provided further, that the Department of General Services shall not reduce its building rental rates for 1981–82 to offset reduced payments to the Public Buildings Construction Fund.

SEC. 28.30. The Department of Social Services shall submit, by September 10 and March 1, to the Department of Finance for its approval, all assumptions underlying all estimates related to the (1) average monthly caseloads for each of the categorical aid programs, (2) average grant for each of the categorical aid programs, (3) total estimated expenditures for each of the categorical aid programs, and (4) savings or costs associated with all regulatory or statutory changes.

The Department of Finance shall approve or modify the assumptions underlying all estimates within 15 working days of their submission. If the Department of Finance does not approve or modify the assumptions by such date, the assumptions as presented by the submitting department shall be deemed to be accepted by the Department of Finance as of that date.

Assumptions shall be released to the legislative fiscal committees immediately following approval or modification by the Department of Finance. The Department of Social Services shall identify those premises which (a) have been discontinued since the previous estimate was submitted or (b) have been placed in the basic cost line of the estimates package.

The Department of Social Services shall submit an estimate of expenditures for each of the categorical aid programs to the Department of Finance by November 1, 1981, and April 20, 1982. Each estimate shall contain a concise statement identifying applicable estimate components, such as caseload, unit cost, implementation date, whether it is a new or continuing premise, and other assumptions necessary to support the estimate. The submittal shall include a projection of the fiscal impact of each of the approved assumptions related to a regulatory, statutory, or policy change; a detailed explanation of any changes to the base estimate projections from the previous estimate; and a projection of the fiscal impact of such change to the base estimate.

The Department of Social Services shall submit to the Department of Finance, as part of the estimates compiled for November 1, 1981, a brief narrative description of the methodological steps employed in arriving at (a) the basic grant costs for the AFDC and SSI/SSP programs, (b) the basic administrative costs for the AFDC and Food Stamp programs, (c) all cost estimates for the In-Home Supportive Services program, and (d) any cost estimate for new regulations or legislation which exceeds 2 percent of the total cost of the affected program. Such methodological discussions shall be forwarded to the Joint Legislative Budget Committee and the fiscal committees along

with the November 1, 1981, estimates of expenditures. In addition, the Department of Social Services shall, upon request, develop and make available brief written narratives of the steps taken to arrive at specified estimates. Copies of the written narratives, working papers, and data employed in the construction of any estimate used to prepare the Governor's Budget shall be made available by the Department of Social Services upon request to the Joint Legislative Budget Committee or the Department of Finance.

The estimates of average monthly caseload, average monthly grants, total estimated expenditures (including administrative expenditures and savings or costs associated with all regulatory or statutory changes), as well as all supporting data provided by the Department of Social Services or developed independently by the Department of Finance, shall be made available to the Joint Legislative Budget Committee immediately following approval by the Department of Finance. However, such departmental estimates, assumptions, and other supporting data as have been prepared shall be forwarded to the Joint Legislative Budget Committee not later than January 10, 1982, and May 15, 1982, by the Department of Social Services if this information has not been released earlier by the Department of Finance.

SEC. 28.31. The Departments of Mental Health and Developmental Services shall submit by September 15, January 1, and May 1, to the Department of Finance for its approval (1) all assumptions underlying estimates of state hospital developmentally disabled and mentally disabled populations and (2) a comparison of the actual and estimated population levels for the year to date. If the actual population exceeds the estimated population by 50 or more, the departments shall include in their reports an analysis of the causes of the decreased level of decline. This analysis shall include an assessment of the impact of client characteristics and geographic distribution. The estimates and comparisons of the Department of Mental Health shall separately identify the clients in hospitals operated by the Department of Developmental Services and those in its own hospitals. The Department of Finance shall approve or modify the assumptions underlining all population estimates within 15 working days of their submission. If the Department of Finance does not approve or modify the assumptions by such date, the assumptions, as presented by the submitting department, shall be deemed to be accepted by the Department of Finance as of that date. The estimates of populations and the comparison of actual versus estimated population levels shall be made available to the Joint Legislative Budget Committee immediately following approval by the Department of Finance. The Department of Finance shall also make available to the Joint Legislative Budget Committee a listing of all of the approved assumptions and the impact of each assumption, as well as all supporting data provided by the Department of Developmental Services and the Department of Mental Health or developed independently by the Department of

Finance. However, such departmental estimates, assumptions, and other supporting data as have been prepared, shall be forwarded to the Joint Legislative Budget Committee not later than October 1, January 15, and May 15, by the Department of Developmental Services and the Department of Mental Health in the event this information has not been released earlier.

SEC. 28.35. The State Department of Health Services shall prepare and submit Medi-Cal program assumptions and estimates to the Department of Finance and the Legislature. The purpose of the assumptions and estimates shall be to clearly identify changes within the Medi-Cal program which have policy and/or fiscal implications, and to produce reliable forecasts of Medi-Cal expenditures.

Medi-Cal program assumptions and estimates shall be organized by and correspond to Budget Act and/or Budget Bill item numbers, separately identifying expenditures for (a) purchase of medical care and services, (b) rate increases, (c) county eligibility determinations, (d) fiscal intermediary services, and (e) departmental support. Such estimates and assumptions shall indicate state and federal as well as total funds expended.

The State Department of Health Services shall submit, by August 1, October 20, and March 1, to the Department of Finance for its approval, all assumptions underlying all Medi-Cal program estimates. The Department of Finance shall approve or modify, in writing, the assumptions underlying all estimates within 10 working days of their receipt. If the Department of Finance does not so approve or modify the assumptions by such date, the assumptions, as presented by the department, shall be deemed to be approved by the Department of Finance as of that date. Assumptions shall be released to the legislative fiscal committees immediately following approval or modification by the Department of Finance.

The Department of Health Services shall submit an estimate of Medi-Cal program expenditures to the Department of Finance within 15 working days from receipt of the approved or modified assumptions. The Department of Finance shall approve or modify the estimate within 15 working days of its submission. If the Department of Finance does not approve or modify the estimate by such date, it shall be deemed to be accepted by the Department of Finance as of that date. All approved estimates and supporting data provided by the Department of Health Services or developed independently by the Department of Finance, shall be made available to the Joint Legislative Budget Committee, Senate Finance and Assembly Ways and Means Committee immediately following approval by the Department of Finance. However, such departmental estimates for health care services with supporting data shall be forwarded to the legislative fiscal committees not later than October 1, January 10, and May 15 in the event this information has not been released earlier. Estimates for fiscal intermediary services and county administrative activities shall be forwarded to the legislative fiscal committees not later than October 1, January 10, and

April 15.

Each Medi-Cal assumption shall contain a clear narrative description of the statutory, regulatory, or policy change or other change that has occurred or will occur which effects Medi-Cal program expenditures or which is of policy importance. Each assumption shall include a cost estimate which contains relevant workload, caseload, unit cost and other data or information needed to support the estimate.

The assumptions related to purchase of medical care and services shall include a section with a nontechnical description of the major "variables" used to produce a base projection. This section shall further contain an estimate of the fiscal impact of the use of such variables. The estimates related to purchase of medical care and services shall include current and budget year base projections of eligibles, users, expenditures and cost per user by quarter with sufficient past actual data to permit evaluation of such projections. Such projections shall be prepared by service category and aid category. The Department of Finance shall identify a high, mid, and low range of Medi-Cal service expenditures, which shall be accompanied by assumptions, when the estimates are released to the Legislature.

The assumptions and/or estimates related to fiscal intermediary services shall contain a narrative description of how such forecasts are prepared. Sufficient historical workload by claim type and expenditure data shall accompany the forecasts to permit evaluation. Change orders to the fiscal intermediary contract shall be fully described and costs estimated. In addition, important modifications to the Medi-Cal claims processing system not associated with change orders shall be described and if appropriate cost and/or savings estimated.

Assumptions and/or estimates related to county Medi-Cal eligibility determination costs shall contain a narrative description of how the forecast was prepared. Current and budget year estimates by county shall be prepared. Such estimates shall compare past actual and projected workload and expenditures in a format which will permit evaluation of forecasts. Expenditures for Los Angeles County hospital eligibility work shall be separately identified. Changes in expenditure estimates for individual counties resulting from allocation of funds or other factors shall be identified in subsequent estimates. Unallocated funds and funds for special projects and/or special problems shall be separately identified. The department shall compare budgeted and actual expenditures by county as soon as the information from county quarterly costs reports becomes available.

The estimates shall compare budgeted to implemented rate increases for the current year. Such comparisons shall be by provider category and shall compare budgeted to implemented increases in terms of percentage increases, date of implementation, and revised estimated cost.

SEC. 28.40. No funds appropriated by this act shall be

encumbered for the purpose of funding any increased state costs or local governmental costs, or both such costs, arising from the issuance of an executive order as defined in Section 2209 of the Revenue and Taxation Code or subject to the provisions of Section 2231 of the Revenue and Taxation Code, unless (a) such funds to be encumbered are appropriated for such purpose, or (b) notification in writing of the necessity of the encumbrance of funds available to the state agency, department, board, bureau, office, or commission is given by the Department of Finance, at least 30 days before such encumbrance is made, to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or such lesser time as the chairperson of the committee, or his or her designee, determines.

SEC. 28.41. The Director of Finance may authorize the augmentation of the amount available for expenditure for any appropriation made by this act which is for reimbursement pursuant to Section 2229 or Section 2230 of the Revenue and Taxation Code to local taxing authorities for lost revenue or for reimbursement pursuant to subdivision (a) of Section 2231 of that code to local agencies or school districts for costs of any new program or increased level of service mandated by statute or executive order from the unencumbered balance of any other appropriation made by this act for the purpose of providing reimbursement pursuant to those sections of the Revenue and Taxation Code. No authorization for augmentation pursuant to this section may be made sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson or his or her designee may in each instance determine. No authorization for augmentation of the amount available under category (n) of Item 610-101-001 or category (i) of Item 910-101-001 shall be made pursuant to this section.

SEC. 28.50. Approvals by the Department of Finance to the creation of deficiencies pursuant to Section 11006 of the Government Code and approvals to expend at rates which, in the opinion of the Director of Finance, will require a deficiency appropriation shall be made in writing and filed with the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee. Such notices shall state the reason for and amount of such authorization and shall be filed prior to approval whenever possible and in no case shall they be filed more than 10 days after approval.

SEC. 28.70. The Regents of the University of California shall not undertake any project funded from the Health Sciences Hospital Reserve Fund, which is in excess of $100,000, unless the scope and cost of any such project is approved by the Director of Finance and 30 days' written notification is provided to the Chairperson of the Joint Legislative Budget Committee or his or her designee, or not

sooner than such lesser time as the chairperson of such committee, or his or her designee, may in each instance determine. Any project funded from the Health Sciences Hospital Reserve Fund, of less than $100,000, shall be reported to the Chairperson of the Joint Legislative Budget Committee by December 1 of each fiscal year. For purposes of this section the definition of a project does not include equipment projects. Any urgent project concerned with patient life or safety may proceed without prior approval or notification but such project shall be identified in the report provided each December 1.

SEC. 28.71. No funds appropriated by this act may be used by the Regents of the University of California or the Trustees of the California State University and Colleges to reclassify instructional capacity space administrative, library space or faculty offices to other uses unless and until any such proposed reclassification is first approved by the Department of Finance and 30 days' written notification is provided to the Chairperson of the Joint Legislative Budget Committee or his or her designee, or not sooner than such lesser time as the chairperson of such committee, or his or her designee, may in each instance determine.

SEC. 28.90. Since it is the intent of the Legislature in enacting this act that no qualified student be denied admission to the California State University and Colleges or to the University of California because of a budget deficiency caused by unanticipated additional enrollments, the Director of Finance may, following the adoption of a resolution by the Trustees of the California State University and Colleges or the Regents of the University of California declaring an enrollment emergency, authorize the accelerated expenditure of amounts budgeted for the state university and colleges or the university, in the form of an agreement to seek a supplementary appropriation from the General Fund to the extent necessary to ensure that all qualified students can be admitted when he certifies that the systemwide enrollment of the California State University and Colleges or of the University of California exceeds by 2 percent or more the enrollment upon which the budget for the state university and colleges or the university was based; provided, that no increased expenditure may exceed $5,000,000 in the aggregate or be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of such committee, or his or her designee, may in each instance determine.

In the event that the systemwide enrollment of the California State University and Colleges or University of California is under the budgeted enrollment by more than 2 percent, such excess shall be unallocated by the Director of Finance. Unallocated funds may be reallocated to preclude layoffs only after the Director of Finance has approved such action and shall not be authorized sooner than 30 days after notification in writing of the necessity therefor to the

chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of such committee, or his or her designee, may in each instance determine.

Based upon fall annualized full-time equivalent (FTE) students, all surplus funds withdrawn from any campus consistent with the policy of the California State University and Colleges (CSUC) system due to fluctuations in student enrollments, shall be returned:

(a) To campuses with enrollments in excess of the budgeted level consistent with the CSUC policy and

(b) To all campuses for allocation to the programs of "Instruction" and "Academic Support".

"Surplus" is defined as those funds in excess of that returned to the state pursuant to this section. No exceptions to the above prescribed allocation may be made unless prior approval is given by the Department of Finance and is reported to the Chairperson of the Joint Legislative Budget Committee, and the financial necessity of any such exception shall be identified. For purposes of this section, graduate enrollments of the University of California shall be excluded from all calculations.

SEC. 28.91. All appropriations for the support of the California State University and Colleges shall be subject to the provisions of Section 13320 of the Government Code and applicable Budget Act restrictions with the following exceptions:

(a) The trustees may transfer excess salary savings funds from the salary savings reserve allotments to expenditure allotments provided such transfers do not exceed 20 percent of salary savings. Excess salary savings funds are those in excess of the amount budgeted.

(b) The trustees may approve transfer of funds between one or more of the programs for which funds are appropriated for the support of the California State University and Colleges.

Any transfer of funds made under the above exceptions shall be reported to the Department of Finance and Joint Legislative Budget Committee within 30 days after the end of each quarter in which such transfer was approved.

SEC. 29.00. Premiums for official bonds may be paid out of appropriations contained in this act, notwithstanding the period covered by such bonds.

SEC. 30.00. Whenever an expenditure is authorized from the reserve for contingencies and emergencies, from price increase funds, from employee benefits or special salary adjustments funds, from total equivalent compensation funds, from the salary increase funds, or from a fund pursuant to Section 11006 of the Government Code, in addition to an appropriation made by this act, such authorized expenditures may, for accounting purposes, be deemed to be an augmentation and increase of the appropriation made by this act.

SEC. 31.00. The appropriations under this act, unless otherwise

provided, shall be subject to the provisions of Section 13320 of the Government Code requiring expenditures to be made in accordance with the allotments and other provisions of fiscal year budgets approved by the Department of Finance.

The fiscal year budget shall authorize in such manner as the Department of Finance shall prescribe all established positions whose continuance for the year is approved and all new positions. No new position shall be established unless authorized by the Department of Finance on the basis of work program and organization.

The Director of Finance, or his/her authorized designee, shall notify the Chairperson of the Joint Legislative Budget Committee within 30 days of authorizing any position not authorized for that fiscal year by the Legislature or any reclassification to a position with a minimum step of $1,800 per month. He/she shall also report all transfers to blanket authorizations and the establishment of any permanent positions out of a blanket authorization.

All positions administratively established pursuant to this section during the 1981–82 fiscal year shall terminate on June 30, 1982, except that those positions which have been (a) included in the 1982–83 Governor's Budget as proposed new positions, or (b) approved by the Department of Finance and reported to the Legislature after the 1982–83 Governor's Budget submission to the Legislature, may be reestablished by the Department of Finance during the 1982–83 fiscal year, provided such positions are shown in the 1983–84 proposed Governor's Budget submitted to the Legislature, or in subsequent Department of Finance letters to the Legislature, and provided, such positions do not result in establishment of positions deleted by the Legislature through the 1982–83 budget process.

Each fiscal year budget shall provide for a salary savings reserve to which shall be transferred on a document initiated by the agency and submitted to the Department of Finance the unencumbered balance remaining in each allotment for salaries and wages at the close of each quarter or other period of time covered by the allotment. The unencumbered balance remaining in each budget allotment for salaries and wages shall be computed by deducting from the amount of the allotment the expenditures and accrued obligations for salaries and wages chargeable to such allotment for the period covered thereby. The amount in the salary savings reserve shall not be available for expenditure except upon transfer to allotments for salaries and wages approved by the Department of Finance. Such transfer shall be approved only after it has been demonstrated to the satisfaction of the Department of Finance that the allotment to be augmented is insufficient to meet necessary expenditures for salaries and wages.

No money in any 1981–82 fiscal year appropriation not appropriated for that purpose may be expended for increases in salary ranges or any other salary action(s) unless the Department of Finance certifies to the salary setting authority prior to the adoption

of such action(s) that funds are available to pay the increased salary or wage resulting therefrom. Provided, that prior to certification the Department of Finance shall determine whether such increase in salary range or salary action will require supplemental funding in the 1982–83 fiscal year. If the Department of Finance determines that supplemental funding will be required, no certification shall be issued unless notification in writing is given by the Department of Finance, at least 30 days before certification is made, to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or such lesser time as the chairman of the committee, or his designee, determines.

A certification on a payroll claim that expenditures therein are in accordance with current budgetary provisions as approved by the Department of Finance shall be sufficient evidence to the State Controller that such expenditures comply with the provisions of this section.

Each agency, department, board, commission, and institution, for whose benefit and support appropriations are made in this act, shall certify to the Director of Finance that its expenditures have been made for the purposes stated in the budget, as implemented by the Budget Act, except as the purposes stated have been revised, in accordance with law, by the Department of Finance subsequent to the enactment of the Budget Act.

SEC. 32.00. The officers of the various departments, boards, commissions and institutions, for whose benefit and support appropriations are made in this act, are expressly forbidden to make any expenditures in excess of such appropriations, except the consent of the Department of Finance be first obtained, and a certificate, in writing, duly signed by the director of said department, of the unavoidable necessity of such expenditure; and any indebtedness attempted to be created against the state in violation of the provisions of this section shall be absolutely null and void; and shall not be allowed by the State Controller nor paid out of any state appropriation. Any member of any such department, board, commission or institution, who shall vote for any expenditure, or create any indebtedness against the state in excess of the respective appropriations made by this act, except by the consent of the Department of Finance and the certificate in this section provided to be first obtained, shall be liable on his official bond for the amount of such indebtedness, to be recovered in any court of competent jurisdiction by the person or persons, firm or corporation to whom such indebtedness is owing.

The Department of Finance shall submit copies of certificates approved by it under this section to the Chairman of the Joint Legislative Budget Committee, and the chairman of the committee in each house which considers appropriations, quarterly, and shall indicate in the case of each certificate the code section or section of this act under which the department gave its consent to exceed the

particular appropriation.

SEC. 32.10. The Director of Finance may allocate funds, included in any appropriation contained herein, which are appropriated for the purpose of providing reimbursements for the costs of state-mandated local programs in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code to the State Controller for disbursement.

SEC. 32.20. The Director of Finance may direct the transfer of such unexpended balances of appropriations and of other funds available for use in connection with any function or agency affected by a reorganization plan submitted to the Legislature pursuant to Article 7.5 (commencing with Section 12080) of Chapter 1, Part 2, Division 3, Title 2 of the Government Code when the plan becomes effective pursuant to Section 12080.5 of the Government Code, as he/she deems necessary by reason of the reorganization, for use in connection with the functions affected by the reorganization, or for the use of the agency which has such functions after the reorganization plan is effective; provided that, unexpended balances so transferred shall be used only for the purpose for which the appropriation was originally made.

SEC. 32.30. None of the funds appropriated by this act shall be expended pursuant to any order or injunction of any court of the United States or of the State of California which would compel the expenditure of these funds for a purpose for which expenditure is specifically prohibited by this act.

SEC. 32.31. The Controller shall not draw a warrant for withdrawal of money from the Treasury of the State of California when such money has not been provided by an appropriation by the Legislature of the State of California or for a purpose for which the expenditure of such money is specifically prohibited by this act.

SEC. 32.32. The Treasurer of the State of California shall not draw funds from the Treasury without a warrant provided by the Controller of the State of California.

SEC. 32.33. The Governor of the State of California and each administrative official and each duly authorized fiscal intermediary of the State of California shall be fully bound by the legislative restrictions provided in Sections 32.30 to 32.32, inclusive, and shall expend funds from the Treasury of the State of California only under the constitutional authority of the Controller of the State of California as specified in Article XVI, Section 7, of the Constitution of the State of California and as provided in Sections 32.30 to 32.32, inclusive.

SEC. 32.50. Upon the request of any Member of the Legislature, the Joint Rules Committee shall determine whether any state agency has failed to adopt or implement any regulation required to comply with any statute enacted on or before December 31, 1978. If the committee determines that any agency has failed to act as required, the committee shall notify the agency, in writing, of its determination. Not less than 30 days after receipt of this notice, the

agency shall report in writing to the committee of any remedial action which it has taken. If the committee determines that adequate remedial action has not been taken, it shall notify the Controller who shall not draw a warrant for withdrawal of money from the Treasury of the State of California to pay the salary for any exempt position in the agency until authorized to do so by the committee.

SEC. 33.00. If any item of appropriation in this act is vetoed, eliminated, or reduced by the Governor under Section 10 of Article IV of the Constitution, while approving portions of this act, such veto, elimination, or reduction shall not affect the other portions of this act, and these other portions of this act, so approved, shall have the same effect in law as if any vetoed or eliminated items of appropriation had not been present in this act, and as if any reduced item of appropriation had not been reduced.

SEC. 34.00. If any portion of this act is held unconstitutional, such decision shall not affect the validity of any other portion of this act. The Legislature hereby declares that it would have passed this act, and each portion thereof, irrespective of the fact that any other portion be declared unconstitutional.

SEC. 35.00. This act, inasmuch as it provides for an appropriation for the usual current expenses of the state, shall, under the provisions of Section 8 of Article IV of the Constitution of the State of California, take effect immediately.

SEC. 36.00. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

This act makes appropriations for support of state and local government for the 1981–82 fiscal year and provides for capital outlay appropriations, in continuation of existing programs and to promote and sustain the economy of the state. It is imperative that such appropriations be available for expenditure commencing not later than July 1, 1981. It is therefore necessary that this act go into immediate effect.

SEC. 37.00. INDEX. This section provides a ready reference to item numbers, departmental and budget titles, and the 1981–82 Governor's Budget page numbers. The contents of this section do not affect the scope, meaning or intent of the provisions of this act. Item numbers carry a fund designation as follows:

G = General Fund
S = Special Funds
N = Nongovernmental Funds
B = Selected Bond Funds
F = Federal Funds

A. INDEX BY BUDGET ACT ITEM NUMBER:

Dept/Ref/Fund	Department	Governor's Budget Page
	LEGISLATIVE/JUDICIAL/EXECUTIVE	LJE
	Legislature:	
011-001-001G	Senate	2
012-011-001G	Assembly	2
013-021-001G	Joint Expenses	3
016-001-001G	Legislative Counsel Bureau	6
017-001-001G	Law Revision Commission	8
018-001-001G	Uniform State Laws, Commission on	8
	Judicial Council:	
	Support:	
025-001-001G	General Fund	13
025-001-044S	From Motor Vehicle Account, St Trans Fd	13
025-101-001G	Legislative Mandates	14
	Capital Outlay:	
025-301-036S	Special Account for Capital Outlay	15
039-001-001G	Supreme and Appellate Court Judges	16
039-101-001G	Superior and Municipal Court Judges	16
042-101-001G	Salaries of Superior Court Judges—State's Share	18
044-101-001G	State Block Grants for Superior Court Judgeships	18
046-001-001G	National Center for State Court—Membership	19
050-001-001G	Governor's Office	20
051-001-001G	State and Consumer Services, Secretary for	21
	Business, Transportation and Housing, Secretary for:	
052-001-001G	General Fd	23
052-001-019S	St Energy Resources Conserv and Develop Spec Act, General Fd	23
052-001-044S	Mtr Veh Acct, St Trans Fd	23
053-001-001G	Health and Welfare, Secretary for	26
054-001-001G	Resources, Secretary for	28
055-001-001G	Youth and Adult Correction Agency, Secretary for	29
056-001-001G	Citizen Initiative and Voluntary Action, Office for	30
056-001-890F	Federal Trust funds	30
	Southwest Border Regional Commission	
059-001-922S	Economic Development Grant and Loan Fund	32
059-001-890F	Federal Trust Funds	33
062-001-001G	Employee Relations, Office of	34
	Planning and Research:	

Dept/Ref/Fund	Department	Governor's Budget Page LJE
065-001-001G	General Fund	39
065-001-140S	Environmental License Plate Fund	40
065-001-890F	Federal Trust Funds	40
065-001-188S	Energy and Resources Fund	40
065-101-890F	Local Assistance:	
	Federal Trust Funds	40
065-301-188S	Capital Outlay:	
	Energy and Resources Fund	40
	Emergency Services, Office of	
069-001-001G	General Fund	45
069-001-188S	Energy and Resources Fund	45
	General Fund	46
069-001-890F	Federal Trust Funds	45
069-101-001G	Local Assistance:	
069-101-890F	Federal Trust Fund	46
075-001-001G	Lieutenant Governor, Office of the	52
	Justice, Department of	
	Support:	
082-001-001G	General Fund	70
082-001-017G	Fingerprint Fees	70
082-001-012S	Anti-Trust Acct, Gen Fund	70
082-001-044S	Mtr Veh Acct, St Trans Fd	70
082-001-890F	Federal Trust Fund	70
082-101-001G	Legislative Mandates	71
	Capital Outlay:	
082-301-036G	Special Account for Capital Outlay	74
	State Controller:	
084-001-001G	General Fund	85
084-001-041S	Aeronautics Acct, St Trans Fd	86
084-001-061S	Mtr Veh Fuel Acct, Trans Tax Fd	86
084-001-094S	Retail Sales Tax Fund	86
084-001-739N	St School Bldg Aid Fd	86
084-001-890F	Federal Trust Fund	86
084-001-970N	Unclaimed Property Fund	86
084-301-036S	Capital Outlay:	
	Special Acct for Capital Outlay	89
	Equalization, Board of:	
086-001-001G	General Fund	112
086-001-019S	St Energy Res Cons and Dev Spec Acct, Gen Fd	112
086-001-022S	St Emerg Telephone Number Spec Acct, Gen Fd	112
086-001-061S	Mtr Veh Fuel Acct, Transp Tax Fd	112
086-001-965N	Timber Tax Fund	112
086-301-001G	Capital Outlay	114
	Secretary of State:	
	Support:	
089-001-001G	General Fund	122

Dept/Ref/Fund	Department	Governor's Budget Page LJE
	Local Assistance:	
089-101-001G	General Fund	122
091-011-001G	Voting Machines and Vote Tabulating Devices, Commission on	125
095-001-001G	Treasurer, State	128
	STATE AND CONSUMER SERVICES	SCS
110-001-001G	Museum of Science and Industry	3
110-301-036G	Capital Outlay	4
112-001-704S	Accountancy, Board of	8
113-004-706S	Architectural Examiners, Board of	9
114-006-001S	Athletic commission	11
115-008-128S	Automotive Repair, Bureau of	14
116-010-713S	Barber Examiners, Board of	16
117-012-773S	Behavioral Science and Examiners, Board of	18
118-014-717S	Cemetery Board	19
119-016-157S	Collection Agency Board	21
119-016-769S	Private Investigator and Adjuster Board	23
123-018-735S	Contractors State License Board	27
124-020-738S	Cosmetology, Board of	29
125-022-380S	State Dental Auxiliary	32
125-022-741S	State Dentistry Fund	31
128-024-325S	Electronic and Appliance Repair, Bureau of	34
130-026-180S	Employment Agencies, Bureau of	35
131-028-258S	Nurses Registry	36
132-030-745S	Fabric Care, Board of	38
133-032-750S	Funeral Directors and Embalmers, Board of	40
134-034-205S	Geologists and Geophysicists, Board of Regis for	41
135-036-001G	Guide Dogs for the Blind, Board of	42
136-038-752S	Home Furnishings, Bureau of	44
137-404-757S	Landscape Architects, Board of	45
	Medical Quality Assurance, Board of:	
138-042-108S	Acupuncturists Fund	49
138-042-208S	Hearing Aid Dispensers Fund	51
138-042-280S	Physicians Assistant Fund	54
138-042-295S	Podiatry Fund	55
138-042-310S	Psychology Fund	56
138-042-376S	Speech Pathology and Audiology Exam Comm Fd	58
138-042-758S	Contingent Fund of Medical Quality Assurance	47
138-042-759S	Physical Therapy Fund	52
147-044-260S	Nursing Home Admin, Board of Exam of	59
148-046-763S	Optometry, Board of	61
149-048-767S	Pharmacy, Board of	63
150-050-770S	Professional Engineers, Board of Regis for	65
151-052-761S	Nursing Board of Registered	67

Dept/Ref/Fund	Department	Governor's Budget Page SCS
152-054-771S	Certified Shorthand Reporters Board	68
153-056-775S	Structural Pest Control Board	70
154-058-406S	Tax Preparer's Program	72
155-060-118S	Animal Health Technician Exam. Comm. Fund	75
155-060-777S	Veterinary Exam Cont Fd	74
158-062-779S	Voc Nurse Exam Fund	77
158-062-780S	Psych Tech Exam Fund	78
	Consumer Affairs, Department of:	
163-064-001G	General Fund	85
163-064-702S	Consumer Affairs Fund	85
163-064-890S	Federal Trust Fund	85
163-301-702N	Capital Outlay	87
	Fair Employment and Housing	
	Support:	
170-001-001G	General Fund	78
170-001-890F	Federal Trust Fund	78
171-001-001G	State Fire Marshal	93
	Franchise Tax Board	
	Support:	
173-001-001G	General Fund	104
173-301-001G	Capital Outlay	105
173-495	Reversion	
	General Services, Department of	
176-001-001G	General Fund	118
176-001-003S	Mtr Veh Parking Fac Moneys-Acct	118
176-001-022S	Emergency Telephone Number Acct Gen Fd	118
176-001-119S	Architecture Public Bldg Fund	119
176-001-188S	Energy and Resources Fund	119
176-001-602N	Architecture Revolving Fund	119
176-001-666N	Service Revolving Fund	119
176-001-739N	State School Building Aid Fund	119
176-001-890F	Federal Trust Fund	120
176-001-915N	Deferred Compensation Plan Fund	119
176-001-959N	State School Lease Purchase Fund	120
176-001-961N	State School Deferred Maintenance Fund	119
176-011-666N	Office of State Printing	119
	Local Assistance:	
176-101-022S	Emergency Telephone Number Acct Gen Fd	120
176-301-036S	Special Account for Capital Outlay	127
176-490-	Reappropriation	
	Intergovernmental Personal Act Advisory Council	
	Support:	
186-001-890F	Federal Trust Fund	128
	Local Assistance:	
186-101-890F	Federal Trust Fund	129
	State Personnel Board	

Dept/Ref/Fund	Department	Governor's Budget Page SCS
	Support:	
188-001-001G	General Fund	136
188-001-677N	Coop Personnel Services Revolving Fund	137
	Public Employees Retirement System	
	Support:	
190-001-001G	General Fund	142
190-011-001G	Transf from General Fund	142
190-001-820S	Legislators Retirement Fund	143
190-001-830S	Public Employees Retirement Fund	142
190-001-950N	Public Employees Contingency Reserve Fund	143
190-001-962N	Volunteer Firefighters Length of Service Award System Fd	143
	Local Assistance:	
190-101-001G	Legislative Mandates	143
	State Teachers Retirement System	
	Support:	
192-001-835N	State Teachers' Retirement Fund	148
192-001-963N	Teacher Tax Sheltered Annuity Fund	148
	Veterans Affairs, Department of	
	Support.	
196-001-001G	General Fund	158
196-001-592	Vets Farm and Home Bldg Fund of 1943	158
	Local Assistance.	
196-101-001G	County Service Officers	159
	Veterans Home of California	
197-011-001G	General Fund	159
197-011-890F	Federal Trust Fund	159
197-301-001G	Capital Outlay	162
	BUSINESS, TRANSPORTATION AND HOUSING	BTH
210-001-001G	Alcoholic Beverage Control, Department of	3
212-001-001G	Alcoholic Beverage Control Appeals Board	5
214-001-136S	State Banking Department	10
	Corporations, Department of	
	Support·	
218-001-001G	General Fund	19
218-101-001G	Legislative Mandates	19
	Economic and Business Dev, Department of:	
	Support:	
220-001-001G	General Fund	23
220-001-890F	Federal Trust Fund	23
	Local Assistance:	
220-101-001G	General Fund	24
220-101-890F	Federal Trust Fund	24
	Housing and Community Development, Department of.	

Dept/Ref/Fund	Department	Governor's Budget Page BTH
	Support:	
224-001-001G	General Fund	33
224-001-890F	Federal Trust Fund	34
	Local Assistance:	
224-101-001G	General Fund	35
224-101-890F	Federal Trust Fund	36
229-001-001G	Insurance, Department of (General Fund)	46
229-001-218G	Insurance Commissioners Regulatory Trust Fund	46
232-001-317S	Real Estate, Department of	52
234-001-337S	Savings and Loan, Department of	57
260-001-046S	Transportation Commission	59
	Special Transportation Programs	
	Support:	
264-001-046S	Trans Plng and Dev Acct, St Transp Fd	60
	Local Assistance:	
264-101-046	Transp Plng and Dev Acct, St Transp Fd	61
	Transportation, Department of:	
	Support:	
266-001-041S	Aeronautics Account, St. Transportation Fund	90
266-001-042S	St Highway Account, St. Transportation Fund	90
266-001-140S	Calif Environmental License Plate Fd	91
266-001-046S	Transportation Planning & Development Account, St Transportation Fd	90
266-001-890F	Federal Trust Fund	
266-011-041S	Tran Plan & Development, Transfer from Aeronautics Acct	90
266-021-042S	Tran Plan & Development, Transfer from St Hwy Acct	90
	Local Assistance:	
266-101-041S	Aeronautics Account, State Transportation Fund	93
266-101-042S	Highway Transportation Program: St Highway Account, St Transportation Fund	93
266-101-046S	St Highway Account, St Transportation Fund	94
266-101-890F	Federal Trust Fund	94
	Capital Outlay:	
266-301-042G	State Highway Account, State Transportation Fund	97
266-301-140S	Calif. Environmental License Plate Fund	97
266-301-890F	Federal Trust Fund	97
266-490	Reappropriation	90
	Traffic Safety, Office of:	
	Support:	
270-001-044S	Motor Vehicle Account, State Transportation Fund	108
270-001-890F	Federal Trust Fund	108
	Local Assistance:	
270-101-890F	Federal Trust Fund	108

Dept/Ref/Fund	Department	Governor's Budget Page BTH
	California Highway Patrol, Department of	
	Support:	
272-001-044S	Motor Vehicle Acct, St Transportation Fund	122
272-011-044S	Deficiency Item	122
272-001-890F	Federal Trust Fund	123
272-021-044S	Advance Authorization—Automotive Equipment	122
	Capital Outlay:	
272-301-044S	Motor Vehicle Acct, St Transportation Fund	125
272-490	Reappropriation	122
272-495	Reversion	122
	Motor Vehicles, Department of:	
	Support:	
274-001-001G	General Fund	134
274-001-044S	Mtr Vehicle Acct, St Transportation Fund	134
274-011-044S	Deficiencies—Mtr Veh Acct, St Transportation Fund	134
274-001-064S	Mtr Vehicle License Fee Acct, Tran Tax Fd	134
274-001-140S	Environmental License Plate Fd	134
274-001-378S	Bicycle License and Registration Fd	134
274-001-516N	Harbors and Watercraft Revolving Fd	135
	Capital Outlay:	
274-301-044S	Mt. Vehicle Acct, St Transportation Fd	141
274-490	Reappropriation	134
276-001-178S	Traffic Adjudication Board	143
278-001-683N	Teale Data Center, Stephen P	145
	RESOURCES	R
	Resources Program, Special	
	Support:	
311-001-001G	General Fund	2
315-101-001G	Subvention to Calif-Tahoe Reg Plan Agency	4
	Conservation Corps, California:	
	Support:	
334-001-001G	General Fund	19
334-001-019S	St Energy Resources Cons & Dev	19
334-301-036G	Capital Outlay (Special Account for Capital Outlay)	20
	Energy Res Consv & Dev Comm:	
	Support:	
336-001-019S	Energy Res Consv & Dev Fund	25
336-001-044S	Transfer to Suport, Mtr. Veh Acct, St. Tran Fund	26
336-001-188S	Energy and Resources Fund	26
336-001-412S	Transportation Rate Fund	26
336-001-890F	Federal Trust Fund	26
	Solid Waste Management Board:	
	Support:	

Dept/Ref/Fund	Department	Governor's Budget Page R
338-001-001G	General Fund	35
338-001-389S	State Solid Waste Management Fund	36
338-001-890F	Federal Trust Fund	36
	Air Resources Board:	
	Support:	
340-001-001G	General Fund	44
340-001-019S	Energy Res Consv & Dev Acct	45
340-001-044S	Mtr Veh Acct, St Tran Fd	44
340-001-115S	Air Pollution Control Fund	45
340-001-128S	Automotive Repair Fund	45
340-001-140S	Envir License Plate Fund	45
340-001-420S	Veh Inspection Fd	45
340-001-890F	Federal Trust Fund	45
	Local Assistance:	
	Local Air Pollution Control Dist:	
340-101-001G	General Fund	45
340-101-044S	Mtr Veh Acct, State Tran Fd	46
346-001-001G	Colorado River Board	48
	Conservation, Department of:	
	Support:	
348-001-001G	General Fund	57
348-001-035S	Surface Mining & Reclamation Fd	58
348-001-042S	State Highway Acct, State Tran Fd	58
348-001-140S	Environmental License Plate Fund	58
348-001-144S	California Water Fund	58
348-001-188S	Energy and Resources Fund	58
348-001-398S	Strong Motion Instrumentation Fund	58
348-001-890F	Federal Trust Fund	58
	Forestry, Department of:	
	Support:	
354-001-001G	General Fund	65
354-001-140S	California Environmental License Plate Fd	66
354-001-300S	Forester Registration	66
354-001-928N	Forest Resources Improvement Fund	66
354-001-965N	Timber Tax Fund	66
354-021-928N	Forest Resources Improvement Fund, Transfer	66
354-001-188S	Energy and Resources Fund	66
354-001-890F	Federal Trust Fund	66
354-301-036G	Special Account for Capital Outlay	70
	State Lands Commission:	
	Support:	
356-001-001G	General Fund	76
356-001-890F	Federal Trust Fund	76
	Capital Outlay:	
356-301-188S	Energy and Resources Fund	77
358-001-001G	Seismic Safety Commission	79

Dept/Ref/Fund	Department	Governor's Budget Page R
	Fish and Game, Department of·	
	Support·	
360-001-001G	General Fund	91
360-001-140S	Calif Environmental License Plate Fund	91
360-001-188S	Energy and Resources Fund	91
360-001-200S	Fish and Game Preservation	91
360-001-890F	Federal Trust Fund	92
360-011-200S	Transfer to Fish and Game Preservation Fund	91
	Capital Outlay	
360-301-140S	California Environmental License Plate Fd	97
360-301-188S	Energy & Resources Fund	97
360-301-200S	Fish and Game Preservation Fund	97
364-001-447S	Wildlife Conservation Board	99
364-301-188S	Capital Outlay	
	Boating and Waterways, Department of:	
	Support.	
368-001-001G	General Fund	108
368-001-516N	Harbors and Watercraft Revolving Fund	108
	Local Assistance:	
368-101-188S	Energy & Resources Fund.	109
368-101-516N	Harbors and Watercraft Revolving Fund	109
	Capital Outlay:	
368-301-516N	Harbors and Watercraft Revolving Fund	110
368-301-188S	Energy and Resources Fund	110
368-301-742S	State. Urban, and Coastal Park Fund	110
	Coastal Commission, California:	
	Support:	
372-001-001G	General Fund	117
372-001-140S	Environmental License Plate Fund	117
372-001-890F	Federal Trust Fund	117
	Local Assistance:	
372-101-001G	General Fund	118
372-101-890F	Federal Trust Fund	118
	State Coastal Conservancy:	
	Support·	
376-001-565N	State Coastal Conservancy Fund	121
376-001-721B	Parklands Fund of 1980.	121
	Local Assistance:	
376-101-188S	Energy and Resources Fund	122
376-002-721B	Parklands Fund of 1980.	122
	Capital Outlay:	
376-301-140S	California Environmental License Plate Fund	123
376-301-721B	Parklands Fund of 1980.	123
376-490	Reappropriation	117
	Parks and Recreation, Department of:	
	Support:	

Dept/Ref/Fund	Department	Governor's Budget Page R
379-001-001G	General Fund	132
379-001-062S	Highway Users Tax Acct, Trans Tax Fund	132
379-001-263S	Off-Highway Vehicle Fd	133
379-001-392S	Parks and Recreation Fund	133
379-001-516N	Harbors and Watercraft Revolving Fd	133
379-001-890F	Federal Trust Fund	133
	Local Assistance:	
379-101-140S	Envir License Plate Fund	140
379-101-188S	Energy and Resources Fund	141
379-101-733B	State Beach, Park, Recreational & Historical Facilities of 1974	141
379-101-742B	State, Urban and Coastal Park Fund	141
379-101-890F	Federal Trust Fund	141
	Capital Outlay:	
379-301-188S	Energy and Resources Fund	165
379-301-263S	Off-Highway Vehicle Fund	165
379-301-392S	State Parks and Recreation Fund	164
379-301-728S	Recreation and Fish and Wildlife Enhancement Fund	166
379-301-732B	State Beach, Park, Recreational and Historical Facilities Fund of 1964	166
379-301-733B	State Beach, Park, Recreational and Historical Facilities Fund of 1974	167
379-301-742S	State Urban and Coastal Park Fund	167
379-301-890F	Federal Trust Fund	167
379-301-952S	State Park Contingent Fund	167
379-490	Reappropriation	132
	Exposition and State Fair, Division of:	
	Support:	
380-001-001G	General Fund	169
380-011-001G	Transfer of Operating Revenues	169
380-301-036G	Special Account for Capital Outlay	170
	Santa Monica Mountains Conservancy:	
381-001-001G	General Fund	171
	Capital Outlay	
381-301-721B	Parklands Fund of 1980	172
	San Francisco Bay Conservation & Dev Commission:	
382-001-001G	General Fund	174
	Water Resources, Department of:	
	Support:	
386-001-001G	General Fund	195
386-001-188S	Energy and Resources Fund	195
386-001-890F	Federal Trust Fund	195
	Local Assistance:	
386-101-001G	General Fund	196
	Capital Outlay:	

Dept/Ref/Fund	Department	Governor's Budget Page R
386-301-036G	Special Account for General Fund	205
386-301-188S	Energy and Resources Fund	206
	Water Resources Control Board, State Support	
394-001-001G	General Fund	214
394-001-890F	Federal Trust Fund	214
	Local Assistance:	
394-101-188S	Energy and Resources Fund	216
	HEALTH AND WELFARE	HW
410-001-890F	Developmental Disabilities, St Council on	2
411-001-001G	Developmental Disabilities, Area Boards on	3
412-001-001G	Emergency Medical Services Authority	4
413-001-632N	Health and Welfare Agency Data Center	6
	Health Plan and Dev. Office of Statewide. Support:	
414-001-001G	General Fund	13
414-001-890F	Federal Trust Fund	13
	Local Assistance:	
414-101-001G	General Fund	14
414-111-001G	Legislative Mandates	14
414-495	Reversion	13
	Department of Aging Support:	
416-001-001G	General Fund	21
416-001-890F	Federal Trust Fund	22
	Alcohol and Drug Programs, Department of: Support:	
420-001-001G	General Fund	27
420-001-890F	Federal Trust Fund	27
	Local Assistance:	
420-101-001G	General Fund	27
420-101-890F	Federal Trust Fund	27
422-001-001G	Governor's Advisory Committee on Child Development Programs	29
	Health Services, Department of. Support:	
426-001-001G	General Fund	58
426-001-044S	Motor Vehicle Acct, St Tran Fd	58
426-001-188S	Energy and Resources Fund	58
426-001-890F	Federal Trust Fund	59
	Local Assistance:	
426-101-001G	Medical Assistance Program—General Fund	61
426-101-890F	Federal Trust Fund	61
426-111-001G	Public Health	61

Dept/Ref/Fund	Department	Governor's Budget Page HW
426-111-890F	Federal Trust Fund	61
426-121-001G	Legislative Mandates	61
426-301-036G	Special Account for Capital Outlay	78
426-495	Reversion	58
	Developmental Services, Department of:	
	Support:	
430-001-001G	Departmental Support—General Fund	88
430-001-172S	Developmental Disabilities Program Fund	88
430-011-001G	State Hospitals	88
	Local Assistance:	
430-101-001G	General Fund	89
430-101-172B	Developmental Disabilities	89
430-101-890F	Federal Trust Fund	89
	Capital Outlay:	
430-301-306S	Special Account for Capital Outlay	107
430-301-188S	Energy and Resources Fund	107
430-490	Reappropriation	88
	Mental Health, Department of:	
	Support:	
444-001-001G	Departmental Support—General Fund	122
444-001-890F	Federal Trust Fund	122
444-011-001G	Hospitals for Mentally Ill	122
	Local Assistance:	
444-101-001G	General Fund	123
	Capital Outlay:	
444-301-036S	Special Account for Capital Outlay	129
444-490	Reappropriation	122
	Employment Development, Department of:	
	Support:	
510-001-001G	General Fund	143
510-001-185S	Employment Dev. Contingent Fund	143
510-001-588N	Unemployment Comp Disability Fd	144
510-001-870F	Unemployment Adm Fd–Federal	144
510-001-871F	Unemployment Fund—Federal	144
510-001-890F	Federal Trust Fund	144
	Capital Outlay:	
510-301-185S	Employment Development Contingent Fund	151
	Rehabilitation, Department of:	
	Support:	
516-001-001G	General Fund	160
516-001-890F	Federal Trust Fund	160
	Capital Outlay:	
516-301-036G	Special Account for Capital outlay	161
516-301-890F	Federal Trust Fund	161
	Social Services, Department of:	
	Support:	

Dept/Ref/Fund	Department	Governor's Budget Page HW
518-001-001G	General Fund	182
518-001-866F	Social Welfare General Fund	182
	Local Assistance	
518-101-001G	General Fund	183
518-101-866F	Social Welfare Federal Fund	183
517-001-142S	Health Facilities Commission, California	195
	YOUTH AND ADULT CORRECTIONAL AGENCY	YAC
	Corrections, Department of:	
	Support:	
524-001-001G	General Fund	15
524-001-614N	Correctional Industries Revolving Fund	16
524-001-890F	Federal Trust Fund	16
524-001-917N	Inmate Welfare Fund	15
	Local Assistance:	
524-101-001G	General Fund	16
	Capital Outlay:	
524-301-001G	General Fund	33
524-301-036S	Special Account for Capital Outlay	33
524-301-188S	Energy and Resources Fund	33
524-490	Reappropriation	15
543-001-001G	Board of Corrections—General Fund	35
	Local Assistance:	
543-101-001G	General Fund	36
543-101-170S	Corrections Training Fund	36
543-101-036S	Transfer to County Jail Expenditure Fund	36
544-001-001G	Board of Prison Terms	37
545-001-001G	Youthful Offender Parole Board	40
	Youth Authority, Department of the:	
	Support:	
546-001-001G	General Fund	49
546-001-188S	Energy and Resources Fund	49
546-001-890F	Federal Trust Fund	49
	Local Assistance:	
546-101-001G	General Fund	49
	Capital Outlay:	
546-301-036S	Special Account for Capital Outlay	56
	EDUCATION	E
	Education, Department of:	
	Support:	
610-001-001G	General Activities	39
610-001-178S	Driver Training Penalty Assessment Fund	39
610-001-680S	Surplus Property Revolving Fund	40

Dept/Ref/Fund	Department	Governor's Budget Page E
610-001-739S	State School Buildilng Lease Purchase Fund	39
610-001-890F	Federal Trust Fund	40
	Local Assistance:	
610-101-001G	General Fund	45
610-101-342S	State School Fund	45
610-101-140S	Calif Environmental License Plate Fd	45
610-101-680S	Surplus Property Revolving Fd	45
610-101-890F	Federal Trust Fund	45
610-490	Reappropriation	39
630-101-001G	Teachers' Retirement Fund, Contributions to	62
632-001-001G	Vocational Ed, Advisory Council on	63
632-001-890F	Federal Trust Fund	63
633-001-890F	California Occupational Information Coordinating Committee	65
635-101-001G	Teacher Preparation and Licensing, Commission for School Facilities Aid Programs	66
636-001-407S	Teacher's Credential Fund	70
636-001-890F	Federal Trust Fund	70
	Postse~,ndary Education Commission	
	Support:	
642-001-001G	General Fund	79
642-001-890F	Federal Trust Fund	80
642-490	Reappropriation	79
	University of California:	
	Support:	
644-001-001G	General Fund	102
644-001-046S	Transportation Planning and Development, Acct, State Transportation Fund	102
644-001-144S	Calif. Water Fund	103
644-001-146S	Capital Outlay Fund for Public Higher Education	103
644-001-188S	Energy and Resources Fund	103
	Capital Outlay:	
644-301-146S	Capital Outlay Fund for Public Higher Education	114
644-301-188S	Energy and Resources Fund	115
644-301-718S	Health Sciences Facilities Construction Program Fund	115
644-301-994S	Hospital Reserve Account	115
644-490	Reappropriation	102
660-001-001G	Hastings College of Law	123
660-001-890F	Federal Trust Fund	123
	University & Colleges, California State:	
	Support:	
661-001-001G	General Fund	146
661-001-146S	Capital Outlay Fund for Public Higher Educ	146
661-001-188S	Energy and Resources Fund	146
661-001-890F	Federal Trust Fund	147

Dept/Ref/Fund	Department	Governor's Budget Page E
	Capital Outlay:	
661-301-146S	Capital Outlay Fund for Public Higher Education Fund	168
661-301-188S	Energy and Resources Fund	188
661-490	Reappropriation	146
661-495	Reversion	146
	California Maritime Academy,	
	Support:	
686-001-001G	General Fund	173
686-001-890F	Federal Trust Fund	173
	Capital Outlay:	
686-301-146S	Capital Outlay Fund for Public Higher Education Fund	174
	Community Colleges, Board of Governors of California:	
	Support:	
687-001-001G	General Fund	180
687-001-165S	Community Colleges Credentials Fund	180
	Local Assistance:	
687-101-001G	General Fund	181
687-101-146S	Capital Outlay Fund for Public Higher Education	181
	Capital Outlay:	
687-301-146S	Capital Outlay Fund for Public Higher Education	189
687-301-736B	State Constructon Program Fund	189
	Student Aid Commission:	
	Support:	
798-001-001G	General Fund	201
798-001-890F	Federal Trust Fund	201
798-001-951N	State Guaranteed Student Loan Program	201
	GENERAL GOVERNMENT	GG
	Criminal Justice Planning, Office of	
	Support:	
810-001-001G	General Fund	5
810-001-214S	Indemnity Fund	5
810-001-890F	Federal Trust Fund	5
	Local Assistance:	
810-101-001G	General Fund	6
810-101-214S	Indemnity Fund	6
810-101-890F	Federal Trust Fund	6
	Peace Officer Standards and Training, Commission on	
	Support·	
812-001-268S	Peace Officers' Training Fund	10
	Local Assistance:	
812-101-268S	Peace Officers' Training Fund	10
814-001-001G	State Public Defender, Office of	12

Dept/Ref/Fund	Department	Governor's Budget Page GG
816-101-001G	Assistance to Counties for Defense of Indigents	13
817-101-001G	Subvention for Guardianship/Conservatorship Proceedings	13
818-101-001G	Payment to Counties for Costs of Homicide Trials	14
819-001-001G	Tort Liability Claims	15
820-001-001G	Economic Development, Commission on	17
822-001-942N	Motion Picture Council	18
	California Arts Council	
	Support:	
826-001-001G	General Fund	26
826-001-890F	Federal Trust Fund	27
826-101-001G	Local Assistance	27
828-001-001G	Native American Heritage Commission	29
	California Public Broadcasting Commission	
	Support:	
829-001-001G	General Fund	33
829-001-140G	California Environmental License Plate Fund	34
829-011-907N	California Public Broadcasting Fund	34
830-001-001G	Agricultural Labor Relations Board	41
	Public Employment Relations Board	
	Support:	
832-001-001G	General Fund	46
832-490	Reappropriation	46
	Industrial Relations, Department of	
	Support:	
835-001-001G	General Fund	61
835-001-890F	Federal Trust Fund	61
	Local Assistance:	
835-101-001G	General Fund	61
835-301-036	Special Account for Capital Outlay	63
844-001-001G	Uninsured Employer's Fund	67
	Workers' Compensation Benefits	65
845-001-016G	Subsequent Injury	65
846-101-001G	Disaster Service Workers	65
850-001-152S	Chiropractic Examiners, Board of	70
851-001-264S	Osteopathic Examiners, Board of	72
853-001-290S	Pilot Commissioners, Board of	73
	California Horse Racing Board	
	Support:	
855-001-191S	Fair and Exposition Fund	76
855-001-942N	Racetrack Security Account, Spec Dep Fd	76
	Food and Agriculture, Department of	
	Support:	
857-001-001G	General Fund	105
857-001-111S	Agriculture Fund	105
857-001-188S	Energy and Resources Fund	105

Dept/Ref/Fund	Department	Governor's Budget Page GG
857-001-191S	Fair and Exposition Fund	105
857-001-890F	Federal Trust Fund	105
	Local Assistance:	
857-101-001G	General Fund	106
857-101-191S	Fair and Exposition Fund	106
	Capital Outlay:	
857-301-036S	Special Acct for Capital Outlay	111
864-001-001G	Political Reform Act of 1974	112
	Public Utilities Commission	
	Support:	
866-001-001G	General Fund	120
866-001-041S	Aeronautics Account, State Trans Fd	120
866-001-019S	St Energy Resources Cons and Dev Sp Acct	120
866-001-412S	Transportation Rate Fund	120
866-001-890F	Federal Trust Fund	120
868-001-001G	State Bar of California	124
871-001-001G	Board of Control	127
872-001-001G	General Fund	128
	Indemnification of Private Citizens	
872-001-214S	Indemnity Fund	128
	Local Assistance:	
872-101-001G	General Fund	129
872-101-214S	Indemnity Fund	129
873-001-001G	State Finance, Commission on	130
874-001-001G	California Information Systems Implementation Committee	131
876-001-001G	Californias, Commission of the	132
878-001-001G	California State Government Org and Econ, Commission on	133
880-001-001G	California Commission on Interstate Cooperation	134
882-001-001G	Status of Women; Commission on the	136
887-001-001G	Finance, Department of	144
888-011-001G	California Fiscal Information System	152
891-001-001G	Administrative Law, Office of	154
	Military Department	
	Support:	
894-001-001G	General Fund	161
894-001-890F	Federal Trust Fund	162
	Capital Outlay:	
894-301-036S	Special Account for Capital Outlay	164
894-301-890F	Federal Trust Fund	164
910-101-001G	Tax Relief	168
954-001-852F	Federal Revenue Sharing	175
965-001-001G	Health Benefits for Annuitants	187
	Augmentation for Price Increases	
982-001-001G	General Fund	197

Dept/Ref/Fund	Department	Governor's Budget Page GG
982-001-494S	Special Funds	197
982-001-988N	Nongovernmental Cost Funds	197
983-001-001G	Polychlorinated Biphenyls	198
	Reserve for Contingencies or Emergencies	
984-001-001G	General Fund	204
984-001-494S	Special Funds	204
984-001-988N	Nongovernmental Cost Funds	204
984-011-001G	General Fund (Loans)	204
984-490	Reappropriation	204
985-001-001G	Development of Information Technology	205
986-301-001G	Unallocated Capital Outlay	207
	Augmentation for Office of Admin Law Srvs	
988-001-001G	General Fund	211
988-001-494S	Special Funds	211
988-001-988N	Nongovernmental Cost Funds	211

B. INDEX BY BUDGET TITLE:

Department	Dept/Ref/Fund	Governor's Budget Page
Accountancy, Board of	112-001-704S	SCS 8
Acupuncturists Fund	138-042-108S	SCS 49
Administration and Payment of Tort Liabilities Claims	819-001-001G	GG 15
Administrative Law, Office of	891-001-001G	GG 154
Advisory Committee on Child Development Programs	422-001-001G	HW 29
Aging, Department of		
Support:		
General Fund	416-001-001G	HW 21
Federal Trust Fund	416-001-890F	HW 22
Agricultural Labor Relations Board	830-001-001G	GG 41
Air Resources Board		
Support:		
General Fund	340-001-001G	R 44
Mtr Veh Acct, St Tran Fd	340-001-044S	R 44
Automative Repair Fund	340-001-128S	R 45
Envir License Plate Fund	340-001-140S	R 45
Energ Res Consr & Dev Acct	340-001-019S	R 45
Air Pollution Control Fund	340-001-115S	R 45
Veh Inspection Fd	340-001-420S	R 45
Federal Trust Fund	340-001-890F	R 45
Local Assistance:		
Local Air Pollution Central Dist:		
General Fund	340-101-001G	R 45

Department	Dept/Ref/Fund	Governor's Budget Page
Mtr Veh Acct, State Tran Fd	340-101-044S	R 46
Alcohol and Drug Programs, Dept. of		
Support:		
General Fund	420-001-001G	HW 27
Federal Trust Fund	420-001-890F	HW 27
Local Assistance:		
General Fund	420-101-001G	HW 27
Federal Trust Fund	420-101-890F	HW 27
Alcoholic Beverage Control, Dept of	210-001-001G	BTH 3
Animal Health Technician Exam. Comm. Fund	155-060-1185	SCS 15
Architectural Examiners, Board of	113-004-7065	SCS 9
Arts Council, California		
Support:		
General Fund	826-001-001G	GG 26
Federal Trust Fund	826-001-890F	GG 27
Local Assistance	826-101-001G	GG 27
Athletic Commission	114-006-001S	SCS 11
Augmentation for Office of Admin Law Srvs		
General Fund	988-001-001G	GG 211
Special Fund	988-001-494S	GG 211
Nongovernmental Cost Fund	988-001-988N	GG 211
Augmentation for Price Increases		
General Fund	982-001-001G	GG 199
Special Funds	982-001-494S	GG 199
Nongovernmental Cost Funds	982-001-988N	GG 199
Automotive Repair, Bureau of	115-008-128S	SCS 14
Banking Department, State	214-001-136S	BTH 10
Barber Examiners, Board of	116-010-713S	SCS 16
Behavioral Science and Examiners, Board of	117-012-773S	SCS 18
Block Grant for Superior Court Judgeships, State	044-101-001G	LJE 18
Boating and Waterways, Department of		
Support:		
General Fund	368-001-001G	R 108
Harbors and Watercraft Revolving Fund	368-001-516N	R 108
Local Assistance:		
Harbors and Watercraft Revolving Fund	368-101-516N	R 109
Energy and Resources Fund	368-101-188S	R 109
Capital Outlay:		
Harbors and Watercraft Revolving Fund	368-301-516N	R 110
Energy and Resources Fund	368-301-188S	R 110

Department	Dept/Ref/Fund	Governor's Budget Page
State, Urban, and Coastal Park Fund	368-301-742S	R 110
Broadcasting Commission, California Public		
Support:		
General Fund	829-001-001G	GG 33
California Environmentl License Plate Fund	829-001-140G	GG 34
California Public Broadcasting Fund	829-011-907N	GG 34
Business, Transportation, and Housing, Secty for		
General Fund	052-001-001G	LJE 23
St. Energy Resources Conserv and Develop		
Spec Acct, General Fund	052-001-019S	LJE 23
Mtr Veh Acct, St Transp Fd	052-001-044S	LJE 23
Conservation Corps CA		
Support:		
General Fund	334-001-001G	R 19
St. Energy Resources Cons & Dev	334-001-019S	R 19
Special Account for Capital Outlay	334-301-036G	R 20
California Fiscal Information Systems	888-011-001G	GG 152
California, University of		
Support:		
General Fd	644-001-001G	E 102
Transpt: Planning & Dev Acct: State Transpt. Fund	644-001-046G	E 102
California Water Fd	644-001-144S	E 103
Capital Outlay Fd for Public Higher Ed	644-001-146S	E 103
Energy & Resources Fd	644-001-188S	E 103
Capital Outlay:		
Capital Outlay Fd. for Public Higher Ed.	644-301-146S	E 114
Energy & Resources Fd	644-301-188S	E 115
Health Sciences Facilities Construction Program Fund	644-301-718S	E 115
Hospital Reserve Account	644-301-994S	E 115
Reappropriation	644-490	E 102
Californias, Commission of the	876-001-001G	GG 132
Cemetery Board	118-014-717S	SCS 19
Certificated Shorthand Reporters Board	152-054-771S	SCS 68
Chiropractic Examiners Board of	850-001-152S	GG 70
Citizen Initiative & Voluntary Action, Office for	056-001-001G	LJE 30
Federal Trust funds	056-001-001G	LJE 30

Department	Dept/Ref/Fund	Governor's Budget Page
Coastal Commission, CA		
Support:		
General Fund	372-001-001G	R 117
Environmental License Plate Fund	372-001-140S	R 117
Federal Trust Fund	372-001-890F	R 117
Local Assistance:		
General Fund	372-001-890F	R 118
Federal Trust Fund	372-101-890F	R 118
Coastal Conservancy, State		
Support:		
State Coastal Conservancy Fund	376-001-565N	R 121
Parklands Fund of 1980	376-002-721B	R 121
Local Assistance:		
Energy & Resources Fund	376-101-188S	R 122
Parklands Fund of 1980	376-002-721B	R 122
Capital Outlay:		
CA. Environmental License Plate Fund	376-301-140S	R 123
Parklands Fund of 1981	376-002-721B	R 123
Reappropriation	376-490	
Collection Agency Board	119-016-157S	SCS 21
Colleges, CA. State University and		
Support:		
General Fund	661-001-001G	E 146
Capital Outlay Fund for Public Higher Education	661-001-146S	E 146
Energy and Resources Fund	661-001-188S	E 146
Federal Trust Fund	661-001-890F	E 147
Capital Outlay:		
Capital Outlay Fund for Public Higher Education Fund	661-301-146S	E 168
Energy and Resources Fund	661-301-188S	E 168
Reappropriation	661-490	E 146
Reversion	661-495	E 146
Colorado River Board	346-001-001G	R 46
CA. State Government Org. & Econ., Commission on	878-001-001	GG 134
Commission, Board of Pilots	853-001-290S	GG 73
Community Colleges, Board of Governors of California:		
Support:		
General Fund	687-001-001G	GG 180
Community Colleges Credentials Fund	687-001-165S	GG 180
Local Assistance		
General Fund	687-101-001G	GG 181
Conservation, Department of		

Department	Dept/Ref/Fund	Governor's Budget Page
Support:		
General Fund	348-001-001G	R 51
Surface Mining & Reclamation Ed...	348-001-065S	R 58
State Highway Acct., State Tran. Ed.	348-001-042S	R 58
California Water Fund	348-001-144S	R 58
Environmental License Plate Fund	348-001-140S	R 58
Strong Motion Instrumentation Fund	348-001-398S	R 58
Energy and Resources Fund	348-001-188S	R 58
Federal Trust Fund	348-001-890F	R 58
Conservation Corps, California		
Support:		
General Fund	334-001-001G	R 19
St. Energy Resources Cons. & Dev.	384-001-019S	R 20
Capital Outlay:		
Special Account for Capital Outlay..	334-301-036G	R 20
Conservatorship/Guardianship Proceedings, Subvention for	817-101-001G	GG 13
Consumer Affairs, Department of		
General Fund	163-064-001G	R 85
Consumer Affairs Fund	163-064-702S	R 85
Federal Trust Fund	163-064-890S	R 85
Capital Outlay	163-301-702G	R 85
Contingencies and Emergencies, Reserve for		
General Fund	984-001-001G	GG 206
Special Fund	984-001-494S	GG 206
Nongovernmental Cost Funds	984-001-988N	GG 206
General Funds (Loans)	984-011-001G	GG 206
Reappropriations	984-490	GG 206
Contractors State License Board	123-018-7355	SCS 27
Control, State Board of	871-001-001G	GG 127
Controller, State		
General Fund	084-001-001G	LJE 85
Mtr. Veh. Fuel Acc.	084-001-061S	LJE 86
Aeronautics Acct. St. Transp. Fd.	084-001-041S	LJE 86
Retail Sales Tax Fund	084-001-094N	LJE 86
St. School Bldg. Aid Fund	084-001-739N	LJE 86
Federal Trust Fund	084-001-890F	LJE 86
Unclaimed Property Fund	084-001-970N	LJE 86
Capital Outlay		
Special Account for Capital Outlay..	084-301-036S	LJE 89
Corporations, Department of		
Support:		
General Fund	218-001-001G	BTH 19
Legislative Mandates	218-101-001	BTH 19

Department	Dept/Ref/Fund	Governor's Budget Page
Corrections, Department of		
Support:		
General Fund	524-001-001G	YAC 15
Correctional Industries Revolving Fund	524-001-614N	YAC 16
Federal Trust Fund	524-001-890F	YAC 16
Inmate Welfare Fund	524-001-917N	YAC 15
Local Assistance:		
General Fund	524-101-001G	YAC 16
Capital Outlay:		
Special Account for Capital Outlay	524-301-036S	YAC 33
Energy and Resources Fund	524-301-188S	YAC 33
Reappropriation	524-490	YAC 15
Cosmetology, Board of	124-020-7385	SCS 29
Criminal Justice Planning, Office of		
Support:		
General Fund	810-001-001G	GG 5
Indemnity Fund	810-001-214S	GG 5
Federal Trust Fund	810-001-890F	GG 5
Local Assistance		
General Fund	810-101-001G	GG 6
Indemnity Fund	810-101-214S	GG 6
Federal Trust Fund	810-101-890F	GG 6
Defense of Indigents, Assistance to Counties for	816-101-001G	GG 12
Dental Auxiliary Fund, State	125-022-380S	SCS 32
Dentistry Fund, State	125-022-741S	SCS 31
Development of Information Technology	985-001-001G	GG 207
Developmental Disabilities, Area Boards on	410-001-890F	HW 2
Developmental Disabilities, State Council on	411-001-001G	HW 3
Developmental Services, Department of		
Support:		
Departmental Support—General Fund	430-001-001G	HW 88
Developmental Disabilities Program Fund	430-001-172S	HW 88
State Hospitals	430-011-011G	HW 88
Local Assistance:		
General Fund	430-101-001G	HW 89
Developmental Disabilities	430-101-172B	HW 89
Federal Trust Fund	430-101-890F	HW 89
Capital Outlay:		
Special Account for Capital Outlay	430-301-306S	HW 107
Energy and Resources Fund	430-301-188S	HW 107

Department	Dept/Ref/Fund	Governor's Budget Page
Reappropriation	430-490	HW 88
Drug Programs, Department of Alcohol		
Support:		
General Fund	420-001-001G	HW 27
Federal Trust Fund	420-001-890G	HW 27
Local Assistance:		
General Fund	420-101-001G	HW 27
Federal Trust Fund	420-101-890G	HW 27
Economic and Business Development, Dept. of		
Support:		
General Fund	220-001-001G	BTH 23
Federal Trust Fund	220-001-890F	BTH 23
Local Assistance:		
General Fund	220-101-001G	BTH 24
Federal Trust Fund	220-101-890F	BTH 24
Economic Development, Commission on	820-001-001G	GG 17
Education, Department of		
Support:		
General Activities	610-001-001G	E 39
Driver Training Penalty Assessment Fd.	610-001-178S	E 39
Surplus Property Revolving Fd.	610-001-680S	E 40
State School Building Lease Purchase Fd.	610-001-739S	E 39
Federal Trust Fund	610-001-890F	E 40
Local Assistance:		
General Fund	610-101-001G	F 45
State School Fund	610-101-342S	E 45
California Environ. License Plate Fd.	610-101-140S	E 45
Surplus Property Revolving Fund	610-101-680S	E 45
Federal Trust Fund	610-101-890F	E 45
Reappropriation	610-490	E 39
Electronic and Appliance Repair, Board of	128-024-325S	SCS 34
Emergency Medical Services Authority.	412-001-001G	HW 4
Emergency Services, Office of		
Support:		
General Fund	069-001-0016G	LJE 45
Energy and Resources Fund	069-001-188S	LJE 45
Federal Trust Funds	069-001-890F	LJE 45
Local Assistance:		
General Fund	069-101-001G	LJE 46
Federal Trust Fund	069-101-890F	LJE 46
Employee Relations, Office of	062-001-001G	LJE 34

Department	Dept/Ref/Fund	Governor's Budget Page
Employment Agencies, Bureau of	130-026-180S	SCS 35
Employment Development Department		
Support:		
General Fund	510-001-001G	HW 143
Employment Development Contingent Fd.	510-001-185S	HW 143
Unemployment Comp. Disabilty Fd.	510-001-588N	HW 144
Unemployment Adm. Fd.—Federal	510-001-870F	HW 144
Federal Trust Fund	510-001-890F	HW 144
Capital Outlay:		
Employment Development Contingent Fd.	510-301-1855S	HW 151
Employment Relations Board, Public		
Support:		
General Fund	832-001-001G	GG 46
Reappropriation	832-490	GG 46
Energy Resources Conservation and Dev. Commission		
Support:		
Energy Res. Consv. and Dev. Fund	336-001-019S	R 25
Transfer to Support, Mtr. Veh. Acct. St. Trans. Fund	336-001-044S	R 26
Energy and Resources Fund	336-001-188S	R 26
Transportation Rate Fund	336-001-412S	R 26
Federal Trust Fund	336-001-890F	R 26
Equalization, State Board of		
General Fund	086-001-001G	LJE 112
St. Energy Res. Cons. and Deve. Spec. Acct. Gen. Fd	086-001-019S	LJE 112
St. Emerg. Telephone Number Spec. Acct. Gn. Fd.	086-001-022S	LJE 112
Mtr. Veh. Fuel Act, Transp. Tax	086-001-061S	LJE 112
Timber Tax Fund	086-001-965N	LJE 112
Capital Outlay	086-301-001G	LJE 114
Exposition and State Fair, California		
Support:		
General Fund	380-001-001G	R 169
Transfer of Operating Revenues	380-011-001G	R 169
Capital Outlay:		
Special Account for	380-301-036G	R 170
Fabric Care, Board of	132-030-745S	SCS 38
Fair Employment and Housing		
Support:		
General Fund	170-001-001G	SCS 78
Federal Trust Fund	170-001-890F	SCS 78

Department	Dept/Ref/Fund	Governor's Budget Page
Federal Revenue Sharing	954-001-852F	GG 175
Finance, Department of	887-001-001G	GG 144
Fire Marshal, Office of the State	171-001-001G	SCS 93
Fish and Game, Department of		
Support:		
General Fund	360-001-001G	R 91
Calif. Environmental License Plate Fund	360-001-140S	R 91
Energy and Resources Fund	360-001-188S	R 91
Fish and Game Preservation	360-001-200S	R 91
Federal Trust Fund	360-001-890F	R 92
Transfer to Fish and Game Preservation	360-011-200S	R 91
Capital Outlay:		
Calif. Environmental License Plate Fund	360-301-140S	R 97
Energy and Resources Fund	360-301-188S	R 97
Fish and Game Preservation Fund	360-301-200S	R 97
Food and Agriculture, Department of		
Support:		
General Fund	857-001-001G	GG 105
Agriculture Fund	857-001-111S	GG 105
Energy and Resources Fund	857-001-188S	GG 105
Fair and Exposition Fund	857-001-191S	GG 105
Federal Trust Fund	857-001-890F	GG 105
Local Assistance:		
General Fund	857-101-001G	GG 106
Fair and Exposition Fund	857-101-191S	GG 106
Capital Outlay:		
Special Account for Capital Outlay	857-301-036S	GG 111
Forestry, Department of:		
Support:		
General Fund	354-001-001G	F 65
Forester Registration Fund	354-001-300S	R 66
Calif. Environmental License Plate Fund	354-001-140S	R 66
Timber Tax Fund	354-001-965N	R 66
Forest Resources Improvement Fund	354-001-928N	R 66
Forest Resources Improvement Fund, Transfer	354-011-928N	R 66
Energy and Resources Fund	354-001-188S	R 66
Federal Trust Fund	354-001-890F	R 66
Capital Outlay:		
Special Account for Capital Outlay	354-301-036S	R 70
Franchise Tax Board:		
Support:		

Department	Dept/Ref/Fund	Governor's Budget Page
General Fund	173-001-001G	SCS 104
Capital Outlay:		
Special Account for Capital Outlay	173-301-036S	SCS 105
Reversion	173-495	
Funeral Directors and Embalmers, Bd. of	133-032-750S	SCS 40
General Services, Department of		
General Fund	176-001-001G	SCS 118
Mtr Veh Parking Fac Moneys Acct.	176-001-003S	SCS 118
Emergency Telephone Number Acc. Fd	176-001-022S	SCS 118
Architecture Public Bldg	176-001-119N	SCS 119
Energy and Resources Fund	176-001-188S	SCS 119
Architecture Revolving Fund	176-001-602N	SCS 119
Service Revolving Fund	176-001-666N	SCS 119
Federal Trust Fund	176-001-890F	SCS 120
State School Building Aid Fund	176-001-739N	SCS 119
Deferred Compensation Plan Fund	176-001-915N	SCS 119
State School Lease Purchase Fund	176-001-959N	SCS 120
State School Deferred Maintenance Fund	176-001-961N	SCS 119
Office of State Printing	176-001-666S	SCS 119
Local Assistance		
Emergency Telephone Number Acct Gen Fd	176-001-022S	SCS 120
Capital Outlay	176-301-036G	SCS 127
Reappropriation	176-490	SCS 127
Geologists and Geophysicists, Board of Regis for	134-034-205S	SCS 41
Government Org and Econ Commission on California State	878-001-001G	GG 133
Governor's Office	050-001-001G	LJE 20
Guardianship/Conservatorship Procedures, Subventionl for	817-101-001G	GG 13
Guide Dogs for the Blind, Board of	135-036-001G	SCS 42
Hastings College of Law	660-001-001G	E 123
Health, Department of Mental:		
Support:		
Departmental Support—General Fund	444-001-001G	HW 122
Federal Trust Fund	444-001-890F	HW 122
Hospitals for Mentally Ill	444-011-001G	HW 122
Local Assistance:		
General Fund	444-101-001G	HW 123
Capital Outlay:		
Special Account for Capital Outlay	444-301-036S	HW 129
Reappropriation	444-490	

Department	Dept/Ref/Fund	Governor's Budget Page
Health and Welfare, Secretary for	053-001-001G	LJE 26
Health and Welfare Agency Data Center	413-001-632N	HW 6
Health Facilities Commission, California	517-001-142S	HW 195
Health Plan and Dev. Office of Statewide:		
Support:		
General Fund	414-001-001G	HW 13
Federal Trust Fund	414-001-890F	HW 13
Local Assistance:		
General Fund	414-101-001G	HW 14
Legislative Mandates	414-111-001G	HW 14
Reversion	414-495	
Health Services, Department of:		
Support:		
General Fund	426-001-001G	HW 58
Motor Vehicle Acct, St Tran Fd	426-001-044S	HW 58
Energy and Resources Fund	426-001-188S	HW 58
Federal Trust Fund	426-001-890F	HW 59
Local Assistance:		
Medical Assistance Program—General Fund	426-101-001G	HW 61
Public Health Fund	426-111-001G	HW 61
Federal Trust Fund	426-111-890F	HW 61
Legislative Mandates	426-121-001G	HW 61
Special Account for Capital Outlay	426-301-036G	HW 78
Reversion	426-495	
Highway Patrol, Department of California		
Support:		
Motor Vehicle Acct, St. Transportation Fund	272-001-044S	HW 122
Deficiency Item	272-011-044S	HW 122
Federal Trust Fund	272-001-890F	HW 123
Advance Authorization—Automotive Equipment	272-021-044S	HW 122
Capital Outlay:		
Motor Vehicle Acct, St Transportation Fund	272-301-044S	HW 125
Reappropriation	272-490	
Reversion	272-495	
Home Furnishings, Bureau of	136-038-752N	SCS 44
Homicide Trials, Payments to Counties for Costs of	818-101-001G	GG 14
Horse Racing Board, California		
Support:		

Department	Dept/Ref/Fund	Governor's Budget Page
Fair and Exposition Fund	855-001-191S	GG 76
Racetrack Security Account, Spec Dep Fd	855-001-942N	GG 76
Housing and Community Development, Department of		
Support:		
General Fund	224-001-001G	BTH 33
Federal Trust Fund	224-001-890F	BTH 34
Local Assistances:		
General Fund	224-101-001G	BTH 35
Federal Trust Fund	224-101-890F	BTH 36
Indemnification of Private Citizens		
Payment of Claims	872-001-001G	GG 127
Indemnity Fund	872-001-214S	GG 128
Local Assistance:		
General Fund	872-101-001G	GG 129
Indemnity Fund	872-101-214S	GG 129
Industrial Relations, Department of		
Support:		
General Fund	835-001-001G	GG 61
Federal Trust Fund	835-001-890F	GG 61
Local Assistance:		
General Fund	835-101-001G	GG 61
Capital Outlay		
Special Account for	835-301-036S	GG 62
Information Systems Implementation Committees, Calif	874-001-001G	GG 131
Information Technology, Development of	985-001-001G	GG 205
Insurance, Department of		
General Fund	229-001-001G	BTH 46
Insurance Commissioner Regulatory Trust Fund	229-001-218S	BTH 46
Intergovernmental Personal Act Advisory Council		
Support		
Federal Trust Fund	186-001-890F	SCS 128
Local Assistance		
Federal Trust Fund	186-101-890F	SCS 129
Interstate Cooperation, Calif Commission on	880-001-001G	GG 134
Judges, Salaries of Superior Court	042-101-001G	LJE 17
Judicial Council		
Support		
General Fund	025-001-001G	LJE 13
From Motor Vehicle Acct, State Transport Fund	025-001-044S	LJE 13

Department	Dept/Ref/Fund	Governor's Budget Page
Legislative Mandates	025-101-001G	LJE 14
Capital Outlay:		
Special Account for Capital Outlay	025-301-306S	LJE 15
Justice Department		
Support:		
General Fund	082-001-001G	LJE 70
Finger Print Fees	082-001-017G	LJE 70
Labor Relations Board, Agriculture	830-001-001G	GG 41
Lands Commission, State		
Support		
General Fund	356-001-001G	R 76
Federal Trust Fund	356-001-890F	R 76
Capital Outlay:		
Energy Resources Fund	356-301-188S	R 77
Landscape Architects, Board of	137-404-757S	SCS 45
Law Revision Commission	017-001-001G	LJE 8
Legislative Counsel Bureau	016-001-001G	LJE 6
Legislature		
Senate	011-001-001G	LJE 2
Assembly	012-011-001G	LJE 2
Joint Expenses	013-021-001G	LJE 3
Lieutenant Governor	075-001-001G	LJE 52
Maritime Academy, California		
Support		
General Fund	686-001-001G	E 173
Federal Trust Fund	686-001-890F	E 173
Capital Outlay		
Capital Outlay Fund for Higher Education Fund	686-301-146S	E 174
Medical Quality Assurance, Board of:		
Acupuncturists Fund	138-042-108S	SCS 49
Hearing Aid Dispensers Fund	138-042-208S	SCS 51
Physicians Assistant Fund	138-042-280S	SCS 54
Psychology Fund	138-042-310S	SCS 56
Podiatry Fund	138-042-295S	SCS 55
Speech Pathology and Audiology Exam Comm Fund	138-042-376S	SCS 58
Physical Therapy Fund	138-042-759S	SCS 52
Contingent Fund of Medical Quality Assurance	138-042-758S	SCS 47
Mental Health, Department of:		
Support		
Department Support—General Fund	444-001-001G	HW 122
Federal Trust Fund	444-001-890F	HW 122
Hospitals for Mentally Ill	444-001-001G	HW 122
Local Assistance:		

Department	Dept/Ref/Fund	Governor's Budget Page
General Fund	444-101-001G	HW 123
Capital Outlay:		
Special Account for Capitol Outlay..	444-301-036S	HW 129
Reappropriation	444-490	HW 122
Military Department		
Support:		
General Fund	894-001-001G	GG 161
Federal Trust Fund	894-001-890F	GG 162
Capital Outlay:		
Special Account for Capital Outlay..	894-301-036S	GG 164
Federal Trust Fund	894-301-890F	GG 164
Motion Picture Council	822-001-942N	GG 17
Motor Vehicles, Department of:		
Support:		
General Fund	274-001-001G	BTH 134
Mtr Vehicle, St. Transportation Fund	274-001-044S	BTH 134
Deficiencies, Mtr Vhc Acct, St. Transportation Fund	274-011-044	S 134
Mtr Vehicle License Fee Acct, Tran Tax Fund	274-001-064S	BTH 134
Environmental License Plate Fd	274-001-140S	BTH 134
Bicycle License and Registration Fund	274-001-378S	BTH 134
Harbors and Watercraft Revolving Fund	274-001-516N	BTH 135
Capital Outlay:		
Mt. Vehicle Acct, St. Transportation Fund	274-301-044S	BTH 141
Reappropriation	274-490	BTH 134
Museum of Science and Industry	110-001-001G	SCS 3
National Center for State Court Membership	046-001-001G	LJE 19
Native American Heritage Commission..	828-001-001G	GG 29
Nursing Home Admin., Bd. of Exam of..	147-044-260S	SCS 59
Nurses Registry	131-028-258S	SCS 36
Occupational Information Coordinating Committee	633-001-890F	E 65
Optometry, Bd of	148-046-763S	SCS 61
Parks and Recreation, Department of:		
Support:		
General Fund	379-001-001G	R 132
Parks and Recreation Fund	379-001-392S	R 133
Highway Users Tax Acct, Trans Tax Fund	379-001-062S	R 132
Off Highway Vehicle Fund	379-001-263S	R 133
Harbors and Watercraft Revolving		

Department	Dept/Ref/Fund	Governor's Budget Page
Fund	379-001-516N	R 133
Federal Trust Fund	379-001-890F	R 133
Local Assistance		
Envir License Plate Fund	379-101-140S	R 140
Energy and Resources Fund	379-101-188S	R 141
State Beach, Park, Recreational and Historical Facilities of 1974	379-101-753B	R 141
State, Urban and Coastal Park Fund	379-101-742B	R 141
Federal Trust Fund	379-101-890F	R 141
Capital Outlay		
Energy and Resources Fund	379-301-188S	R 165
Off-Highway Vehicle Fund	379-301-263S	R 165
State Park and Recreational Fund	379-301-392S	R 164
Recreational and Fish and Wildlife Enhancement Fund	379-301-728S	R 166
State Beach, Park, Recreational and Historical Facilities Fund of 1964	379-301-732B	R 166
State Beach, Park, Recreational and Historical Facilities Fund of 1974	379-301-733B	R 167
State Urban and Coastal Park Fund	379-301-742S	R 167
Federal Trust Fund	379-301-890F	R 167
State Park Contingent Fund	379-301-952S	R 167
Reappropriation	379-490	R 167
Payments to Counties for Costs to Homicide Trials	818-101-001G	GG 14
Peace Officers' Standards and Training, Commission on		
Support:		
Peace Officers' Training Fund	812-101-268S	GG 10
Local Assistance		
Peace Officers Training Fund	812-101-268S	GG 10
Personal Act Advisory, Council Intergovernmental		
Support:		
Federal Trust Fund	186-001-890F	SCS 128
Local Assistance		
Federal Trust Fund	186-001-890F	SCS 129
Personnel Board, State		
Support:		
General Fund	188-001-001G	SCS 136
Coop Personnel Services Revolving Fund	188-001-677N	SCS 37
Pharmacy, Bd. of	149-048-767S	SCS 63
Planning and Research, Office of		

Department	Dept/Ref/Fund	Governor's Budget Page
General Fund	065-001-001G	LJE 39
Environmental License Plate Fund	065-001-140S	LJE 40
Energy and Resources Fund	065-001-188S	LJE 40
Federal Trust Funds	065-001-890F	fLJE 40
Local Assistance		
Federal Trust Funds	065-101-890F	LJE 40
Capital Outlay:		
Energy and Resources Fund	065-301-188S	LJE 40
Political Reform Act	864-001-001G	GG 112
Postsecondary Education Commission Support:		
General Fund	642-001-001G	E 79
Federal Fund	642-001-890F	E 80
Reappropriation	642-490	
Price Increases, Augmentation for		
General Fund	982-001-001G	GG 197
Special Fund	982-001-494S	GG 197
Nongovernmental Cost Funds	982-001-988N	GG 197
Private Investigator and Adjuster Board	119-016-769S	SCS 23
Professional Engineers, Board of Regis for	150-050-770S	SCS 65
Public Broadcasting Commission of California		
General Fund	829-001-001G	GG 33
California Environmental License Plate Fund	829-001-140G	GG 34
California Public Broadcasting Fund	829-011-907N	GG 34
Public Defender, State Office of the	814-001-001G	GG 12
Public Employees Retirement System Support:		
General Fund	190-001-001G	SCS 142
Trans from General Fund	190-011-001G	SCS 142
Legislators Retirement Fund	190-001-820S	SCS 143
Public Employees Retirement Fund	190-001-820S	SCS 142
Public Employees Contingency Revenue Fund	190-001-950N	SCS 143
Volunteer Firefighter Length of Service Award System	190-001-962N	SCS 143
Local Assistance		
Legislative Mandates	190-101-001G	SCS 143
Public Employment Relations Board Support:		
General Fund	835-001-001G	GG 61
Federal Trust Fund	835-001-890F	GG 61
Local Assistance:		

Department	Dept/Ref/Fund	Governor's Budget Page
General Fund	835-101-001G	GG 61
Special Account for Capital Outlay	835-101-036G	GG 63
Public Utilities Commission		
Support		
General Fund	866-001-001G	GG 120
Aeronautics Account, State Trans Fund	866-001-041S	GG 120
State Energy Resources Cons and Dev Sp Account	866-001-019S	GG 120
Transportation Rate Fund	866-001-412S	GG 120
Federal Trust Fund	866-001-890F	GG 120
Real Estate, Department of	232-001-317S	BTH 52
Recreation, Department of Parks and		
Support:		
General Fund	379-001-001G	R 132
Parks and Recreation Fund	379-001-392S	R 133
Highway Users Tax Acct., Trans. Tax Fund	379-001-062S	R 132
Off-Highway Vehicle Fund	379-001-263S	R 133
Harbors and Watercraft Revolving Fd.	379-001-516N	R 133
Federal Trust Fund	379-001-890F	R 133
Local Assistance:		
Envir. License Plate Fund	379-101-140S	R 140
Energy and Resources Fund	379-101-188S	R 141
State Beach, Park, Recreational and Historical Facilities of 1974	379-101-733B	R 141
State, Urban and Coastal Park Fd.	379-101-742B	R 141
Federal Trust Fund	379-101-890F	R 141
Registered Nursing, Board of	151-052-761S	SCS 67
Rehabilitation, Department of:		
Support:		
General Fund	516-001-001G	HW 160
Federal Trust Fund	516-001-890F	HW 160
Capital Outlay:		
Special Account for Capital Outlay	516-301-036G	HW 161
Federal Trust Fund	516-301-890F	HW 161
Repair, Electronic, and Appliance, Bureau of	128-024-325S	SCS 34
Reserve for Contingencies or Emergencies		
General Fund	984-001-001G	GG 204
Special Funds	984-001-494S	GG 204
Nongovernmental Cost Funds	984-001-988N	GG 204
General Fund (Loans)	984-011-001G	GG 204
Reappropriation	984-490	GG 204
Resources, Secretary for	054-001-001G	R 28

Department	Dept/Ref/Fund	Governor's Budget Page
Resources Programs, Special		
Support:		
General Fund	311-001-001G	R 2
Retirement System, Public Employees		
Support:		
General Fund	190-001-001G	GG 142
Transfer from General Fund	190-011-001G	GG 142
Legislators Retirement Fund	190-001-820S	GG 143
Public Employees Retirement Fund	190-001-830S	GG 142
Public Employees Contingency Reserve Fund	190-001-950N	GG 143
Volunteer Firefighters Length of Service Award System Fund	190-001-962N	GG 143
Local Assistance:		
Legislative Mandates	190-101-001G	GG 143
Retirement System, State Teachers		
Support:		
State Teachers Retirement Fund	192-101-835N	SCS 148
Teacher Tax Shelter Annuity Fund	192-001-963N	SCS 148
Revenue Sharing, Federal	954-001-852F	SCS 178
Salaries of Supreme and Appellate Court Judges	039-001-001G	LJE 16
Salaries of Municipal Court Judges	039-101-001G	LJE 16
San Francisco, San Pablo, and Suisun, Board of Pilot Commissioners for Bays of	853-001-290S	GG 73
San Francisco Bay Conservation & Dev. Commission.		
General Fund	382-001-001G	R 17
Santa Monica Mountains Conservancy:		
General Fund	381-001-001G	R 171
Capital Outlay:		
Parklands Fund of 1980	381-301-721B	R 172
Savings and Loan, Department of	234-001-337S	BTH 57
Secretary of State		
Support·		
General Fund	089-001-001G	LJE 122
Local Assistance·		
General Fund	089-101-001G	LJE 122
Seismic Safety Commission	358-001-001G	R 79
Shorthand Reporters Board	152-054-771S	SCS 68
Social Services, Department of:		
Support:		
General Fund	518-001-001G	HW 182
Social Welfare Federal Fund	518-001-866F	HW 182
Local Assistance:		
General Fund	518-101-001G	HW 183

Department	Dept/Ref/Fund	Governor's Budget Page
Social Welfare Federal fund	518-101-866F	HW 183
Solid Waste Management Board		
Support:		
General Fund	338-001-001G	R 35
State Solid Waste Management Fund	338-001-389S	R 36
Southwest Border Regional Commission		
Support:		
Federal Trust Fund	059-001-890	LJE 32
Economic Development Grant & Loan Fund	059-001-922	LJE 33
Special Resources Programs		
Support:		
General Fund	311-001-001G	R 2
Special Transportation Program		
Support:		
Trans. Plng. and Development Acct St. Transp. Fd.	264-001-046S	BTH 60
Local Assistance:		
Trans. Plng. and Development Acct., St. Transp. Fund	264-101-046S	BTH 61
Agricultural and Foretry Residue Utilization Acct.	264-101-031S	BTH 61
Ethanol Fuel Revolving Acct.	264-101-112S	BTH 61
State and Consumer Services, Secretary for	051-001-001G	SCS 21
State Bar of California	868-001-001G	GG 124
State Controller		
Support:		
General Fund	084-001-001G	LJE 85
Aeronautics Acct., St. Trans. Fd.	084-001-041S	LJE 86
Mtr. Veh. Fuel Acct, Transp. Tax Fd.	084-001-061S	LJE 86
Retail Sales Tax Fund	084-001-094N	LJE 86
St. School Bldg. Aid Fd.	084-001-739N	LJE 86
Federal Trust Fund	084-001-89F	LJE 86
Unclaimed Property Fund	084-001-970N	LJE 86
Capital Outlay:		
Special Acct. for Capital Outlay	084-301-036S	LJE 89
State Finance, Commission on	873-001-001G	GG 130
Structural Pest Control Board	153-056-775S	SCS 70
Student Aid Commission		
Support:		
General Fund	798-001-001G	E 201
Federal Trust Fund	798-001-890F	E 201
State Guaranteed Loan Reserve Fd.	798-001-951N	E 201
Subvention to Calif-Tahoe Reg Plan		

Department	Dept/Ref/Fund	Governor's Budget Page
Agency	315-101-001G	R 4
Tax Preparer's Program	154-058-406S	SCS 92
Tax Relief	910-101-001G	GG 168
Teacher Preparation and Licensing, Commission for		
Teacher's Credential Fund	636-001-407S	E 70
Federal Trust Fund	636-001-890F	E 70
Teachers Retirement System, State		
Support:		
State Teachers Retirement Fund	192-001-835N	SCS 148
Teacher Tax Sheltered Annuity Fund	192-001-963N	SCS 148
Teale Consolidated Data Center, Stephen P.	278-001-683N	BT 145
Tort Liability Claims	819-001-001G	GG 15
Traffic Adjudication Board	276-001-178S	BTH 143
Traffic Safety, Office of		
Support:		
Motor Vehicle Account, State Transportation Fund	270-001-044S	BTH 108
Federal Trust Fund	270-001-890F	BTH 108
Local Assistance:		
Federal Trust Fund	270-101-890F	BTH 108
Transportation, Department of		
Support:		
Aeronautics Account, St. Transportation Fund	266-001-041S	BTH 90
St. Highway Account, St. Transportation Fund	266-001-042S	BTH 90
California Environmental License Plate Fund	266-001-140S	BTH 91
Transportation Planning and Development Account. St. Transportation Fund	266-001-046S	BTH 90
Transportation Planning and Development, Transfer from Aeronautics Account	266-011-041S	BTH 90
Transporation Planning and Development, Transfer from State Highway Account	266-021-042S	BTH 90
Local Assistance		
Aeronautics Account, State Transportation Fund	266-101-041S	BTH 93
Highways Transportation Program, St. Highway Account, St. Transportation Fund	266-101-042S	BTH 93
St. Highway Account, St.		

Department	Dept/Ref/Fund	Governor's Budget Page
Transportation Fund	266-101-046S	BTH 94
Federal Trust Fund	266-101-890F	BTH 94
Transportation Commission	260-001-046S	BTH 59
Support:		
Transportation Planning and Development Account, St. Transportation Fund	264-001-046	BTH 61
Local Assistance:		
Transportation Planning and Development Account, St. Transportation Fund	264-101-046	BTH 61
Treasurer, State	095-001-001G	LJE 128
Unallocated Capital Outlay	986-301-001G	GG 207
Uniform State Laws Commission	081-001-001G	LJE 9
University of California		
Support		
General Fund	644-001-001G	E 102
Transportation Plan and Dev Account St. Transp Fund	644-001-046S	E 102
Calif Water Fund	644-001-144S	E 103
Capital Outlay Fund for Public Higher Education	644-001-146S	E 103
Energy Resources Fund	644-001-188S	E 103
Capital Outlay		
Capital Outlay Fund for Public Higher Education	644-301-146S	
Energy and Resources Fund	644-301-188S	E 115
Health Sciences Facilities Construction Program Fund	644-301-718S	E 115
Hospital Reserve Account	644-301-994S	E 115
Reappropriation	644-490	E 102
University & Colleges, California State		
Support		
General Fund	661-001-001G	E 146
Energy and Resources Fund	661-001-188S	E 146
Federal Trust Fund	661-001-890F	E 147
Capital Outlay		
Capital Outlay Fund for Higher Education	661-301-146S	E 168
Energy and Resources Fund	661-301-188S	E 168
Reappropriation	861-490	E 146
Reversion	661-495	E 146
Veterans Affairs, Department of		
Support:		
General Fund	196-001-001G	SCS 158
Vets Farm and Home Bldg Fund of 1943	196-001-592N	SCS 158

Department	Dept/Ref/Fund	Governor's Budget Page
Local Assistance:		
County Service Officers	196-101-001G	SCS 159
Veterinary Exam Cont. Ed	155-060-777S	SCS 74
Vocational Ed, Advisory Council on	632-001-001G	E 63
Voting Machines and Vote Tabulating Devices, Commission on	091-011-001G	LJE 125
Youth and Adult Correctional Agency, Secretary for	055-001-001G	LJE 29
Youth Authority, Department of the		
Support:		
General Fund	546-001-001G	YAC 49
Energy and Resources Fund	546-001-188S	YAC 49
Federal Trust Fund	546-001-890F	YAC 49
Local Assistance:		
General Fund	546-101-001G	YAC 49
Capital Outlay:		
Special Account for Capital Outlay	546-301-036S	YAC 56
Waste Management, Board Solid		
Support:		
General Fund	338-001-001G	R 35
State Solid Waste Management Fund	338-001-389S	R 36
Federal Trust Fund	338-001-890F	R 36
Water Resources, Department of		
Support:		
General Fund	386-001-001G	R 195
Energy and Resources Fund	386-001-188S	R 195
Federal Trust Fund	386-001-890F	R 195
Local Assistance:		
General Fund	386-101-001G	R 196
Capital Outlay:		
Special Account for Capital Outlay	386-301-036S	R 205
Energy and Resources Fund	386-301-188S	R 206
Water Resources Control Board, State		
Support:		
General Fund	394-001-001G	R 214
Federal Trust Fund	394-101-188S	R 214
Local Assistance:		
Energy and Resources Fund	394-101-188S	R 216
Wildlife Conservation Board	364-001-447S	R 99
Workers Compensation Benefits		
Support—(Subsequent Injury):		
General Fund	845-001-001G	GG 65
Local Assistance—(Disaster Service Workers):		
General Fund	846-101-001G	GG 65

CHAPTER 100

An act to amend Sections 2550, 2551, 2557, 2558, 8020, 8021, 8022, 8023, 14041, 33403, 41902, 42100, 42238, 42239, 42243.6, 42243.7, 42243.8, 44270, 44932, 44955, 46118, 48412, 56723, 62000, and 94331 of, to add Sections 2558.5, 2559, 37252, 42237.9, 42238.5, 42240, 42241, 42241.2, 44270.1, 44270.2, 52616, 54003.5, 62000.5, and 62005.5 to, to add Chapter 12 (commencing with Section 52800) to Part 28 of, to add Chapter 4 (commencing with Section 59300) to Part 32 of, to repeal and add Sections 41856, 42103, and 42127 to, and to repeal Sections 2552, 2552.5, 41857, 41859, 41865, 42237.5, and 44892 of, the Education Code, to amend Section 3543.2 of the Government Code, and to add Section 100.4 to the Revenue and Taxation Code, relating to schools, and making an appropriation therefor.

[Approved by Governor June 28, 1981. Filed with Secretary of State June 28, 1981.]

I am deleting the $17,844,067 appropriation and related language contained in subsection (c) of Section 36 of Assembly Bill No. 777. The 1981 Budget Act already contains a $17,844,067 appropriation for the same program costs.

With this reduction, I approve Assembly Bill 777.

EDMUND G. BROWN JR., Governor

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

SECTION 1. The Legislature hereby finds and declares that as a matter of policy the setting aside of categorical support for school districts is necessary to ensure the adequate funding for programs such as the provision of textbooks, pupil transportation, teacher retirement, special education for individuals with exceptional needs, and for educationally disadvantaged youths. The Legislature supports this policy of appropriating separately funds for special purposes because it provides funds for the intended purposes of the programs and because the substantial variation from district to district in terms of financial need for the programs cannot be accommodated adequately in general school support formulas. Although this act does not appropriate funds for inflation for categorical programs, it is the intent of the Legislature that, because categorical programs provide essential educational services, these programs should receive general inflation funds as provided in the Budget Act for other state programs.

SEC. 1.3. The Legislature further finds and declares that federal education laws should be revised to permit state and local educational agencies greater flexibility in meeting the requirements of those laws and to provide for more clearly delineated federal goals and objectives, including the assignment of primary responsibility for meeting those goals and objectives to the state and local level. Specifically, the Legislature seeks the following revisions:

(a) Amend the General Education Provisions Act to provide authority to the Secretary of Education to waive specific

programmatic requirements when state and local educational agencies show that the requirements inhibit them from effectively reaching federal goals and objectives.

(b) Amend the General Education Provisions Act concerning data and fiscal reporting requirements to recognize the unique circumstances of small districts.

(c) Amend Title I of the Elementary and Secondary Education Act to permit local educational agencies to operate schoolwide programs in schools where at least 75 percent of their students are educationally disadvantaged students. The amendment should also eliminate the current requirement that state or local educational agencies must provide special supplementary funds in schoolwide project schools for those students who are not educationally disadvantaged.

(d) Ensure that all federal education laws contain a provision which allows at least one school year for phase-in or phase-out of any major programmatic changes required by those laws.

(e) Amend Title I and Title VII of the Elementary and Secondary Education Act to permit school advisory committees to elect to have existing school site councils carry out the functions of the advisory committees.

SEC. 1.4. Notwithstanding any other provision of law to the contrary, for public school employee dismissal procedures which begin in the 1981–82 school year affecting employment in the 1982–83 school year, within one month of the effective date of this act, every public school employer shall meet and negotiate with exclusive representatives of employees, as provided by Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code, or, if there is no exclusive representative, shall meet and negotiate with any employee organization, as defined in subdivision (d) of Section 3540.1 of the Government Code, which represents employees of the public school employer, and may reach agreement on whether or not to postpone employee dismissal hearings until one week after the Budget Act for the 1982–83 fiscal year is chaptered.

If agreement is reached to postpone employee dismissal hearings pursuant to this section, the notice required by Section 44955 of the Education Code shall be given no later than two weeks after the Budget Act for the 1982–83 fiscal year is chaptered, and all other time requirements prescribed by that section shall be extended accordingly.

This section shall apply only during the year 1982, and shall have no effect in subsequent years.

SEC. 1.5. The State Board of Control shall not make any reimbursement for costs incurred by school districts pursuant to Chapter 961 of the Statutes of 1975 for court appeals of Public Employment Relations Board decisions where the Public Employment Relations Board is the prevailing party, court appeals of unfair labor practices where the school district is the appellant and

where the Public Employment Relations Board is the prevailing party, and costs of filing amicus curiae briefs. The State Board of Control shall amend its parameters and guidelines to prohibit reimbursement of the above costs and to limit reimbursement for expenses of consultants and experts to those amounts which would be permitted for state employees.

SEC. 1.7. Section 2550 of the Education Code is amended to read:

2550. The Superintendent of Public Instruction shall perform the computations prescribed in this section for each county superintendent of schools.

(a) The Superintendent of Public Instruction shall make the following computations to determine the revenue limits for special schools and classes operated by county superintendents of schools:

(1) For the 1979–80 fiscal year, the Superintendent of Public Instruction shall determine the 1978–79 revenue limits for the programs specified in subdivision (e) of Section 2500, as computed pursuant to Section 6 of Chapter 292 of the Statutes of 1978, as amended by Chapter 332 of the Statutes of 1978. The Superintendent of Public Instruction shall increase such revenue limits by a percentage equal to the inflation allowance calculated in Section 2557.

(2) For the 1979–80 fiscal year, the Superintendent of Public Instruction shall determine the allowances which county superintendents receive per unit of average daily attendance in programs operated pursuant to Section 1980 or 48633.

(3) The Superintendent of Public Instruction shall multiply the amounts calculated in paragraphs (1) and (2) by the estimated number of units of average daily attendance for such programs for the 1979–80 fiscal year.

(4) The total amount calculated in paragraph (3) may be used for any of the programs specified in this subdivision.

(b) The Superintendent of Public Instruction shall make the following computations to determine the amount to be allocated for vocational/technical schools and classes operated by county superintendents of schools:

(1) For the 1979–80 fiscal year, for programs operated pursuant to Section 52301, the Superintendent of Public Instruction shall determine the 1978–79 revenue limits specified in Section 52317, as computed pursuant to Section 6 of Chapter 292, Statutes of 1978, as amended by Chapter 332 of the Statutes of 1978. The Superintendent of Public Instruction shall increase such revenue limits by a percentage equal to the inflation allowance calculated in Section 2557. The Superintendent of Public Instruction shall then multiply this adjusted revenue limit by a factor of 0.95 and multiply the product by the estimated number of units of average daily attendance for such programs for the 1979–80 fiscal year. For purposes of this paragraph, such estimate shall include only average daily attendance earned by students concurrently enrolled in regular high school programs and by adults enrolled in adult programs

mandated pursuant to Section 41976.

(2) For the 1979–80 fiscal year, the Superintendent of Public Instruction shall determine the revenue limits per unit of average daily attendance for programs operated pursuant to Sections 1791 and 2520, as computed pursuant to Section 6 of Chapter 292 of the Statutes of 1978, as amended by Chapter 332 of the Statutes of 1978. The Superintendent of Public Instruction shall increase such revenue limits by a percentage equal to the inflation allowance calculated in Section 2557. The Superintendent of Public Instruction shall then multiply these adjusted revenue limits by the respective number of units of average daily attendance for such programs for the 1979–80 fiscal year.

(3) The total amount calculated in paragraphs (1) and (2) may be used for any of the programs specified in this subdivision.

(c) For the 1981–82 fiscal year and each fiscal year thereafter, the Superintendent of Public Instruction shall make the following computations to determine the amount to be allocated for direct services and other purposes provided by county superintendents of schools:

(1) For programs operated pursuant to subdivision (a) of Section 14054, the Superintendent of Public Instruction shall:

(A) Determine the allowances which county superintendents received per unit of average daily attendance in the prior fiscal year. The Superintendent of Public Instruction shall increase each amount by a percentage equal to the inflation allowance calculated for the current fiscal year pursuant to Section 2557.

(B) Multiply each amount determined in subparagraph (A) of this paragraph by the estimated number of units of average daily attendance in the current fiscal year for programs maintained by each county superintendent. For purposes of this subparagraph, the estimate shall include only elementary districts with less than 901 units of average daily attendance, high school districts with less than 301 units of average daily attendance, and unified school districts with less than 1,501 units of average daily attendance within each county superintendent's jurisdiction.

(C) The amount calculated pursuant to this paragraph shall be restricted for the purposes specified in subdivision (a) of Section 14054.

(2) For programs operated pursuant to subdivision (b) of Section ~~14054~~, the Superintendent of Public Instruction shall:

(A) Determine the allowances which county superintendents ~~r~~eceived per unit of average daily attendance in the prior fiscal year ~~f~~or programs for kindergarten and grades 1 to 12, inclusive. The Superintendent of Public Instruction shall increase each amount by a percentage equal to the inflation allowance calculated in Section 2557.

(B) Multiply each amount determined in subparagraph (A) of this paragraph by the estimated units of average daily attendance in the current fiscal year for programs for kindergarten and grades 1 to

12, inclusive, maintained by each county superintendent. For the purposes of this subparagraph, the estimate shall include only the total units of average daily attendance credited to all elementary, high school, and unified school districts within each county superintendent's jurisdiction and to the county superintendent.

(C) The amount calculated pursuant to this paragraph shall be restricted for the purposes specified in subdivision (b) of Section 14054.

SEC. 1.75. Section 2551 of the Education Code is amended to read:

2551. The Superintendent of Public Instruction shall perform the computations prescribed in this section to determine each county superintendent's revenue limit for county superintendent responsibilities and district services:

(a) For the 1981–82 fiscal year, the superintendent shall add to the revenue limit amount computed pursuant to subdivision (a) of Section 2551 for the 1980–81 fiscal year, the revenue limit amount computed pursuant to Section 2552 for the 1980–81 fiscal year reduced by 55.9 percent. This adjusted revenue limit shall then be increased by the inflation allowance calculated in subdivision (b) of Section 2557.

(b) For the 1981–82 fiscal year and for each fiscal year thereafter, the Superintendent of Public Instruction shall increase the amount calculated in subdivision (a) by the amounts computed according to Sections 2507.5 and 2510.

(c) The total amounts for each program calculated pursuant to subdivision (a) may be used for any of the services or programs specified in this section, or Section 2552 as it read prior to the enactment of this act.

SEC. 1.8. Section 2552 of the Education Code is repealed.

SEC. 1.81. Section 2552.5 of the Education Code is repealed.

SEC. 1.83. Section 2557 of the Education Code is amended to read:

2557. (a) For the 1979–80 fiscal year, the inflation allowance shall be the same as the percentage increase applied to the revenue limits of school districts for the 1979–80 fiscal year pursuant to paragraph (1) of subdivision (b) of Section 42237.

(b) For the 1980–81 fiscal year and each fiscal year thereafter, the prior year revenue limits per average daily attendance, class, or instructional hour, determined in Section 2550, and the prior year total revenue limits determined in Sections 2551 and 2552, except those specified in paragraph (5) of subdivision (a) of Section 2550, shall be increased by a percentage equal to the percentage increase applied to the statewide average revenue limit for unified school districts for the then current fiscal year, except for the 1981–82 fiscal year, the increase shall not exceed 7.2 percent. The resulting amounts shall then be multiplied by the estimated number of classes, units of average daily attendance, instructional hour, or pupils receiving special education services, as appropriate for the then

current fiscal year.

SEC. 1.85. Section 2558 of the Education Code is amended to read:

2558. Notwithstanding any other provision of law, for the 1979–80 fiscal year and each fiscal year thereafter, the Superintendent of Public Instruction shall apportion state aid to county superintendents of schools pursuant to the provisions of this section.

(a) The Superintendent of Public Instruction shall total the amounts computed for the fiscal year pursuant to Sections 2550, 2551, 2551.3, 2552, 2554, 2555, and 2557. For the 1979–80 fiscal year only, the amount in this subdivision shall be multiplied by a factor of 0.994. For the 1981–82 fiscal year and each fiscal year thereafter, the amount in this subdivision shall be multiplied by a factor of 0.97.

(b) The Superintendent of Public Instruction shall subtract from the amount determined in subdivision (a) the sum of: (1) local property tax revenues received pursuant to Section 2573 in the then current fiscal year, and tax revenues received pursuant to Section 2556 in the then current fiscal year, (2) state and federal categorical aid for the fiscal year, (3) district contributions pursuant to Section 52321 for the fiscal year, and other applicable local contributions and revenues, and (4) any amounts that the county superintendent of schools was required to maintain as restricted and not available for expenditure in the 1978–79 fiscal year as specified in the second paragraph of subdivision (c) of Section 6 of Chapter 292, Statutes of 1978, as amended by Chapter 51, Statutes of 1979.

(c) The remainder computed in subdivision (b) shall be distributed in the same manner as state aid to school districts from funds appropriated to Section A of the State School Fund.

(d) If the remainder determined pursuant to subdivision (b) is a negative amount, no state aid shall be distributed to that county superintendent of schools pursuant to subdivision (c), and an amount of funds of that county superintendent equal to such negative amount shall be deemed restricted and not available for expenditure during the current fiscal year. In the next fiscal year, such amount shall be considered local property tax revenue for purposes of the operation of paragraph (1) of subdivision (b) of this section.

SEC. 1.86. Section 2558.5 is added to the Education Code, to read:

2558.5. Except as provided in Section 2559, for the 1981–82 fiscal year and each fiscal year thereafter, revenues received pursuant to Section 2558, and any ending balances from the prior fiscal year from state or local revenues, may be used by the county superintendent for any of the programs operated by the county office.

SEC. 1.87. Section 2559 is added to the Education Code, to read:

2559. (a) The amount, if any, restricted pursuant to subdivision (d) of Section 2558 during the 1981–82 fiscal year plus any carryover balance from the preceding fiscal years shall be allocated by the county superintendent of schools to school districts within the county as follows:

(1) Determine the amount of funds so restricted.

(2) Determine the number of units of average daily attendance in school districts within the county for the 1981–82 fiscal year.

(3) Divide the amount determined in paragraph (1) by the amount determined in paragraph (2).

(4) For each district in the county, the allocation shall equal the product of the amount determined in paragraph (3) and the number of units of average daily attendance in the district.

(5) The amount determined in paragraph (4) shall be deemed to be property tax revenue pursuant to paragraph (1) of subdivision (*l*) of Section 42238.

(b) In the event that the computation pursuant to subdivision (a) produces an amount which would result in a school district receiving less than the amount specified in Section 6 of Article IX of the California Constitution, the allocation pursuant to subdivision (a) shall be reduced accordingly.

(c) Any funds available pursuant to subdivision (b) shall be allocated to the county.

SEC. 1.873. Section 8020 of the Education Code is amended to read:

8020. There shall be created within the state, regional adult and vocational educat- n councils, which shall have boundaries as may be determined by local school districts, and approved by the Superintendent of Public Instruction and the Chancellor of the California Community Colleges. Regional boundaries shall be coterminous with the boundaries of community college districts, and a region may consist of one or more adjacent community college districts. The superintendent and chancellor shall jointly publish guidelines for application by school districts and community college districts for the formation of regional adult and vocational councils.

SEC. 1.874. Section 8021 of the Education Code is amended to read:

8021. Any community college district, high school district, unified school district, or county office of education may be a participant in a regional adult and vocational education council.

SEC. 1.875. Section 8022 of the Education Code is amended to read:

8022. Notwithstanding any other provision of law, adult continuing education coordinating councils with an average daily attendance of over 700,000 or having boundaries which are coterminous with those of a city and county, may participate in regional adult and vocational education councils and all agreements, as to members, meetings, delineation of function, shall continue in force; and such councils shall comply with all other provisions of this article.

SEC. 1.876. Section 8023 of the Education Code is amended to read:

8023. The Superintendent of Public Instruction and Chancellor of the California Community Colleges shall prescribe and publish

regulations for regional adult and vocational education councils. Such regulations shall include procedures for nominating persons for election to membership on a regional adult and vocational council.

SEC. 1.877. Section 14041 of the Education Code is amended to read:

14041. (a) The Controller shall draw warrants on the State Treasury in favor of the county treasurer of each county in each month of each year in the amounts and manner as herein prescribed so as to provide in each warrant a portion of the total amount certified by the Superintendent of Public Instruction or Chancellor of the California Community Colleges as apportioned under the provisions of Sections 41330 to 41343 and 84320 to 84332, inclusive, and Chapter 4 (commencing with Section 41600) and Chapter 5 (commencing with Section 41700) and Article 2 (commencing with Section 42237) of Chapter 7 of Part 24 of Division 3 of Title 2, inclusive, during the fiscal year from the State School Fund to the school districts under the jurisdiction of the county superintendent of schools of the county, to the county school service fund, and to the county school tuition fund of the county.

(1) Warrants for amounts allowed to the county school service funds under subdivisions (a) and (b) of Section 14054 shall be for amounts equal to 6 percent in July, 12 percent in August, 10 percent in September, and 8 percent in each remaining month of the fiscal year of the amounts certified by the Superintendent of Public Instruction or Chancellor of the California Community Colleges as a part of the advance apportionment.

(2) Warrants for amounts apportioned to school districts and county school service funds for classes maintained by county superintendents of schools and to the county school tuition funds shall be for amounts equal to 6 percent in July, 12 percent in August, and 8 percent in September, October, November, December, and January, of the amounts certified by the Superintendent of Public Instruction or Chancellor of the California Community Colleges as a part of the advance apportionment.

(3) Warrants in the months of February to May, inclusive, shall be for amounts equal to one-sixth of the difference between the amounts certified by the Superintendent of Public Instruction or Chancellor of the California Community Colleges for school districts, community college districts, and county school service funds for classes maintained by county superintendents of schools and county school tuition funds as the first principal apportionment and the amounts required by paragraph (2). An additional one-sixth of such difference shall be included in the warrants for the month of February.

(4) Warrants for the month of June shall be for amounts equal to the difference between the amounts certified by the Superintendent of Public Instruction or Chancellor of the California Community Colleges for school districts, community college districts, and county school service funds for classes maintained by county

superintendents of schools and county school tuition funds as the second principal apportionment and the amounts required by paragraphs (2) and (3).

(5) Warrants in the months of September to November, inclusive, shall include one-tenth of the estimated total amounts of the special purpose apportionment, as determined by the Superintendent of Public Instruction or Chancellor of the California Community Colleges. Warrants in December shall include one-tenth of the amounts certified by the Superintendent of Public Instruction or Chancellor of the California Community Colleges as the special purpose apportionment, as adjusted, if necessary, to correct excesses or deficiencies in the estimates made for purposes of the warrants in the months of September to November, inclusive. An additional one-tenth of the amounts of the special purpose apportionment shall be included in the warrants for the months from January to June, inclusive.

(6) Warrants in June shall include the total amounts certified by the Superintendent of Public Instruction or Chancellor of the California Community Colleges as the final apportionment.

(7) Notwithstanding any provision of paragraph (2) to the contrary, for school districts which reported less than 5,000 units of average daily attendance in the 1979–80 fiscal year and which received 39 percent or more of their total revenue limits from local property taxes in that fiscal year, warrants for amounts apportioned to the districts shall be for amounts equal to 15 percent in July, August, September, and October; 0 percent in November and December; 6 percent in January, February, March, April, and May; and 10 percent in June of the amounts certified by the Superintendent of Public Instruction as a part of the advance apportionment.

(b) The drawing of the warrants required to be drawn during any one of the months mentioned may be postponed by the Controller for not to exceed 30 days, but the total amounts due the several counties during any fiscal year shall be paid within the fiscal year. The warrants shall be paid by the State Treasurer from the State School Fund and are not subject to the provisions of Government Code Section 925.6.

SEC. 1.9. Section 33403 of the Education Code is amended to read:

33403. The State Department of Education shall perform evaluations of educational programs in accordance with the following:

(a) An individual program evaluation contains information describing the objectives and components of the program, the number of pupils involved, the program's cost and its effectiveness.

The department shall prepare or have prepared individual program evaluations for the following programs in accordance with the schedule specified:

Vocational education programs, pursuant to Chapter 1

(commencing with Section 8000) of Part 6, annually.

(b) A descriptive report of an individual educational program describes the objectives and components of the subject program, the number of pupils involved, and general information regarding the program's cost and the extent of the program's implementation.

The department shall prepare or have prepared descriptive reports for all of the following programs in accordance with the schedule specified:

(1) Child development programs, pursuant to Chapter 2 (commencing with Section 8200) of Part 6, annually.

(2) Bilingual education programs, pursuant to Article 1 (commencing with Section 52100) of Chapter 7 of Part 28, annually.

(3) Private schools for the handicapped, pursuant to Article 3 (commencing with Section 56030) of Chapter 1 of Part 30 biennially commencing in the 1979–80 academic year.

(c) A multiple-funded program evaluation, consisting of a comprehensive evaluation of the impact on a local school site of educational programs which are financed by multiple state or federal sources.

The State Department of Education shall report to the Legislature on all of the following programs:

(1) School improvement programs, pursuant to Chapter 6 (commencing with Section 52000) of Part 28.

(2) Educationally disadvantaged youth programs, pursuant to Chapter 1 (commencing with Section 54000) of Part 29.

(3) Compensatory education, pursuant to Article 2 (commencing with Section 54420) of Chapter 4 of Part 29.

(4) Bilingual education programs, pursuant to Article 1 (commencing with Section 52100) of Chapter 7 of Part 28.

(5) Miller-Unruh reading programs, pursuant to Article 3 (commencing with Section 60640) of Chapter 5 of Part 33.

The report shall contain information obtained, when possible, by scientific sampling regarding pupil growth in the subject program, information regarding the expected achievement of comparable groups of pupils who do not receive specialized educational services, information regarding program costs, and inferential judgments regarding the effectiveness of the programs. An objective of such evaluation shall be to illustrate the relative effectiveness of different program elements regardless of source of funding. The evaluation shall identify those programs which are judged to be least effective.

For each of the funding sources identified in the multiple-funded evaluation report, the evaluation shall include a separate chapter which will present data from schools funded solely by that source. Each of these chapters will provide, to the extent possible, information regarding pupil growth, the expected achievement of comparable groups of pupils, information regarding program costs, and inferential judgments regarding the quality of programs funded by that source.

SEC. 1.95. Section 37252 is added to the Education Code, to read:

37252. (a) The governing board of each district maintaining a junior or senior high school shall offer summer school instructional programs for pupils enrolled in grades 7 to 12, inclusive, who were assessed as not meeting the district's adopted standards of proficiency in basic skills pursuant to Article 2.5 (commencing with Section 51215) of Chapter 2 of Part 28.

(b) The summer school programs shall also be offered to pupils who were enrolled in grade 12 during the prior school year after the completion of grade 12, and upon the successful completion of the summer program, these pupils may be reassessed for puposes of meeting the district's standards of proficiency.

SEC. 2. Section 41856 of the Education Code is repealed.

SEC. 3. Section 41856 is added to the Education Code, to read:

41856. For the 1981-82 fiscal year, from Section A of the State School Fund the Superintendent of Public Instruction shall apportion to each school district which incurred approved home-to-school transportation costs in the previous fiscal year an amount computed by determining the approved home-to-school transportation costs of school districts for the 1979–80 fiscal year and increase the amount by 6 percent. Districts not submitting a 1979–80 fiscal year State Department of Education transportation cost report for approval may do so and the superintendent shall determine the approved costs in the same manner as for those districts having submitted a report.

No district shall receive an apportionment in the 1981–82 fiscal year pursuant to this section if the district does not have a reduction in its revenue limit pursuant to subdivision (e) of Section 42241.

SEC. 4. Section 41857 of the Education Code is repealed.

SEC. 5. Section 41859 of the Education Code is repealed.

SEC. 6. Section 41865 of the Education Code is repealed.

SEC. 6.3. Section 41902 of the Education Code is amended to read:

41902. Allowances by the Superintendent of Public Instruction shall be made only for driver training classes maintained in accordance with the rules and regulations as set forth by the State Board of Education.

Driver training may be made available without tuition to eligible students. The governing board of a district maintaining a high school or high schools, the county superintendent of schools, the California Youth Authority, and the State Department of Education may make driver training available during school hours, or at other times, or any combination thereof.

SEC. 6.5. Section 42100 of the Education Code is amended to read:

42100. On or before the 15th day of September of each year the governing board of each school district shall prepare and keep on file for public inspection a statement of all receipts and expenditures of the district for the preceding fiscal year and a statement of the estimated total expenses for the district for the current fiscal year.

SEC. 6.6. Section 42103 of the Education Code is repealed.

SEC. 6.7. Section 42103 is added to the Education Code, to read:

42103. The governing board of each school district shall hold a public hearing on the proposed budget for the ensuing fiscal year in a school house of the district, or some other place conveniently accessible to the residents of the district, any day during the first week in September, at which any resident in the district may appear and object to the proposed budget or any item in the budget.

The hearing may be concluded on the proposed budget when there are no requests for further hearing on file. The budget shall not be finally adopted by the governing board of the district until after the public hearing has been held.

The proposed budget, showing program expenditures, cash balances, and all the appropriations from the state as required to be tabulated in Sections 42122 and 42123 for the ensuing and last preceding fiscal year, any district tax requirement computed pursuant to subdivision (c) of Section 42127 for the school year to which the proposed budget is intended to apply, and any recommendations made by the county superintendent pursuant to subdivision (b) of Section 42127 shall be made available by the district for public inspection in a school house of the district or in some other place conveniently accessible to residents of the district, during the last week in August.

Notification of dates and location or locations at which the proposed budget may be inspected by the public and the date, time and location of the public hearing on the proposed budget shall be published by the county superintendent of schools in a newspaper of general circulation in the district, or if there is no such newspaper, then in any newspaper of general circulation in the county, at least three days prior to the last week in August. The cost of the publication shall be a legal and proper charge against the school district for which the publication is made.

SEC. 6.8. Section 42127 of the Education Code is repealed.

SEC. 6.9. Section 42127 is added to the Education Code, to read:

42127. (a) On or before the first day in July in each year, each school district shall file a tentative budget with the county superintendent of schools.

(1) The budget shall indicate the date, time, and location at which the governing board of the district will hold the public hearing required pursuant to Section 42103.

(2) If the governing board of the district does not want all or a portion of the property tax requirement levied for the purpose of making payments for the interest and principal on outstanding general obligation bonds or other indebtedness approved by the voters prior to July 1, 1978, the budget shall include a statement of the amount or portion for which a levy shall not be made.

(3) For the 1981–82 fiscal year only, the information specified in paragraphs (1) and (2) may be filed separately, but no later than August 1, 1981.

(b) On or before August 1, in each year, the county superintendent of schools:

(1) Shall examine and make technical corrections to the tentative budget and indicate changes he deems desirable or necessary to determine any tax requirement.

(2) Shall make any recommendations he deems necessary to ensure that the proposed expenditures do not exceed the anticipated revenues and that the anticipated revenues are realistic, and shall transmit to the governing board a written explanation of the reasons for such changes.

(3) May make written recommendations as to anticipated revenues at any time prior to final adoption of the budget by the governing board of the district.

(4) May accept changes in the date, time, or location of the public hearing pursuant to Section 42103 and changes in the statement required by paragraph (2) of subdivision (a) of the amount or portion for which a property tax levy shall not be made.

(c) The county superintendent or the county auditor shall compute the actual amounts to be levied on the property tax rolls of the district for purposes which exceed apportionments to the district pursuant to Sections 95 to 100, inclusive, of the Revenue and Taxation Code. Each school district shall provide all data needed by the county superintendent or the county auditor to compute the amounts. On or before August 15, the county superintendent shall transmit the amounts so computed to the county auditor who shall compute the tax rates necessary to produce the amounts. On or before September 1 the county auditor shall submit the rate so computed to the board of supervisors for adoption.

(d) On or before the seventh day of September the governing board of each school district shall adopt a final budget including any tax requirements computed pursuant to subdivision (c) as adjusted by paragraph (2) of subdivision (a) of Section 42127 and shall file such budget with the county superintendent of schools.

(e) On or before the 15th day of September, the county superintendent shall approve the adopted budget for each school district as officially adopted and submitted by its governing board, and shall file one copy of the adopted budget of each school district with the board of supervisors, one copy with the auditor of his county, and one copy with the Superintendent of Public Instruction.

SEC. 7. Section 42237.5 of the Education Code is repealed.

SEC. 7.5. Section 42237.9 is added to the Education Code, to read:

42237.9. For the 1980–81 fiscal year, the county superintendent of schools shall, for the purpose of computing district revenue limits pursuant to Section 42238, recompute the revenue limit for each district within the county for the 1979–80 fiscal year, computed pursuant to paragraph (2) of subdivision (b) of Section 42237, as follows:

(a) Multiply the amount of property taxes levied for the 1977–78 fiscal year pursuant to Section 8329 by the district's reduction factor

computed pursuant to Section 2 of Chapter 292 of the Statutes of 1978 as recalculated pursuant to paragraph (1) of subdivision (a) of Section 42237.

(b) Subtract from the amount computed pursuant to subdivision (a) the amount of funds expended in the 1978–79 fiscal year for purposes of child development from funds provided pursuant to Chapter 292 of the Statutes of 1978, as amended by Chapter 332 of the Statutes of 1978.

(c) Divide the difference computed pursuant to subdivision (b) by the 1979–80 second principal apportionment units of average daily attendance in the regular school year, excluding average daily attendance in summer school, regional occupation centers and programs, and in adult education programs and classes. The resulting quotient shall be subtracted from each district's revenue limit per unit of average daily attendance for the 1979–80 fiscal year computed pursuant to paragraph (2) of subdivision (b) of Section 42337.

SEC. 8. Section 42238 of the Education Code is amended to read:

42238. (a) For the 1980–81 fiscal year and each fiscal year thereafter the county superintendent of schools shall determine a revenue limit for each school district in the county pursuant to this section, excluding any funds resulting from an adjustment pursuant to Section 42950, as it read prior to its amendment by Chapter 238 of the Statutes of 1979.

(b) For the 1980–81 fiscal year, each district with a revenue limit per unit of average daily attendance computed for the 1979–80 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42237, shall receive the maximum inflation adjustment if that revenue limit is less than the following amounts:

(1) Elementary districts with less than 101 units of average daily attendance, one thousand seven hundred dollars ($1,700).

(2) Elementary districts with more than 100 units of average daily attendance, one thousand three hundred fifty dollars ($1,350).

(3) High school districts with less than 301 units of average daily attendance, one thousand nine hundred dollars ($1,900).

(4) High school districts with more than 300 units of average daily attendance, one thousand seven hundred dollars ($1,700).

(5) Unified districts with less than 1,501 units of average daily attendance, one thousand five hundred twenty-five dollars ($1,525).

(6) Unified districts with more than 1,500 units of average daily attendance, one thousand five hundred dollars ($1,500).

(c) For the 1980–81 fiscal year, each district with a revenue limit per unit of average daily attendance computed for the 1979–80 fiscal year pursuant to paragraph (2) of subdivision (b) of Section 42237 shall receive the minimum inflation adjustment if that revenue limit is more than the following amounts:

(1) Elementary districts with less than 101 units of average daily attendance, two thousand two hundred dollars ($2,200).

(2) Elementary districts with more than 100 units of average daily attendance, one thousand eight hundred fifty dollars ($1,850).

(3) High school districts with less than 301 units of average daily attendance, two thousand four hundred dollars ($2,400).

(4) High school districts with more than 300 units of average daily attendance, two thousand two hundred dollars ($2,200).

(5) Unified districts with less than 1,501 units of average daily attendance, two thousand twenty-five dollars ($2,025).

(6) Unified districts with more than 1,500 units of average daily attendance, two thousand dollars ($2,000).

(d) For the 1981–82 fiscal year, each district with a revenue limit per unit of average daily attendance computed for the 1980–81 fiscal year pursuant to this section shall receive the maximum inflation adjustment if that revenue limit is less than the following amounts:

(1) Elementary districts with less than 101 units of average daily attendance, one thousand nine hundred seventy-nine dollars ($1,979).

(2) Elementary districts with more than 100 units of average daily attendance, one thousand five hundred seventy-three dollars ($1,573).

(3) High school districts with less than 301 units of average daily attendance, two thousand two hundred nineteen dollars ($2,219).

(4) High school districts with more than 300 units of average daily attendance, one thousand nine hundred seventy-six dollars ($1,976).

(5) Unified districts with less than 1,501 units of average daily attendance, one thousand eight hundred twenty-two dollars ($1,822).

(6) Unified districts with more than 1,500 units of average daily attendance, one thousand seven hundred twenty-four dollars ($1,724).

For computation of revenue limits for the 1982–83 fiscal year and each fiscal year thereafter, the amounts specified in paragraphs (1) through (6) shall be cumulatively increased by the amount of the maximum inflation adjustment for the preceding fiscal year.

(e) For the 1981–82 fiscal year, each district with a revenue limit per unit of average daily attendance computed for the 1980–81 fiscal year pursuant to this section shall receive the minimum inflation adjustment if that revenue limit is more than the following amounts:

(1) Elementary districts with less than 101 units of average daily attendance, two thousand three hundred fourteen dollars ($2,314).

(2) Elementary districts with more than 100 units of average daily attendance, one thousand nine hundred eight dollars ($1,908).

(3) High school districts with less than 301 units of average daily attendance, two thousand five hundred fifty-four dollars ($2,554).

(4) High school districts with more than 300 units of average daily attendance, two thousand three hundred eleven dollars ($2,311).

(5) Unified districts with less than 1,501 units of average daily attendance, two thousand one hundred fifty-seven dollars ($2,157).

(6) Unified districts with more than 1,500 units of average daily attendance, two thousand fifty-nine dollars ($2,059).

For the computation of revenue limits for the 1982–83 fiscal year

and each fiscal year thereafter, the amounts specified in paragraphs (1) through (6) shall be cumulatively increased by the amount of the difference between the maximum inflation adjustment prescribed in this section for the preceding fiscal year and one hundred dollars ($100).

(f) The maximum inflation adjustment shall be one hundred fifty dollars ($150) plus the amount provided by category (a) of Item 352.2 of the Budget Act of 1980 for the 1980–81 fiscal year; one hundred thirty-eight dollars ($138) for the 1981–82 fiscal year; one hundred thirty dollars ($130) for the 1982–83 fiscal year; and, one hundred thirty-eight dollars ($138) for the 1983–84 fiscal year and each fiscal year thereafter. The minimum inflation adjustment in each fiscal year shall be the amount of the maximum inflation adjustment reduced by sixty-five dollars ($65).

(g) Utilizing the district revenue limit per unit of average daily attendance for the preceding fiscal year computed pursuant to paragraph (2) of subdivision (b) of Section 42237 or this section, as the case may be, the county superintendent of schools shall compute an inflation adjustment for the 1980–81 fiscal year as follows:

(1) For districts with a revenue limit per unit of average daily attendance in the preceding fiscal year which was less than the amount specified in subdivision (b) excluding any adjustment pursuant to paragraph (3) of subdivision (b) of Section 42237, the maximum inflation allowance plus an additional amount not to exceed twenty-five dollars ($25) if the district will qualify for the maximum inflation adjustment in the next succeeding fiscal year.

(2) For districts with a revenue limit per unit of average daily attendance in the preceding fiscal year which was greater than the amount specified in subdivision (b), but less than the amount specified in subdivision (c), determine the difference between the prior year amount specified in subdivision (c) and the district's prior year revenue limit per unit of average daily attendance. Multiply that difference by 65 and divide that product by the difference between the prior year amounts specified in subdivisions (b) and (c). This result added to the minimum inflation adjustment specified in subdivision (f) shall be the inflation adjustment.

(3) For districts with a revenue limit per unit of average daily attendance in the preceding fiscal year which was equal to or greater than the amount specified in subdivision (c) the inflation adjustment shall be the minimum inflation adjustment specified in subdivision (f).

(4) The amount computed pursuant to this subdivision shall be added to the revenue limit per unit of average daily attendance computed pursuant to paragraph (2) of subdivision (b) of Section 42237, excluding any funds resulting from an adjustment pursuant to Section 42950 as it read prior to amendment by Chapter 238 of the Statutes of 1979. This amount shall be known as the school district revenue limit per unit of average daily attendance for the 1980–81 fiscal year.

(h) For the 1981–82 fiscal year and each fiscal year thereafter, utilizing the district revenue limit per unit of average daily attendance for the preceding fiscal year computed pursuant to this section, the county superintendent of schools shall compute an inflation adjustment as follows:

(1) For districts with a revenue limit per unit of average daily attendance in the preceding fiscal year which was less than the amounts specified in subdivision (e), determine the difference between the prior fiscal year amount specified in subdivision (e) and the district's prior fiscal year revenue limit per unit of average daily attendance. Multiply that difference by 65 and divide that product by the difference between the prior fiscal year amounts specified in subdivisions (d) and (e) for those types of districts. This result added to the minimum inflation adjustment specified in subdivision (f) shall be the inflation adjustment.

(2) For districts with a revenue limit per unit of average daily attendance in the preceding fiscal year which was less than the amounts specified in subdivision (d), the maximum inflation allowance shall not exceed 15 percent of the district's preceding fiscal year revenue limit per average daily attendance.

(3) For districts with a revenue limit per unit of average daily attendance in the preceding fiscal year which was equal to or greater than the amounts specified in subdivision (e), the inflation adjustment shall be the minimum inflation adjustment specified in subdivision (f).

(4) The amount computed pursuant to this subdivision shall be added to the revenue limit per unit of average daily attendance computed pursuant to this section. This amount shall be known as the school district revenue limit per unit of average daily attendance for the fiscal year for which it was computed.

(i) The county superintendent of schools shall determine the district's total revenue limit for the current year by adding the amount obtained by multiplying the revenue limit determined pursuant to subdivision (g) or (h) by the sum of the following:

(1) The second principal apportionment regular average daily attendance for the current fiscal year.

(2) The product of 0.6 times the sum of the summer average daily attendance for graduating high school seniors and pupils participating in summer school programs in grades 7 to 12, inclusive, who do not meet the district's adopted proficiency standards.

(3) For regional occupational centers and regional occupational programs and adult education programs and classes the fiscal year units of average daily attendance shall be used.

(j) The county superintendent of schools shall determine a minimum revenue limit guarantee as follows:

(1) Add the amount calculated for the district pursuant to Section 42239 in the prior fiscal year to the district's total revenue limit for the prior fiscal year determined pursuant to subdivision (i), as adjusted pursuant to Section 42241 and exclusive of adjustments

made pursuant to Section 42245. For the purposes of this subdivision only, the amount determined pursuant to subdivision (i) for the prior fiscal year shall be reduced proportionately for any loss of average daily attendance due to district reorganization, transfers of responsibility for maintaining a junior high program for 7th and 8th grade pupils, or changes in state laws regarding attendance reporting.

(2) For districts which received total revenue limits calculated pursuant to subdivision (h) of this section as it read in the 1980–81 fiscal year, add to the sum determined in paragraph (1), for the 1981–82 fiscal year, the difference between the amounts calculated pursuant to subdivisions (g) and (h) of this section as they read in the 1980–81 fiscal year, reduced by any adjustment greater than zero made pursuant to Section 42245 in the 1978–79 fiscal year, and for any district which terminated its adult education program in the 1980–81 fiscal year, subtract the amount determined pursuant to paragraph (4) of subdivision (c) of Section 42237 for the 1979–80 fiscal year. In no event shall the result for this paragraph be less than zero.

For the 1982–83 fiscal year and each fiscal year thereafter, add to the sum determined in paragraph (1) any amount received pursuant to this subdivision for the prior fiscal year.

(k) In no event for the 1981–82 and 1982–83 fiscal year, other than reductions made pursuant to Section 41971 or Section 42245, shall the sum of the district's total revenue limit determined pursuant to subdivision (i) and the amount calculated pursuant to Section 42239 be less than the following:

(1) For a district which had a revenue limit per unit of average daily attendance in the prior fiscal year computed pursuant to either subdivision (g) or (h), adjusted pursuant to Section 42241, which was less than three thousand dollars ($3,000), 1.02 times the sum of the amounts determined in paragraphs (1) and (2) of subdivision (j).

(2) For a district which had a revenue limit per unit of average daily attendance in the prior fiscal year computed pursuant to either subdivision (g) or (h), adjusted pursuant to Section 42241, which was greater than or equal to three thousand dollars ($3,000), the sum of the amounts determined in paragraphs (1) and (2) of subdivision (j).

(*l*) The Superintendent of Public Instruction shall apportion to each school district in the 1980–81 fiscal year and in each fiscal year thereafter, the amount determined in this section less the sum of:

(1) The district's property tax revenue received pursuant to Chapter 6 (commencing with Section 95) of Part 0.5 of the Revenue and Taxation Code.

(2) The amount, if any, received pursuant to Part 18.5 (commencing with Section 38101) of the Revenue and Taxation Code.

(3) The amount, if any, received pursuant to Chapter 3 (commencing with Section 16140) of the Government Code.

(4) Prior year taxes and taxes on the unsecured roll.

(5) Fifty percent of the amount received pursuant to Section

41603.

(6) The amount of motor vehicle license fees distributed pursuant to Section 11003.4 of the Revenue and Taxation Code.

SEC. 8.5. Section 42238.5 is added to the Education Code, to read:

42238.5. In determining the district's total revenue limit pursuant to Section 42238, the county superintendent of schools shall also include in the summer school computation prescribed by paragraph (2) of subdivision (i) of Section 42238 the summer average daily attendance for pupils attending summer school instructional programs pursuant to subdivision (b) of Section 37252.

SEC. 8.7. Section 42239 of the Education Code is amended to read:

42239. A district may add in Section 42237 or 42238 for purposes of increasing the district's revenue limit for the budget year a portion of its loss in average daily attendance when it is anticipated that the estimated second principal apportionment units of average daily attendance, excluding defined adults and summer school average daily attendance, will be less than those of the preceding year. Loss of average daily attendance due to district reorganization shall not be considered in this calculation. The number of units of average daily attendance to be added is determined as follows:

(a) When the reduction in average daily attendance is 1 percent or more of the preceding year average daily attendance, the district is entitled to two adjustments determined as follows:

(1) The estimated average daily attendance of the budget year may be increased by 75 percent of the reduction.

(2) The estimated average daily attendance of the next succeeding budget year may be increased by 50 percent of the reduction, provided that the district shall not be entitled to the 50 percent adjustment if the district's average daily attendance increases in the budget year in which it would otherwise be entitled to receive the adjustment.

(b) Except as provided in subdivision (f), when the reduction in average daily attendance is less than 1 percent of the preceding year average daily attendance no adjustment is allowed on account of that reduction, nor does it have any bearing on adjustments made pursuant to paragraph (2) of subdivision (a).

(c) The amount calculated in subdivision (a) times the revenue limit per unit of average daily attendance shall be considered an addition to the district revenue limit.

(d) For the purposes of this section, the amount which may be added to the district's revenue limit on account of the adjustments authorized pursuant to subdivision (a) is the revenue limit per unit of average daily attendance computed pursuant to Section 42237 or 42238.

(e) This amount of adjustment in estimated units of average daily attendance shall be allowed without requiring a reduction in the revenue limit in the subsequent year which otherwise would be required pursuant to Section 42245, except that to the extent that

actual data differs from the estimated unit of average daily attendance used in this section, Section 42245 shall be applicable.

(f) A district shall not be entitled to the adjustments pursuant to this section if the number of full-time equivalent employees in the district funded out of state and local general revenues is increased after the district is qualified to use this adjustment. The Superintendent of Public Instruction may waive this restriction if he or she finds that the increase is required as a result of state, federal, or court mandates, or that the district could not maintain an adequate educational service level for its pupils without the increase. Increases in teaching staff due to negotiated decreases in average pupil-teacher ratios shall not be eligible for waivers under this section.

SEC. 9. Section 42240 is added to the Education Code, to read:

42240. From Section A of the State School Fund, the Superintendent of Public Instruction shall apportion funds to school districts pursuant to this section in an amount not to exceed seventeen million five hundred eighteen thousand dollars ($17,518,000) in the 1981–82 fiscal year and each fiscal year thereafter.

The revenue limit of each school district with less than 2,501 units of average daily attendance for the second principal apportionment in the 1978–79 fiscal year and approved home-to-school transportation costs in excess of 3 percent of its general fund total expense of education in the 1977–78 fiscal year shall be increased in the 1981–82 fiscal year and each fiscal year thereafter by an amount not to exceed the difference between its approved home-to-school transportation costs in the 1977–78 fiscal year and 3 percent of the district general fund total expense of education in the 1977–78 fiscal year or the difference between its approved home-to-school transportation costs in the 1978–79 fiscal year and 3 percent of the district general fund total expense of education in the 1978–79 fiscal year, whichever is greater.

In the event that apportionments resulting from the revenue limit increase prescribed by this section exceed seventeen million five hundred eighteen thousand dollars ($17,518,000) in the 1981–82 fiscal year and each fiscal year thereafter, the Superintendent of Public Instruction shall adjust on a pro rata basis such apportionments so that the total amount in each fiscal year does not exceed that amount.

The amounts computed pursuant to this section shall be added to the revenue limits computed for school districts pursuant to Section 42238 for the 1981–82 fiscal year and each fiscal year thereafter.

SEC. 10. Section 42241 is added to the Education Code, to read:

42241. School district revenue limits per unit of average daily attendance computed pursuant to subdivision (h) of Section 42238 for the 1980–81 fiscal year and each fiscal year thereafter shall be adjusted as follows:

(a) Decrease the revenue limit per unit of average daily attendance by the amount of the State Teachers' Retirement System

costs funded by the special education funding pursuant to Chapter 1353 of the Statutes of 1980, divided by the 1980–81 revenue limit average daily attendance.

(b) Increase the revenue limit per unit of average daily attendance by the excess cost added pursuant to Sections 42900 and 42901 in the 1980–81 fiscal year divided by the 1980–81 revenue limit average daily attendance.

(c) Increase the revenue limit per unit of average daily attendance by the excess cost allowed pursuant to Section 42241.3 in the 1980–81 fiscal year divided by the 1980–81 revenue limit average daily attendance.

(d) Increase the revenue limit per unit of average daily attendance by the excess cost allowed pursuant to Section 42241.5 in the 1980–81 fiscal year divided by the 1980–81 revenue limit average daily attendance.

(e) Decrease the revenue limit per unit of average daily attendance by the approved home-to-school transportation costs for 1979–80 fiscal year pursuant to Sections 15240 to 15325, inclusive, of Title 5 of the California Administrative Code less the 1980–81 fiscal year state reimbursement for such costs, divided by the 1979–80 revenue limit average daily attendance.

SEC. 11. Section 42241.2 is added to the Education Code, to read:

42241.2. A school district may add in the computation of the district's revenue limit pursuant to Section 42238 for the current fiscal year the amount computed in the preceding fiscal year for Meals for Needy Pupils programs (Article 11 (commencing with Section 49550) of Chapter 9 of Part 27) multiplied by 1.06 and adjusted for pupil participation.

SEC. 12. Section 42243.6 of the Education Code is amended to read:

42243.6. A school district may be reimbursed by the amount necessary to pay costs mandated by the courts, as defined in Section 2205 of the Revenue and Taxation Code, pursuant to final court orders issued after January 1, 1978, to pay costs mandated by the federal government, as defined in Section 2206 of the Revenue and Taxation Code, pursuant to any federal statutes or regulations enacted or issued after January 1, 1978, and to pay costs mandated by an initiative enactment, as defined in Section 2206.5 of the Revenue and Taxation Code, by means of any initiative statutes or amendments adopted or enacted after January 1, 1978.

Prior to payment, the Controller shall review any request for reimbursement under this section and any data related to the establishment thereof. If the Controller determines that the cost of reimbursement exceeds a limit which would be necessary to meet the federally mandated, initiative-mandated, or court-mandated costs, or if the Controller determines that the cost of reimbursement has been increased to pay any cost mandated by a court which has resulted from litigation entered into in order to avoid the revenue limits established by this chapter, or if the Controller determines that

a school district has erroneously concluded that it is subject to costs mandated by the courts or costs mandated by the federal government, or if the Controller determines that the amount of the request is excessive or unreasonable, the Controller shall reduce the amount of the request by an appropriate amount.

Any amount heretofore or hereafter established pursuant to the provisions of this section shall not be invalidated and may continue to be in effect to meet recurring costs resulting from any program or activity undertaken or implemented by a school district in order to comply with a mandate by the federal government, by initiative enactment, or by the courts, notwithstanding the reversal, repeal, stay, or invalidation of such mandate, if the reversal, repeal, stay, or invalidation of the mandate occurred or occurs after the school district has received reimbursement pursuant to this section to satisfy continuing contractual obligations entered into in order to undertake, implement or continue the mandated program or activity.

The reimbursement shall not continue in effect if the reversal, repeal, stay, or invalidation of the mandate is upheld by a final court order.

SEC. 12.5. Section 42243.7 of the Education Code is amended to read:

42243.7. (a) For any unified school district which commenced operations on or after June 30, 1978, or any school district which receives approval from the State Department of Education for a new continuation education high school for the 1979–80 fiscal year, or any fiscal year thereafter, the Superintendent of Public Instruction shall compute an adjustment to the district revenue limit pursuant to this section.

(b) Determine the amount of foundation program which the district would have been entitled to pursuant to subdivision (a) of Section 41711 if the district had operated during the 1977–78 fiscal year utilizing the number of units of average daily attendance attending high school in the district in the fiscal year for which the revenue limit is being computed.

(c) Determine the amount of foundation program which the district would have been entitled to pursuant to paragraph (1) of subdivision (b) of Section 41711 if the district had operated during the 1977–78 fiscal year utilizing the same number of units of average daily attendance used in subdivision (b) of this section.

(d) Subtract the amount determined pursuant to subdivision (c) from the amount computed pursuant to subdivision (b).

(e) The amount computed pursuant to subdivision (d), if greater than zero, shall be added to the revenue limit computed pursuant to subdivision (c) of Section 42237 or subdivision (i) of Section 42238. If the amount in subdivision (d) is less than zero there is no adjustment.

SEC. 13. Section 42243.8 of the Education Code is amended to read:

42243.8. The reimbursement authorized pursuant to Section 42243.6 shall be funded by the Controller from funds specifically appropriated therefor by the Legislature. In the event that claims exceed the appropriation authorized, the Controller shall prorate the available funds among the districts submitting claims. Any amount of claims in excess of the appropriation may be referred to the Board of Control for review and possible inclusion in a subsequent claims bill.

SEC. 14. Section 44270 of the Education Code is amended to read:

44270. (a) The minimum requirements for the preliminary services credential with a specialization in administrative services are all of the following:

(1) The possession of a valid teaching credential issued under the law and rules and regulations in effect on or before December 31, 1971, requiring the possession of a baccalaureate degree, or as specified in Section 44259, or as specified in Section 44260 provided the applicant also possesses a baccalaureate degree, or a services credential with a specialization in pupil personnel, health, or librarian services as specified in Sections 44266, 44267, and 44269.

(2) A minimum of three years of successful, full-time classroom teaching experience in the public schools, or in private schools of equivalent status or three years of experience in the fields of pupil personnel, health, or librarian services.

(3) An entry level program of specialized and professional preparation in administrative services approved by the commission or a one year internship in a program of supervised training in administrative services, approved by the commission as satisfying the requirements for the preliminary services credential with a specialization in administrative services.

(b) The preliminary administrative services credential shall be valid for a period of five years from date of issuance or three years from date of initial employment in a position requiring the credential, whichever date is later, and shall not be renewable.

SEC. 15. Section 44270.1 is added to the Education Code, to read:

44270.1. (a) The minimum requirements for the professional services credential with a specialization in administrative services are all of the following:

(1) Possession of a valid preliminary administrative services credential, as specified in Section 44270.

(2) A minimum of two years of successful full-time experience in a position requiring the preliminary administrative services credential, as attested by the employing school district or agency.

(3) Completion of a commission-approved program of advanced study and appropriate field experiences or internship, at least one half of which shall have been engaged in while being employed in a position requiring the preliminary administrative services credential.

(b) The professional administrative services credential shall be valid for a period of five years from date of issuance and may be

renewed.

SEC. 16. Section 44270.2 is added to the Education Code, to read:

44270.2. The services credential with a specialization in administrative services shall authorize the holder to perform, at all grade levels, services commensurate with preparation as determined by the commission and shall permit assignment by the governing board of the employing school district.

Any person who administers a pupil personnel program shall hold a services credential with a pupil personnel or administrative specialization.

SEC. 17. Section 44892 of the Education Code is repealed.

SEC. 18. Section 44932 of the Education Code is amended to read:

44932. No permanent employee shall be dismissed except for one or more of the following causes:

(a) Immoral or unprofessional conduct.

(b) Commission, aiding, or advocating the commission of acts of criminal syndicalism, as prohibited by Chapter 188, Statutes of 1919, or in any amendment thereof.

(c) Dishonesty.

(d) Incompetency.

(e) Evident unfitness for service.

(f) Physical or mental condition unfitting him to instruct or associate with children.

(g) Persistent violation of or refusal to obey the school laws of the state or reasonable regulations prescribed for the government of the public schools by the State Board of Education or by the governing board of the school district employing him.

(h) Conviction of a felony or of any crime involving moral turpitude.

(i) Violation of Section 51530 of this code or conduct specified in Section 1028 of the Government Code, added by Chapter 1418 of the Statutes of 1947.

(j) Violation of any provision in Sections 7001 to 7007, inclusive, of this code.

(k) Knowing membership by the employee in the Communist Party.

(*l*) Alcoholism or other drug abuse which makes the employee unfit to instruct or associate with children.

SEC. 19. Section 44955 of the Education Code is amended to read:

44955. No permanent employee shall be deprived of his or her position for causes other than those specified in Sections 44907 and 44923, and Sections 44932 to 44947, inclusive, and no probationary employee shall be deprived of his or her position for cause other than as specified in Sections 44948 to 44949, inclusive.

Whenever in any school year the average daily attendance in all of the schools of a district for the first six months in which school is in session shall have declined below the corresponding period of either of the previous two school years, whenever the governing board determines that attendance in a district will decline in the

following year as a result of the termination of an interdistrict tuition agreement as defined in Section 46304, or whenever a particular kind of service is to be reduced or discontinued not later than the beginning of the following school year, and when in the opinion of the governing board of said district it shall have become necessary by reason of either of such conditions to decrease the number of permanent employees in said district, the said governing board may terminate the services of not more than a corresponding percentage of the certificated employees of said district, permanent as well as probationary, at the close of the school year; provided, that the services of no permanent employee may be terminated under the provisions of this section while any probationary employee, or any other employee with less seniority, is retained to render a service which said permanent employee is certificated and competent to render.

In computing a decline in average daily attendance for purposes of this section for a newly formed or reorganized school district, each school of the district shall be deemed to have been a school of the newly formed or reorganized district for both of the two previous school years.

As between employees who first rendered paid service to the district on the same date, the governing board shall determine the order of termination solely on the basis of needs of the district and the students thereof. Upon the request of any employee whose order of termination is so determined, the governing board shall furnish in writing no later than five days prior to the commencement of the hearing held in accordance with Section 44949, a statement of the specific criteria used in determining the order of termination and the application of the criteria in ranking each employee relative to the other employees in the group. This requirement that the governing board provide, on request, a written statement of reasons for determining the order of termination shall not be interpreted to give affected employees any legal right or interest that would not exist without such a requirement.

Notice of such termination of services either for a reduction in attendance or reduction or discontinuance of a particular kind of service to take effect not later than the beginning of the following school year, shall be given before the 15th of May in the manner prescribed in Section 44949, and services of such employees shall be terminated in the inverse of the order in which they were employed, as determined by the board in accordance with the provisions of Sections 44844 and 44845. In the event that a permanent or probationary employee is not given the notices and a right to a hearing as provided for in Section 44949, he or she shall be deemed reemployed for the ensuing school year.

The governing board shall make assignments and reassignments in such a manner that employees shall be retained to render any service which their seniority and qualifications entitle them to render.

SEC. 24.3. Section 46118 of the Education Code is amended to

read:

46118. A single-session kindergarten class shall meet all of the following criteria:

(a) The class is maintained for a minimum of 180 minutes per schoolday.

(b) The kindergarten class teacher is assigned to only one session of kindergarten daily as a principal teacher.

(c) The kindergarten teacher is a full-time certificated employee.

(d) The kindergarten teacher shall be available for assistance or assignment in the instructional program of the primary grades when not involved in the kindergarten program.

SEC. 24.5. Section 48412 of the Education Code is amended to read:

48412. (a) Any person 16 years of age or older, or who has been enrolled in the 10th grade for one academic year or longer, or who will complete one academic year of enrollment in the 10th grade at the end of the semester during which the next regular examination will be conducted, shall be permitted to have his or her proficiency in basic skills taught in public high schools verified according to criteria established by the State Department of Education.

The State Board of Education shall award a "certificate of proficiency" to persons who demonstrate that proficiency. The certificate of proficiency shall be equivalent to a high school diploma, and the State Department of Education shall keep a permanent record of the issuance of all the certificates.

(b) The State Department of Education shall develop standards of competency in basic skills taught in public high schools and shall provide for the administration of examinations prepared by or with the approval of the department to verify such competency. Regular examinations shall be held once in the fall semester and once in the spring of every academic year on a date, as determined by the State Department of Education, which will enable notification of examinees and the schools they attend, if any, of the results thereof not later than two weeks prior to the date on which that semester ends in a majority of school districts which maintain high schools.

In addition to regular examinations, the State Department of Education may, at the discretion of the Director of Education, conduct examinations for all eligible persons once during each summer recess and may conduct examinations at such other times as the director deems necessary to accommodate eligible persons whose religious convictions or physical handicaps prevent their attending one of the regular examinations.

(c) The State Department of Education may charge a fee for each examination application in an amount sufficient to recover the costs of administering the requirements of this section; provided, however, that the fee shall not exceed twenty dollars ($20) per examination application. All fees levied and collected pursuant to this section shall be deposited in the State Treasury for remittance to the current support appropriation of the State Department of

Education as reimbursement for costs of administering this section. Any reimbursements collected in excess of actual costs of administration of this section shall be transferred to the unappropriated surplus of the General Fund by order of the Director of Finance.

(d) The State Board of Education shall adopt rules and regulations as are necessary for implementation of the provisions of this section.

SEC. 24.7. Section 52616 is added to the Education Code, to read:

52616. The Superintendent of Public Instruction shall determine an adult education block entitlement for the school districts who maintain education programs for adults. This entitlement shall be paid from appropriations to Section A of the State School Fund as a part of the principal apportionment to school districts.

(a) For each fiscal year, the adult education block entitlement shall be computed by multiplying the amount per unit of adult average daily attendance for the preceding fiscal year times the product of 1.06 and the number of units of adult average daily attendance for the programs specified in Section 41976, provided that in no event shall the amount per unit of adult average daily attendance exceed the district's prior fiscal year adult education revenue limit if it is greater than 1.06 times the prior fiscal year statewide average adult education revenue limit pursuant to subdivision (c) of Section 42237.

(b) In the event the district's adult education block entitlement computed pursuant to subdivision (a) is greater than the following calculations, the following calculations shall be the maximum block entitlement that shall be apportioned to the district:

(1) For the 1981–82 and 1982–83 fiscal years, increase the 1979–80 fiscal year adult average daily attendance for the programs specified in Section 41976 by 1.02 in the 1980–81 fiscal year and by 1.025 in each fiscal year thereafter.

(2) Multiply the amount determined in paragraph (1) by the district's adult revenue limit per unit of average daily attendance for the current fiscal year.

(3) This maximum block entitlement may be exceeded pursuant to the provisions of subdivision (c) when unencumbered funds are reallocated.

(c) If the adult average daily attendance of a school district in any fiscal year is less than the adult average daily attendance utilized to compute the funded district adult education block entitlement for that fiscal year, the district shall receive an apportionment only for the actual average daily attendance generated. Any surpluses accrued as a result of average daily attendance not generated in a district's block entitlement shall be reallocated after the first principal apportionment by the Superintendent of Public Instruction for meeting specific needs or unanticipated growth in adult education, or both. The receipt of reallocated funds shall not be used for computational purposes for the district's block entitlement for subsequent fiscal years.

(d) The adult education block entitlement shall be deposited in a separate fund of the district to be known as the "adult education fund." Moneys in an adult education fund shall only be expended for adult education purposes.

Moneys received for programs other than adult education shall not be expended for adult education.

(e) Each school district which conducted adult education programs for substantially handicapped adults in activity centers, work activity centers, sheltered workshops, state hospitals, and other community settings, shall set aside an amount of money from its adult education block entitlement equal to its current fiscal year revenue limit times the average daily attendance generated in these facilities in the 1979–80 fiscal year times 1.02. The amounts set aside pursuant to this subdivision shall be used exclusively for classes in these facilities.

SEC. 25. Chapter 12 (commencing with Section 52800) is added to Part 28 of the Education Code, to read:

CHAPTER 12. SCHOOL-BASED PROGRAM COORDINATION ACT

Article 1. General Provisions

52800. It is the intent of the Legislature to provide greater flexibility for schools and school districts to better coordinate the categorical funds they receive while ensuring that schools continue to receive categorical funds to meet their needs.

It is further the intent of the Legislature to focus the authority to exercise such flexibility at the school level, with the approval and under the policy direction of, the governing board.

Article 2. Waiver Authority

52820. (a) A governing board may, on a districtwide basis or on behalf of one or more of its schools, request the State Board of Education to waive all or part of any section of this code, except

(1) The provisions of Article 3.

(2) The identification and assessment criteria relating to any categorical aid program.

(3) The provisions specified pursuant to Section 52033.

(4) That any waiver of provisions related to the programs identified in Section 52851 shall be granted only pursuant to the provisions of Article 3.

(b) The State Board of Education shall approve any and all requests for waivers except in those cases where the board specifically finds any of the following:

(1) The educational needs of the pupils are not adequately addressed.

(2) The waiver affects a program which requires the existence of a school site council and the school site council did not approve the

request.

(3) The appropriate advisory committee did not have an adequate opportunity to review the request.

Further, for a request to waive any provision of Article 3 (commencing with Section 52160) of Chapter 7, the request did not include a written summary of objections, if any, to the request made by the bilingual advisory committee required pursuant to Section 52176.

(4) Pupil and teacher protection is jeopardized.

(5) Guarantees of parental involvement are jeopardized.

(6) The request would substantially increase state costs.

(7) The exclusive representative of employees, if any, as provided in Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code, was not a participant in the development of the waiver.

(c) A waiver shall be approved or renewed by the State Board for the period of time requested by the governing board of a district, but not to exceed two years.

52821. If formal action by the State Board of Education on a waiver request is not taken later than the second regular meeting of the board following receipt of a complete and documented waiver request by the department, the waiver shall be deemed approved for one year, commencing the first day of the following month.

52822. The department shall annually submit a report to the Governor, Legislature, State Board of Education, and make the report available to the superintendent and board president of each school district and county office of education. This report shall include a description of the number and types of waivers requested of the board, the actions of the board on those requests, and sources of further information on existing or possible waivers.

Article 3. School Plans

52850. The provisions of this article shall apply only to school districts and schools which participate in school-based coordinated categorical programs pursuant to this article. No school may operate pursuant to this article unless a school plan has been approved for the school.

52851. A school district and school may apply to receive funds allocated pursuant to Article 4 (commencing with Section 8750) of Chapter 4 of Part 6, Article 5 (commencing with Section 44520) of Chapter 3 and Article 1 (commencing with Section 44670) of Chapter 3.1 of Part 25, Article 15 (commencing with Section 51870) of Chapter 5, Chapter 6 (commencing with Section 52000), Chapter 8 (commencing with Section 52200), and Article 2 (commencing with Section 52340) of Chapter 9 of this part, Chapter 1 (commencing with Section 54000) and Chapter 2 (commencing with Section 54100) of Part 29, and Chapter 7 (commencing with Section 56700) of Part 30, and Chapter 1 (commencing with Section 500) of

Part 2 of Division 2 of the Military and Veterans Code, without complying with the provisions of those chapters or the related California Administrative Code regulations, provided that the school and school district meet the criteria established in this article.

52852. A school site council shall be established at each school which participates in school-based program coordination. The council shall be composed of the principal and representatives of: teachers selected by teachers at the school; other school personnel selected by other school personnel at the school; parents of pupils attending the school selected by such parents; and, in secondary schools, pupils selected by pupils attending the school.

At the elementary level the council shall be constituted to ensure parity between (a) the principal, classroom teachers and other school personnel; and (b) parents or other community members selected by parents.

At the secondary level the council shall be constituted to ensure parity between (a) the principal, classroom teachers and other school personnel; and (b) equal numbers of parents and pupils.

At both the elementary and secondary levels, classroom teachers shall comprise the majority of persons represented under category (a).

Existing schoolwide advisory groups or school support groups may be utilized as the school site council if such groups conform to the provisions of this section.

The Superintendent of Public Instruction shall provide several examples of selection and replacement procedures which may be considered by school site councils.

52852.5. The governing board of each school district shall:

(a) Ensure that the principal of every school receives information covering the provisions of this article, and provides such information to teachers, other school personnel, parents, and, in secondary schools, pupils.

(b) Adopt policies to ensure that, prior to scheduled implementation, a school site council as described in Section 52852 is established at each school site to consider whether or not it wishes the local school to participate in the school-based coordination program. The board shall ensure that all interested persons, including, but not limited to, the principal, teachers, other school personnel, parents, and, in secondary schools, pupils have an opportunity to meet in public to establish such council.

52853. The school site council shall develop a school plan which shall include:

(a) Curricula, instructional strategies and materials responsive to the individual needs and learning styles of each pupil.

(b) Instructional and auxiliary services to meet the special needs of non-English-speaking or limited-English-speaking pupils, including instruction in a language these pupils understand; educationally disadvantaged pupils; gifted and talented pupils; and pupils with exceptional needs.

(c) A staff development program for teachers, other school personnel, paraprofessionals, and volunteers.

(d) Ongoing evaluation of the educational program of the school.

(e) Other activities and objectives as established by the council.

(f) The proposed expenditures of funds available to the school through the programs described in Section 52851.

The school site council shall annually review the school plan, establish a new budget, and if necessary, make other modifications in the plan to reflect changing needs and priorities.

52854. A school site council may request, as part of its school plan, the provision of time during the regular school year to advise students or conduct staff development programs and receive full average daily attendance reimbursement under the provisions of Section 46300. That time shall not exceed eight days each year for each participating staff member.

52855. The school district governing board shall review and approve or disapprove school plans. A school plan shall not be approved unless it was developed and recommended by the school site council. If a plan is not approved by the governing board, specific reasons for that action shall be communicated to the council. Modifications to any school plan shall be developed, recommended and approved or disapproved in the same manner.

52856. If the school district and school choose to include within the provisions of this article funds allocated pursuant to Chapter 6 (commencing with Section 52000), the school district and school shall still be eligible to compete for any expansion funding that is made available for the school improvement program for grades in that school which are not already generating funds.

52857. If the school district and school choose to include within the provisions of this article funds allocated pursuant to Chapter 8 (commencing with Section 52200) of Part 28, the district shall continue to maintain a district advisory committee.

The district governing board shall determine the portion of the district's grant pursuant to Chapter 8 (commencing with Section 52200) of Part 28 which shall be allocated to the school for inclusion in the school budget developed pursuant to subdivision (f) of Section 52853.

52858. If the school district and school choose to include within the provisions of this article, funds allocated pursuant to Chapter 1 (commencing with Section 54000) of Part 29, the school district shall: (a) if the number of educationally disadvantaged pupils in the school is less than 75 percent of the school's enrollment, ensure that there is state and local funding in the school available for allocation pursuant to subdivision (f) of Section 52853 which is equal to or greater than the per pupil amount allocated to that school per disadvantaged pupil through the economic impact aid program multiplied times 75 percent of the school's enrollment, (b) continue to maintain any school or district advisory committees required pursuant to Chapter 1, (c) continue to distribute funds to schools in

accordance with Sections 54004.3, 54004.5, and 54004.7 and regulations adopted which pertain to those sections, and (d) continue to maintain any school or district advisory committee on bilingual education required pursuant to Section 52176.

52858.5. If the school district and school site council choose to include funds allocated pursuant to Chapter 1 (commencing with Section 54000) of Part 29, the school site council shall consult with any school level bilingual advisory committee required by law prior to submitting a school plan pursuant to this article.

If the bilingual advisory committee objects to the plan, written copies of the committee's objections shall be attached to the plan when it is transmitted to the local governing board and the State Board of Education.

However, the school site council and the school district shall make the final determination as to the content of the school plan and the content of any waiver request.

52859. If a school district and school choose to include within the provisions of this article funds allocated pursuant to Chapter 2 (commencing with Section 54100) of Part 29, the school district and school shall annually receive funding at the rate per specialist allocated statewide multiplied times the number of specialists approved for that school at the time it was approved to operate programs pursuant to this article, and shall use these funds to employ a reading specialist who meets the criteria established pursuant to Chapter 2 (commencing with Section 54100) of Part 29.

52860. If a school district and school choose to include within the provisions of this article funds allocated pursuant to Chapter 7 (commencing with Section 56700) of Part 30, the school district shall comply with all requirements of that part, except that: (1) resource specialist program services and designated instruction and services may be provided to pupils who have not been identified as individuals with exceptional needs; (2) programs for individuals with exceptional needs shall be under the direction of special education personnel, but services may be provided entirely by personnel not funded by special education moneys, provided that all services specified in the individualized education program are received by the pupil.

52861. If a school district and school choose to include within the provisions of this article funds allocated pursuant to Article 4 (commencing with Section 8750) of Chapter 4 of Part 6, Article 5 (commencing with Section 44520) of Chapter 3 of Part 25, Article 15 (commencing with Section 51870) of Chapter 5 and Article 2 (commencing with Section 52340) of Chapter 9 of this part, and Chapter 1 (commencing with Section 500) of Part 2 of Division 2 of the Military and Veterans Code, the district shall determine the portion of the district's grants, pursuant to those provisions, which shall be allocated to the school for inclusion in the school budget developed pursuant to subdivison (f) of Section 52853.

52862. School districts and schools that choose to operate

programs pursuant to Article 3 (commencing with Section 52850) shall insure compliance with all requirements of federal law.

Article 4. Advisory Committees

52870. Notwithstanding any other provisions of this chapter, a school district and school participating in school-based program coordination may consolidate advisory committees as follows:

(a) Any school site advisory committee may elect to designate the school site council to function as that advisory committee for all purposes required by law or regulations for a period of up to two years.

This subdivision shall not apply to any advisory committee required pursuant to federal statute or regulation.

(b) Any district advisory committee may elect to designate a district programs advisory committee to function as that advisory committee for all purposes required by statute or regulations for a period of up to two years. The district programs advisory committee shall consist of representatives of school site councils elected by the school site councils.

Article 5. State Administration

52885. The State Board of Education shall:

(a) Review and approve or disapprove school plans submitted pursuant to Article 3 (commencing with Section 52850), provided that a decision to approve or disapprove any school plan shall be based solely upon whether the plan complies with this chapter and regulation developed by the State Board of Education pursuant to this chapter.

(b) Adopt rules and regulations necessary to implement the provisions of this chapter.

(c) Rule on requests to waive provisions of this code or the California Administrative Code pursuant to Section 52820.

52886. The Superintendent of Public Instruction shall:

(a) Assist districts and schools, upon request, to design, implement or evaluate school plans authorized by this chapter.

(b) Apportion funds in accordance with the provisions of Article 3 (commencing with Section 52850).

(c) Conduct program quality and fiscal reviews to:

(1) Ensure that funds allocated pursuant to this chapter are expended for the purposes intended.

(2) Provide information helpful to local schools in improving their programs.

52887. Two or more school districts may join together to apply or join together with one or more county superintendents of schools to apply, to become a consortium for the purposes of conducting the school plan reviews, program reviews, and program assistance required by this chapter.

52888. The Office of the Legislative Analyst, shall in its annual analysis of the Budget Bill, report on the implementation of programs operated pursuant to this chapter, with particular reference to the effect of the provisions of this chapter on services to students intended to be served by the programs identified in Section 52851.

Article 6. Operative Date

52890. This chapter shall become operative on January 1, 1982.

SEC. 29. Section 54003.5 is added to the Education Code, to read:

54003.5. (a) Any two or more school districts, each of which receive funding for educational programs pursuant to a consolidated application form prepared by the State Board of Education, may join together or join together with one or more county superintendents of schools to apply to the State Department of Education to become a consortium for conducting program reviews of educational programs utilizing consolidated application funding or for providing program development assistance and reviewing school site plans, or both.

(b) The State Board of Education shall prescribe the form and manner of the consortium application.

(c) To ensure adequate program and plan review, consistency, or application of compliance and quality criteria, consortia review personnel shall use review instruments and processes and receive training approved by the State Department of Education.

(d) The majority of persons participating in program reviews shall be persons who are not in the employment of the district under review.

SEC. 29.3. Section 56723 of the Education Code is amended to read:

56723. For fiscal year 1980–81 the county superintendent shall multiply the unit rates computed pursuant to Section 56722 by 1.09. For fiscal year 1981–82, the unit rates shall be increased by 6 percent. Commencing with fiscal year 1982–83 and each fiscal year thereafter, the unit rates shall be increased by the statewide average percentage inflation adjustment computed for revenue limits of unified school districts with greater than 1,500 units of average daily attendance.

SEC. 29.5. Chapter 4 (commencing with Section 59300) is added to Part 32 of the Education Code, to read:

CHAPTER 4. FINANCE

Article 1. Local Contribution

59300. Notwithstanding any provision of this part to the contrary, the district of residence of the parent or guardian of any pupil attending a state-operated school pursuant to this part, excluding day pupils, shall pay the school of attendance for each pupil an amount

equal to 10 percent of the average annual cost of education of pupils attending a state-operated school pursuant to this part.

SEC. 30. Section 62000 of the Education Code is amended to read:

62000. The following educational programs shall cease to be operative on the date specified, unless the Legislature enacts legislation to continue the program after the review prescribed in Section 62006:

(a) Termination date of June 30, 1983:

(1) Driver training.

(2) Instructional television.

(3) Environmental education.

(4) Adult education.

(5) Career guidance centers.

(6) Transportation.

(b) Termination date of June 30, 1984:

(1) Miller-Unruh Basic Reading Act of 1965.

(2) Demonstration programs in reading and mathematics.

(3) School improvement program.

(4) Professional development centers and staff development centers.

(5) Economic impact aid.

(c) Termination date of June 30, 1985:

(1) Urban impact aid.

(2) Bilingual education.

(3) Child care and preschool programs.

(4) Instructional materials.

(d) Termination date of June 30, 1986:

(1) Indian education centers.

(2) Indian early childhood education.

(3) Gifted and talented education.

(e) Termination date of June 30, 1987:

(1) Special education for individuals with exceptional needs.

SEC. 31. Section 62000.5 is added to the Education Code, to read:

62000.5. (a) It was the intent of the Legislature in enacting this part to ensure that each categorical program is thoroughly reviewed but not to actually terminate every program. It was also intended that programs would be reviewed the year prior to the termination date so that school districts and county offices of education would not be subject to unnecessary confusion and disruption in planning and administration of those programs. However, Section 62000, as it read for the 1980–81 fiscal year, addresses only the termination date and fails to specify the year of legislative review.

(b) It is therefore the intent of the Legislature to revise the termination dates specified in Section 62000 in order to group programs in a manner which promotes a more balanced workload and encourages the concurrent review of similar programs.

(c) It is further the intent of the Legislature that the legislative review of programs specified in Section 62000 shall consider the appropriateness of state administration by agencies, such as the

Commission on Teacher Preparation and Licensing and the Chancellor of the California Community Colleges, other than by only the State Department of Education.

SEC. 32. Section 62005.5 is added to the Education Code, to read:

62005.5. Notwithstanding Section 62005, if the Superintendent of Public Instruction determines that a school district or county superintendent of schools fails to comply with the purposes of the funds apportioned pursuant to Section 62003, the Superintendent of Public Instruction may terminate the funding to that district or county superintendent beginning with the next succeeding fiscal year.

SEC. 33. Section 94331 of the Education Code is amended to read:

94331. The superintendent shall charge commencing with the current fiscal year of the effective date of the act that added this chapter, the fees listed herein for the approval of private institutions operating under this chapter. For the 1981–82 fiscal year, the fees shall be increased to fund fully the costs of the activities of both the council and the Office of Private Postsecondary Education in the State Department of Education, but in no event shall the fee increase in the 1981–82 fiscal year exceed one hundred fifty thousand dollars ($150,000). For ensuing fiscal years, the superintendent may annually increase or decrease such fees by an amount which reflects an increase or decrease in the Consumer Price Index, all items of the Bureau of Labor Statistics of the United States Department of Labor, measured for the calendar year next preceding the fiscal year to which it applies. The superintendent shall annually publish a schedule of the current fees to be charged pursuant to this section and shall make such schedule generally available to the public.

The following fee schedule shall govern the fees to be paid by private institutions operating under this chapter:

(a) For approval to issue degrees pursuant to subdivision (b) of Section 94310:

(1) Five hundred dollars ($500) for an original application.

(2) One hundred fifty dollars ($150) annually during the duration of the approval period renewal of such application.

(3) One hundred dollars ($100) for any of the following: approval to grant additional degrees, for change of location, or auxiliary facilities in a new location.

(4) One hundred fifty dollars ($150) for change of ownership.

(b) For filing original affidavits as required to issue degrees pursuant to subdivision (c) of Section 94310:

(1) Three hundred dollars ($300) for initial applications.

(2) One hundred fifty dollars ($150) annually during the duration of the authorization period for renewal of such application.

(3) One hundred fifty dollars ($150) for change of ownership.

(c) For authorization to issue diplomas or offer courses of study pursuant to subdivision (c) of Section 94311, the original application shall be accompanied by a three hundred dollar ($300) fee. Applications filed annually thereafter shall each be accompanied by

one hundred fifty dollars ($150).

(d) For approval to issue diplomas or offer courses of study pursuant to subdivision (d) of Section 94311:

(1) Three hundred dollars ($300) for an original application.

(2) One hundred fifty dollars ($150) for a renewal of an annual approval.

(3) One hundred dollars ($100) for approval of any of the following: change of location, major change or revisions in curriculum or course, auxiliary facilities in a new location, or additional courses of study.

(4) One hundred fifty dollars ($150) for change of ownership.

(5) Eight dollars ($8) for each evaluation and approval of directors, administrators, and instructors subsequent to the original application.

(e) For approval of an applicant to solicit or sell courses of study pursuant to Section 94333, the original application shall be accompanied by a twenty dollar ($20) fee. Each applicant shall pay an annual renewal fee of fifteen dollars ($15). Application for additional sales permits shall be accompanied by a fifteen dollar ($15) fee.

SEC. 34. Section 3543.2 of the Government Code is amended to read:

3543.2. (a) The scope of representation shall be limited to matters relating to wages, hours of employment, and other terms and conditions of employment. "Terms and conditions of employment" mean health and welfare benefits as defined by Section 53200, leave, transfer and reassignment policies, safety conditions of employment, class size, procedures to be used for the evaluation of employees, organizational security pursuant to Section 3546, procedures for processing grievances pursuant to Sections 3548.5, 3548.6, 3548.7, and 3548.8, and the layoff of probationary certificated school district employees, pursuant to Section 44959.5 of the Education Code. In addition, the exclusive representative of certificated personnel has the right to consult on the definition of educational objectives, the determination of the content of courses and curriculum, and the selection of textbooks to the extent such matters are within the discretion of the public school employer under the law. All matters not specifically enumerated are reserved to the public school employer and may not be a subject of meeting and negotiating, provided that nothing herein may be construed to limit the right of the public school employer to consult with any employees or employee organization on any matter outside the scope of representation.

(b) Notwithstanding Section 44944 of the Education Code, the public school employer and the exclusive representative shall meet and negotiate regarding causes and procedures for disciplinary action, other than dismissal, affecting certificated employees. If the public school employer and the exclusive representative do not reach mutual agreement, then the provisions of Section 44944 of the

Education Code shall prevail.

(c) Notwithstanding Section 44955 of the Education Code, the public school employer and the exclusive representative shall meet and negotiate regarding procedures and criteria for the layoff of certificated employees for lack of funds. If the public school employer and the exclusive representative do not reach mutual agreement, then the provisions of Section 44955 of the Education Code shall prevail.

SEC. 35. Section 100.4 is added to the Revenue and Taxation Code, to read:

100.4. Notwithstanding any other provision of law, the Controller shall reduce the cigarette tax subvention and, if necessary, the business inventory tax reimbursement to a county by the amount of funds allocated pursuant to subdivision (c) of Section 2559 of the Education Code.

SEC. 36. There is hereby appropriated for the purposes of this act the following:

(a) From the General Fund to Section A of the State School Fund, in augmentation of Item 610-101-001 of the Budget Act of 1981, an amount as needed to provide a total cost-of-living adjustment of 6 percent in the 1981–82 fiscal year for the following programs:

(1) Economic impact aid.

(2) Special education programs for exceptional children.

(b) From the General Fund to Section A of the State School Fund, in augmentation of Item 610-101-001 of the Budget Act of 1981, an amount as needed to provide a total cost-of-living adjustment of 6 percent in the 1981–82 fiscal year for the following programs:

(1) Instructional television.

(2) Gifted and talented pupil programs.

(3) Child nutrition programs.

(4) Instructional materials.

(5) School improvement program.

(6) Miller-Unruh Basic Reading Act of 1965.

(7) Native American Indian education.

(8) Demonstration programs in intensive instruction.

(9) Indian education centers.

(10) Career guidance centers.

(11) Resource centers.

(12) Professional development centers.

(13) School site staff development.

(14) Child care programs.

(15) Preschool programs.

(16) Urban impact aid.

(17) General aid to districts pursuant to Section 54061.

(c) For transfer by the Controller during the 1981–82 fiscal year from the Driver Training Penalty Assessment Fund to Section A of the State School Fund, in lieu of the amount which would otherwise be transferred pursuant to subdivision (b) of Section 41304 of the Education Code, the sum of seventeen million eight hundred

forty-four thousand sixty-seven dollars ($17,844,067). This amount shall be available for apportionments pursuant to Article 12 (commencing with Section 41900) of Chapter 5 of Part 24 of the Education Code. Any balance remaining after making the apportionments pursuant to this subdivision shall be available for apportionment pursuant to Section 42238 of the Education Code.

(d) From the General Fund to Section A of the State School Fund for the 1981–82 fiscal year sixty-four million two hundred thousand dollars ($64,200,000).

The Superintendent of Public Instruction shall apportion pursuant to this subdivision to each school district an amount determined by multiplying sixteen dollars ($16) by the average daily attendance of the school district, to be used for purposes of deferred maintenance, minor capital outlay, supplies, equipment, textbooks, and similar one-time expenditures.

SEC. 37. Notwithstanding any provision in the Budget Act of 1981 to the contrary, federal adult basic education funds shall not be used to supplant state general fund support for adult education programs.

SEC. 38. Prior to June 1, 1982, the Director of Finance shall audit the allocation of property tax revenues in a representative sample of 20 counties, as determined by the director, to determine whether the revenues have been allocated in accordance with law.

Notwithstanding any other provision of law, the Controller shall adjust the cigarette tax subvention and, if necessary, the business inventory tax reimbursement, to local jurisdictions other than school entities, by the amount of any errors in the allocation of property tax revenues to the jurisdiction.

The director shall determine the total amount of the adjustments made by the Controller pursuant to this section and shall divide that sum by the total 1981–82 first principal apportionment average daily attendance credited to all school districts, community college districts, and county superintendents of schools.

Notwithstanding any other provision of law, the Superintendent of Public Instruction and the Chancellor of the California Community Colleges shall adjust 1981–82 fiscal year apportionments to all school districts, community college districts, and county superintendents of schools by the product of the amount determined by the director and the first principal apportionment average daily attendance of the school entity.

SEC. 39. Notwithstanding any other provision of law, the county auditor in every county or city and county shall determine the amount of interest earned on the school entities' portion of funds raised from the application of a tax rate higher than the tax rate limitation contained in Article XIII A of the California Constitution on property on the unsecured roll for the 1978–79 tax year. In every county, the county auditor shall, and in every city and county, the county auditor and the county board of supervisors shall, allocate the amounts to school districts and community college districts within the county based on the districts' proportionate share of the property

tax revenues in the 1980–81 fiscal year.

SEC. 40. Notwithstanding Section 6 of Article XIII B of the California Constitution and Section 2231 or 2234 of the Revenue and Taxation Code, no appropriation is made by this act for the purpose of making reimbursement pursuant to these sections. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Chapter 3 (commencing with Section 2201) of Part 4 of Division 1 of that code.

SEC. 45. Notwithstanding Section 2231.5 of the Revenue and Taxation Code, this act does not contain a repealer, as required by that section; therefore, the provisions of this act shall remain in effect unless and until they are amended or repealed by a later enacted act.

SEC. 41. (a) Except as provided in subdivisions (b) and (c), this act shall be deemed operative for the entire 1981–82 fiscal year as though it had been enacted into law and become operative on July 1, 1981. The Superintendent of Public Instruction and other public officers may, for such purposes, take all necessary steps to effect the required adjustments, including the authority to adjust allowance computations, apportionments, and disbursements ordered from Section A of the State School Fund and other public funds.

(b) Section 25 of this act shall become operative on January 1, 1982.

(c) Sections 14 and 15 of this act shall become operative on July 1, 1982.

CHAPTER 101

An act to amend Section 25761 of the Business and Professions Code, to amend Sections 16496.5, 16497.5, 16498, 16499, and 16499.5 of, and to add Section 16113.1 to, the Government Code, to amend Section 4306 of the Public Utilities Code, to add Sections 97.1, 11005.7, and 11005.8 to, to repeal and add Section 100.5 of, and to repeal Sections 26482 and 26483 of, the Revenue and Taxation Code, relating to public finance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1981. Filed with Secretary of State June 28, 1981.]

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

SECTION 1. Section 25761 of the Business and Professions Code is amended to read:

25761. All money collected as license fees, as payments under Section 23096, and under the excise tax provisions of this division or Part 14 (commencing with Section 32001) of Division 2 of the Revenue and Taxation Code shall be deposited in the State Treasury

to the credit of the Alcohol Beverage Control Fund, which fund is continued in existence.

The money in the Alcohol Beverage Control Fund is appropriated as follows:

(a) The amount necessary for the allowance of the refunds provided for in this division or Part 14 (commencing with Section 32001) of Division 2 of the Revenue and Taxation Code is appropriated to the Controller for payment of these refunds.

(b) Any remaining balance shall be transferred to the General Fund on the order of the Controller.

SEC. 2. Section 16496.5 of the Government Code is amended to read:

16496.5. It is the purpose of the Local Agency Indebtedness Fund to provide loans, with a maximum term of 20 years, to local agencies for the purpose of protecting the credit of the state and local agencies by preventing a default, technical or actual, in the payment of a bond of a local agency, where the default is due solely to a lack of available funds attributable to the enactment of Article XIII A of the California Constitution.

SEC. 3. Section 16497.5 of the Government Code is amended to read:

16497.5. There is hereby created in the State Treasury the Local Agency Indebtedness Fund. Loans shall be available to local agencies from this fund for the purpose of making payments due on bonds in order to prevent a technical or actual default from occurring in the payments required on these bonds.

SEC. 4. Section 16498 of the Government Code is amended to read:

16498. Any local agency may apply to the board for a loan pursuant to this article, after the adoption by the legislative body of the local agency of a resolution containing all of the following:

(a) A statement of the amount of principal and interest required to be paid for each fiscal year on bonds issued and outstanding by the local agency and the time or times at which the principal and interest are payable.

(b) A statement of the amount of local revenues budgeted and available for the payment of principal and interest due on the bonds.

(c) A statement of the amount required as a loan from the Local Agency Indebtedness Fund to the local agency in order to avoid a technical or actual default in payments due on the bonds.

(d) Where bonds have been issued which are secured by tax increment, evidence that the taxes allocated under subdivision (b) of Section 33670 of the Health and Safety Code are inadequate to make the principal and interest payments on these bonds.

SEC. 5. Section 16499 of the Government Code is amended to read:

16499. The board shall make a loan to a local agency applying for a loan in order to prevent an imminent default on the bonds of the local agency. All loans shall bear an interest rate determined by the

board, but in no event shall the interest rate be less than the interest rate on the outstanding bonds for which the applicant agency is requesting the loan. The interest on these loans shall accrue until final payment. All loans shall have a maximum repayment period of 20 years from the date of approval of the loan. The board may make a loan only after a finding that all of the following apply:

(a) The local agency has insufficient funds to make principal and interest payments in the fiscal year in which the application is made.

(b) Where bonds have been issued which are secured by tax increment, evidence that the taxes allocated under subdivision (b) of Section 33670 of the Health and Safety Code are inadequate to make the principal and interest payments on these bonds.

(c) The lack of revenue needed to prevent default is due solely to the enactment of Article XIII A of the California Constitution.

SEC. 6. Section 16499.5 of the Government Code is amended to read:

16499.5. The board may adopt reasonable rules to administer the Local Agency Indebtedness Fund in accordance with the intent of this article, to protect the credit of the state and its local agencies by preventing imminent defaults on bonds on local agencies and to give local agencies time to reorganize revenue sources for the payments due on these bonds.

SEC. 7. Section 16113.1 is added to the Government Code, to read:

16113.1. (a) For the 1981–82 fiscal year only, the subvention to local governmental agencies made pursuant to Section 16113 shall be reduced by the amount determined pursuant to subdivision (b).

(b) For each local agency, as defined in Section 95 of the Revenue and Taxation Code, the county auditor shall report the amount of "supplemental unsecured property tax revenue", as defined in Section 97.1 of the Revenue and Taxation Code, to the Controller. The Controller shall compute imputed interest earnings on these amounts by applying an annual rate of interest equal to two points below the rate earned on Pooled Money Investment Fund for the period corresponding to the time between collection of the supplemental unsecured property tax revenues and the date of enactment of this act.

(c) The amount of imputed interest computed in subdivision (b) shall be subtracted from the amount of the subvention that would have otherwise been made pursuant to Section 16113 for the 1981–82 fiscal year and shall be transferred by the Controller to the General Fund, as an offset to the cost of the cap on the subvention reductions provided pursuant to Sections 11005.7 and 11005.8 of the Revenue and Taxation Code. The Department of Finance shall perform audits as necessary to ensure that the appropriate subvention reductions are made pursuant to this section.

SEC. 8. Section 4306 of the Public Utilities Code is amended to read:

4306. All funds collected by the commission pursuant to this

chapter, less all refunds and administrative costs incurred by the commission, shall be deposited in the State Treasury to the credit of the General Fund .

SEC. 9. Section 97.1 is added to the Revenue and Taxation Code, to read:

97.1. (a) For the purpose of computations made pursuant to Section 97, for the 1981–82 fiscal year only, for each city, city and county, and county, there shall be excluded from the amount of property tax revenue allocated pursuant to this chapter to each such agency in the prior fiscal year an amount equal to "supplemental unsecured property tax revenue," as defined in subdivision (d).

(b) For the purpose of computations made pursuant to Section 97, for the 1981–82 fiscal year only, for school entities, there shall be added to the amount of property tax revenue allocated pursuant to this chapter to each school entity in the prior fiscal year an amount equal to the "supplemental unsecured property tax revenues" collected by each city, city and county, and county from property within the school entity, as defined in subdivision (d).

(c) For the purpose of computations made pursuant to Section 97, for the 1982–83 fiscal year, the amount of property tax revenue allocated pursuant to this chapter to each jurisdiction in the prior fiscal year shall be computed as if the property tax allocations were made in the 1981–82 fiscal year without reference to this section.

(d) As used in this section, "supplemental unsecured property tax revenue" means that revenue actually received by each city which is attributable to the portion of the property tax rate levied on the unsecured roll for the 1978–79 tax year, less the rate for voter-approved debt, which is in excess of four dollars ($4) per one hundred dollars ($100) of assessed value.

For each county and city and county "supplemental unsecured property tax revenue" means that revenue actually received by each county and city and county which is attributable to the portion of the property tax rate levied on the unsecured roll for the 1978–79 tax year, less the rate for voter-approved indebtedness, which is in excess of four dollars ($4) per one hundred dollars ($100) of assessed value, less an amount which is equal to any additional costs of collection of the 1978–79 unsecured roll in excess of normal operating costs.

SEC. 10. Section 100.5 of the Revenue and Taxation Code is repealed.

SEC. 11. Section 100.5 is added to the Revenue and Taxation Code, to read:

100.5. (a) For the 1982–83 fiscal year, if the total of General Fund revenues and transfers for fiscal year 1982–83 plus the amount of General Fund surplus available for appropriation as of June 30, 1982, as estimated on June 10, 1982, by the organization, is more than one hundred million dollars ($100,000,000) less than the base amount, then the amount of local assistance funds for fiscal year 1982–83 shall be reduced by an amount equal to the difference between the base amount and the amount of the organization's estimate, which

difference shall be known as the deflator amount.

(b) For the 1982–83 fiscal year and each fiscal year thereafter, the Governor's Budget for the prior fiscal year shall contain a base amount for the next succeeding fiscal year determined pursuant to paragraph (2) of subdivision (g). This amount may be changed by the Legislature in the Budget Act for the prior fiscal year, in which case this revised amount shall become the base amount for purposes of this section.

(c) Commencing in 1983, the organization shall, on June 10 of each year, determine the difference between the base amount, as determined pursuant to subdivision (b), and the amount of available resources, as defined in paragraph (3) of subdivision (g), and if the amount of available resources is more than one hundred million dollars ($100,000,000) less than the base amount, then the amount of local assistance funds for the next fiscal year shall be reduced by the amount of the difference, which difference shall be known as the deflator amount.

(d) Notwithstanding any other provision of law, the Controller shall deduct 50 percent of the deflator amount from local assistance funds for local agencies in the next fiscal year, to the extent these funds are available, and 50 percent shall be deducted from local assistance funds for school entities, to the extent these funds are available. However, the deduction for all school entities statewide shall not exceed the deduction for all local agencies statewide.

(e) The reductions provided for in subdivision (a) or (c) for local agencies shall be made in the following manner:

(1) The Controller shall total the local assistance funds for local agencies based on the amounts estimated for the next fiscal year in the Governor's Budget for that fiscal year.

(2) The Controller shall then calculate a factor derived by dividing 50 percent of the deflator amount by the amount determined in paragraph (1).

(3) If the factor determined in paragraph (2) is less than 1.0, then this factor shall be multiplied by the amount of funds for each individual source of local assistance funds for local agencies. The resulting amount shall be the amount of funds retained by the state from each individual source of local assistance funds for local agencies. The remaining funds from each source of amounts shall be allocated in accordance with the statutes cited in paragraph (1) of subdivision (g).

(4) If the factor determined in paragraph (2) is equal to or greater than 1.0, then no funds from any source of local assistance funds for local agencies shall be allocated to any local agency.

(f) The reductions provided for in subdivision (a) or (c) for school entities shall be made in proportion to the amount each local educational agency's apportionment pursuant to subdivision (f) of Section 41301 or subdivision (a) of Section 84728 of the Education Code bears to 50 percent of the deflator amount provided for in subdivision (a) or (c). However, no educational agency shall receive

less than one hundred twenty dollars ($120) per unit of average daily attendance from all state sources. Reductions under this paragraph for community college districts shall be determined by the Chancellor of the California Community Colleges, and for other school entities by the Superintendent of Public Instruction.

(g) For purposes of this section:

(1) "Local assistance funds" means:

(A) For local agencies, the funds allocated by the state to local agencies pursuant to Chapter 1.5 (commencing with Section 16110) and Chapter 3 (commencing with Section 16140) of Part 1 of Division 4 of Title 2 of the Government Code; Chapter 5 (commencing with Section 11001) of Part 5, and Chapter 9 (commencing with Section 30461) of Part 13, of Division 2 of the Revenue and Taxation Code.

(B) For school entities, the amounts allowed pursuant to subdivision (f) of Section 41301 of the Education Code to all elementary, high school and unified school districts, and county offices of education, and by the Chancellor's Office of the California Community Colleges from the amounts allowed pursuant to subdivision (a) of Section 84301 of the Education Code to all community college districts, or any appropriation in lieu thereof.

(2) "Base amount" means, for the fiscal year 1981–82, twenty-one billion five hundred million dollars ($21,500,000,000). For each fiscal year thereafter, "base amount" means the base amount for the prior year, adjusted annually by the estimated percentage change from the next fiscal year over the current fiscal year in the total state appropriations subject to limitation for purposes of Article XIII B of the California Constitution.

(3) "Available resources" means the total of General Fund revenues and transfers under current law for the next fiscal year, plus the amount of General Fund surplus available at the end of the current fiscal year, less any amounts of General Fund expenditures estimated by the organization on June 10 to be required in the next fiscal year as a replacement for federal government funding cuts in programs during the 1981–82 fiscal year.

(4) "Local agency" has the meaning provided in subdivision (a) of Section 95.

(5) "School entity" means any school district, community college district, or county office of education.

(6) "Organization" means the organization responsible for accurate and comprehensive long-range estimates, which is the Commission on State Finance, or, if this commission is subsequently abolished, it is the Joint Legislative Budget Committee, assisted by the Department of Finance and the Legislative Analyst.

(h) Notwithstanding any other provision of law, the amounts of all local assistance funds which are not paid to local agencies or school entities by operation of this section, shall be transferred from their respective funds or accounts to the General Fund for the fiscal year in which such payment is not made.

(i) The reductions provided by this section shall be effective for

any fiscal year unless a provision stating a contrary finding is enacted by the Legislature on or before June 30 of each year in the Budget Act.

(j) Notwithstanding any other provision of law, the transfer authority in subdivision (c) of Section 14002 and subdivision (d) of Section 14020 of the Education Code shall have no force or effect if the provisions of subdivision (f) are implemented.

SEC. 12. Section 11005.7 is added to the Revenue and Taxation Code, to read:

11005.7. (a) For the 1981–82 fiscal year, the Controller shall reduce the amounts apportioned to each city pursuant to Section 11005, by an amount determined pursuant to subdivision (b).

(b) (1) The Controller shall subtract from one hundred eighty-three million dollars ($183,000,000) an amount equal to the amount received by all cities from state subventions pursuant to Section 25761 of the Business and Professions Code, Section 4306 of the Public Utilities Code, and Section 26483 in the 1980–81 fiscal year.

(2) The Controller shall determine the percentage that "state assistance payments," as defined in Section 95, for each city, bears to the total of these amounts for all cities.

(3) The Controller shall apply the percentage determined in paragraph (2) to the difference computed in paragraph (1).

(4) The Controller shall compute for each city an amount equal to its January 1, 1981, population, as determined by the Department of Finance, multiplied by ten dollars and fifty-seven cents ($10.57). From this amount the Controller shall subtract the amount each city received from state subventions pursuant to Section 25761 of the Business and Professions Code, Section 4306 of the Public Utilities Code, and Section 26483 in the 1980–81 fiscal year.

(5) The amount of reduction pursuant to subdivision (a) shall be the lesser of the amounts determined in paragraphs (3) and (4).

(c) The amount subtracted pursuant to subdivision (a) shall be deposited in the General Fund.

SEC. 13. For any city described in the second clause of paragraph (2) of subdivision (h) of Section 95 of the Revenue and Taxation Code, the amount determined pursuant to Section 11005.7 of the Revenue and Taxation Code for that city shall be reduced by the amount described in that clause multiplied by 1.851851.

SEC. 14. Section 11005.8 is added to the Revenue and Taxation Code, to read:

11005.8. (a) For the 1981–82 fiscal year, the Controller shall reduce the amounts apportioned to each county pursuant to Section 11005, by an amount determined pursuant to subdivision (b).

(b) (1) The Controller shall subtract from ninety-two million dollars ($92,000,000) an amount equal to the amount received by all counties and all cities and counties from state subventions received pursuant to Section 25761 of the Business and Professions Code, Section 4306 of the Public Utilities Code, and Section 26483 in the 1980–81 fiscal year.

(2) The Controller shall determine the percentage that "state assistance payments," as defined in Section 95, for each county and each city and county bears to the total of these amounts for all counties and cities and counties.

(3) The Controller shall apply the percentage determined in paragraph (2) to the difference computed in paragraph (1).

(4) The Controller shall compute for each county and city and county an amount equal to its January 1, 1981, population, as determined by the Department of Finance, multiplied by three dollars and eighty-seven cents ($3.87). From this amount the Controller shall subtract an amount equal to the amount each county and city and county received from state subventions pursuant to Section 25761 of the Business and Professions Code, Section 4306 of the Public Utilities Code, and Section 26483 in the 1980–81 fiscal year.

(5) From the lesser of the amounts determined pursuant to paragraphs (3) and (4), the Controller shall subtract the net added cost, if any, imposed on the county or city and county pursuant to Senate Bill No. 633 of the 1981–82 Session as determined by the Department of Finance.

(6) The amount determined pursuant to paragraph (5) shall be the amount to be subtracted pursuant to subdivision (a).

(c) The amount subtracted pursuant to subdivision (a) shall be deposited in the General Fund.

SEC. 15. Section 26482 of the Revenue and Taxation Code is repealed.

SEC. 16. Section 26483 of the Revenue and Taxation Code is repealed.

SEC. 17. The provisions of this act shall not become operative unless and until the Budget Act of 1981 and Assembly Bill No. 251 of the 1981–82 Regular Session become law.

SEC. 18. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that prescribed reductions in moneys for local assistance are not made in the 1981–82 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 102

An act to amend Sections 8020, 8021, 8022, 8023, 8221, 17764, 41902, 48412, 49531, 49552, 68044, and 90500 of, and to add Chapter 4 (commencing with Section 59300) to Part 32 of, the Education Code, to amend Sections 12016, 12412.1, 13300, 13337, 13338, and 13339 of, to amend and repeal Section 13967 (as amended by Section 3 of Chapter 530 of the Statutes of 1980) of, to amend Sections 13967 (as added by Section 3.5 of chapter 530 of the Statutes of 1980), 16113,

and 68203 of, to add Sections 6517, 11712, and 11713 to, and to repeal Sections 12016, 13339 and 13967 (as amended by Section 3.1 of Chapter 530 of the Statutes of 1980) of the Government Code, to amend and repeal Sections 1505 (as amended by Section 157 of Chapter 676 of the Statutes of 1980), and 1505 (as amended by Section 157.5 of Chapter 676 of the Statutes of 1980) of, to amend Sections 1529 and 50740 of, to add Sections 1505, 1528.1, 1528.3, 1529.1, and 50740.7 to, to add Chapter 3.6 (commencing with Section 1597.50) to Division 2 of, and to repeal Section 1528.5 of, the Health and Safety Code, to amend Sections 7314, 7316, and 7721 of, and to add Section 7722 to, the Labor Code, to amend and repeal Sections 1464 (as amended by Section 1 of Chapter 1047 of the Statutes of 1980), 1464 (as amended by Section 2 of Chapter 1047 of the Statutes of 1980), and 1464 (as added by Section 3 of Chapter 1047 of the Statutes of 1980) of the Penal Code, to add Section 700.1 to the Probate Code, to add Section 25008 to the Public Resources Code, to amend Section 97.1 of the Revenue and Taxation Code, as added by Senate Bill No. 102 of the 1981–82 Regular Session, to amend Sections 406, 409, 411, 412, 413, 4201, 4227, 4250, 4327, 4357, and 4405 of the Water Code, to amend and repeal Sections 5075 (as amended by Section 5 of Chapter 1133 of the Statutes of 1979), to amend Sections 10020, 14005.12, 14005.8, 14005.9, 14017, 14023, 14050.1, 14132, 14171, 14172, 16700, 16701, 16702, 16703, 16704, 16705, 16707, 16708, 16710, 16712, and 16715 of, to add Sections 14009.5, 14016.2, 14016.3, 14016.4, 14016.9, 14017.5, 14018.2, 14101.7, 14105.1, 14109.5, 14124.80, 14124.81, 14124.82, 14124.83, 14124.84, 14124.85, 14124.86, 14124.87, 14124.88, 14134, 14134.2, 14172.5, and 16716 to, to add Chapter 8.8 (commencing with Section 14600) to Part 3 of Division 9 of, to repeal and add Sections 12306 and 14016 of, to repeal Sections 14018.4 and 16709 of, and to repeal Article 2 (commencing with Section 12525) of Chapter 4 of Part 3 of Division 9 of, Article 4 (commencing with Section 14640), and Article 5 (commencing with Section 14660) of Chapter 8.8 of Part 3 of Division 9 of, the Welfare and Institutions Code, relating to fiscal affairs, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1981. Filed with Secretary of State June 28, 1981]

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

SECTION 1. Section 8020 of the Education Code is amended to read:

8020. There shall be created within the state, regional adult and vocational education councils, which shall have boundaries as may be determined by local school districts, and approved by the Superintendent of Public Instruction and the Chancellor of the California Community Colleges. Regional boundaries shall be coterminous with the boundaries of community college districts, and

a region may consist of one or more adjacent community college districts. The superintendent and chancellor shall jointly publish guidelines for application by school districts and community college districts for the formation of regional adult and vocational councils.

SEC. 2. Section 8021 of the Education Code is amended to read:

8021. Any community college district, high school district, unified school district, or county office of education may be a participant in a regional adult and vocational education council.

SEC. 3. Section 8022 of the Education Code is amended to read:

8022. Notwithstanding any other provision of law, adult continuing education coordinating councils with an average daily attendance of over 700,000 or having boundaries which are coterminous with those of a city and county, may participate in regional adult and vocational education councils and all agreements, as to members, meetings, delineation of function, shall continue in force; and these councils shall comply with all other provisions of this article.

SEC. 4. Section 8023 of the Education Code is amended to read:

8023. The Superintendent of Public Instruction and Chancellor of the California Community Colleges shall prescribe and publish regulations for regional adult and vocational education councils. These regulations shall include procedures for nominating persons for election to membership on a regional adult and vocational council.

SEC. 5. Section 8221 of the Education Code is amended to read:

8221. Alternative payments may be made for services provided in licensed centers and family day care homes, for care provided in the child's home, and for other types of care which conform to applicable law.

SEC. 6. Section 17764 of the Education Code is amended to read:

17764. This chapter shall remain in effect only until the later of the following dates, and on that date is repealed, unless a later enacted statute changes the requirements of this section:

(a) July 1, 1985.

(b) The operative date of the Budget Act for a fiscal year after 1984–85 which Budget Act does not contain a section authorizing the operation of this section for that fiscal year.

SEC. 11. Section 41902 of the Education Code is amended to read:

41902. Allowances by the Superintendent of Public Instruction shall be made only for driver training classes maintained in accordance with the rules and regulations as set forth by the State Board of Education.

Driver training may be made available without tuition to eligible students. The governing board of a district maintaining a high school or high schools, the county superintendent of schools, the California Youth Authority, and the State Department of Education may make driver training available during school hours, or at other times, or any combination thereof.

SEC. 14. Section 48412 of the Education Code is amended to read:

48412. (a) Any person 16 years of age or older, or who has been enrolled in the 10th grade for one academic year or longer, or who will complete one academic year of enrollment in the 10th grade at the end of the semester during which the next regular examination will be conducted, shall be permitted to have his or her proficiency in basic skills taught in public high schools verified according to criteria established by the State Department of Education.

The State Board of Education shall award a "certificate of proficiency" to persons who demonstrate that proficiency. The certificate of proficiency shall be equivalent to a high school diploma, and the State Department of Education shall keep a permanent record of the issuance of all the certificates.

(b) The State Department of Education shall develop standards of competency in basic skills taught in public high schools and shall provide for the administration of examinations prepared by or with the approval of the department to verify such competency. Regular examinations shall be held once in the fall semester and once in the spring of every academic year on a date, as determined by the State Department of Education, which will enable notification of examinees and the schools they attend, if any, of the results thereof not later than two weeks prior to the date on which that semester ends in a majority of school districts which maintain high schools.

In addition to regular examinations, the State Department of Education may, at the discretion of the Superintendent of Public Instruction, conduct examinations for all eligible persons once during each summer recess and may conduct examinations at such other times as the superintendent deems necessary to accommodate eligible persons whose religious convictions or physical handicaps prevent their attending one of the regular examinations.

(c) The State Department of Education may charge a fee for each examination application in an amount sufficient to recover the costs of administering the requirements of this section; provided, however, that the fee shall not exceed twenty dollars ($20) per examination application. All fees levied and collected pursuant to this section shall be deposited in the State Treasury for remittance to the current support appropriation of the State Department of Education as reimbursement for costs of administering this section. Any reimbursements collected in excess of actual costs of administration of this section shall be transferred to the unappropriated surplus of the General Fund by order of the Director of Finance.

(d) The State Board of Education shall adopt rules and regulations as are necessary for implementation of the provisions of this section.

SEC. 15. Section 49531 of the Education Code is amended to read:

49531. Any child nutrition entity may apply to the Department of Education for all available federal and state funds so that a nutritionally adequate breakfast or lunch, or both, may be provided to pupils each schoolday at each school in such districts or maintained by such county superintendents of schools, or at such private schools

and parochial schools and to children receiving child development services. The State Board of Education shall adopt rules and regulations for the operation of lunch and breakfast programs in school districts. A child nutrition entity which receives state funds pursuant to this article, shall provide breakfasts and lunches in accordance with state and federal guidelines.

For purposes of this article, a nutritionally adequate breakfast or lunch is a breakfast or lunch which qualifies for reimbursement under the federal child nutrition program regulations.

State reimbursement for meals provided pursuant to this article shall be limited to meals provided to pupils who are within the relevant definitions and criteria in federal statutes and regulations which prescribe eligiblity for free and reduced price meals and children eligible for aid or services under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code.

SEC. 16. Section 49552 of the Education Code is amended to read:

49552. For the purposes of this article, the State Board of Education shall adopt regulations which define needy children, within the permissible limitations precribed by the relevant federal statutes and regulations, as children who are within the category of children eligible for aid or services under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code.

SEC. 17. Chapter 4 (commencing with Section 59300) is added to Part 32 of the Education Code, to read:

CHAPTER 4. FINANCE

Article 1. Local Contribution

59300. Notwithstanding any provision of this part to the contrary, the district of residence of the parent or guardian of any pupil attending a state-operated school pursuant to this part, excluding day pupils, shall pay the school of attendance for each pupil an amount equal to 10 percent of the average annual cost of education of pupils attending a state-operated school pursuant to this part.

SEC. 38. Section 68044 of the Education Code is amended to read:

68044. The governing boards shall adopt rules and regulations for determining a student's classification and for establishing procedures for review and appeal of that classification. The adopted rules and regulations shall include provisions requiring that the financial independence of a student classified as a nonresident seeking reclassification as a resident shall be included among the factors to be considered in the determination of residency.

A student shall be considered financially independent for purposes of this section if the applicant meets all of the following requirements: (a) has not and will not be claimed as an exemption for state and federal tax purposes by his or her parent in the calendar

year the reclassification application is made and in any of the three calendar years prior to the reclassification application, (b) has not and will not receive more than seven hundred fifty dollars ($750) per year in financial assistance from his or her parent in the calendar year the reclassification application is made and in any of the three calendar years prior to the reclassification application, and (c) has not lived and will not live for more than six weeks in the home of his or her parent during the calendar year the reclassification application is made and in any of the three calendar years prior to the reclassification application.

Other factors which may be considered in determining California residency shall be defined by the governing boards. In addition, the adopted rules and regulations shall include, but are not limited to, the evidence necessary to determine residence, procedures for obtaining residence information and procedures for administering oaths in connection with taking of testimony relative to residence. A district governing board may adopt rules and regulations which are not inconsistent with those adopted by the Board of Governors of the California Community Colleges.

SEC. 43. Section 90500 of the Education Code is amended to read:

90500. Notwithstanding Chapter 7 (commencing with Section 14850) of Part 5.5 of Division 3 of Title 2 of the Government Code, or any other provision of law to the contrary, printing and binding required by the trustees shall be performed by the Department of General Services in the form and manner, and at the prices of other state printing, and be paid for in like manner, except that binding of library volumes required by the trustees may be performed by binders selected on the basis of competitive bidding when the trustees determine that greater efficiency, quality, or economy will result. The trustees may fix the price for the sale of any bulletin or publication of the trustees or any state university or college, and may specify the class of persons or institutions that may receive copies of any publication free of charge.

Any county, or any school district, or community college district in this state may purchase from the trustees any publications of the trustees or any state university or college.

SEC. 45. Section 6517 is added to the Government Code, to read:

6517. (a) Notwithstanding any other provision of this chapter, the Department of General Services may enter into a joint powers agreement with any other public agency for the purpose of creating an agency or entity to finance the acquisition of land and the design and construction of state office buildings and parking facilities thereon. The joint powers agency or entity shall have the power to acquire land and construct office and parking facilities and to issue revenue bonds for these purposes.

(b) The department may lease state property to, and enter into a lease-purchase agreement with, the joint powers agency or entity on behalf of the State of California for terms not exceeding 50 years. The lease may contain any other terms and conditions which the

Director of the Department of General Services determines to be in the best interests of the state.

(c) Any joint powers agreement and any agreement between the state and any joint powers agency or entity created pursuant to this section shall be submitted to the Legislature for approval through the budgetary process before execution.

(d) This section shall not apply to or in any way limit the powers of any authority authorized under Section 8169.4.

SEC. 46. Section 11712 is added to the Government Code, to read:

11712. There is in the State Treasury, the Equipment Management Revolving Fund, hereafter referred to as the "EMR Fund," which fund is continuously appropriated without regard to fiscal years to implement the provisions of Section 11713.

SEC. 47. Section 11713 is added to the Government Code, to read:

11713. It is the intention of the Legislature that the Director of Finance shall actively promote maximum efficiency in the use of state funds for electronic data-processing and information systems. The Director of Finance may allocate funds, from the EMR Fund established by Section 11712, as a loan for the purchase of leased electronic data-processing equipment and necessary ancillary operating equipment when it has been clearly demonstrated, in the opinion of the Director of Finance, that cost benefits to the state will be realized. These allocations shall be made only in those instances in which no other funds are reasonably available for those purposes, and not sooner than 30 days after notification in writing of the necessity therefore has been given to the chairperson of the committee of each house which considers appropriations, and the chairperson of the Joint Legislative Budget Committee or sooner than such shorter time as the chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine. The EMR Fund shall be repaid by the state agency to which funds have been allocated, upon terms and conditions as may be prescribed by the Department of Finance.

SEC. 48. Section 12016 of the Government Code is amended to read:

12016. (a) The budget required by the State Constitution to be submitted by the Governor at each regular session of the Legislature shall be submitted within the first 10 days thereof and shall contain a complete plan and itemized statement of all proposed expenditures of the state provided by existing law or recommended by him or her, and all of its institutions, departments, boards, bureaus, commissions, officers, employees and other agencies, and of all estimated revenues, for the ensuing fiscal year, together with a comparison, as to each item of revenues and expenditures, with the actual revenues and expenditures for the last completed fiscal year and the actual revenues and expenditures for the existing fiscal year.

(b) The Governor, or the Department of Finance acting on his or her behalf, shall make appropriate changes in his or her budget request to reflect any modification in the organization or functions

of state government proposed under Article 7.5 (commencing with Section 12080) of Chapter 1 of this part prior to the passage of the budget.

(c) The provisions of this section shall apply to the budgets for all the following departments and agencies only with respect to the budgets of these departments and agencies for the 1979–80, 1980–81, and 1981–82 fiscal years:

(1) Employment Development Department.
(2) State Department of Education.
(3) California State University and Colleges.
(4) Department of Water Resources.
(5) Department of Transportation.
(6) State Department of Health Services.
(7) State Department of Social Services.
(8) Department of Motor Vehicles.

(d) The provisions of this section shall apply to the budgets of all other state entities only with respect to the budgets of such entities until such time as the provisions of Sections 12412.1, 13300, 13337, and 13338 become applicable to those entities.

This section shall remain in effect only until such time as the provisions of Sections 12412.1, 13300, 13337, and 13338 become applicable to those other state entities, and as of that date is repealed, unless a later enacted statute which is chaptered before that date, deletes or extends such date.

SEC. 49. Section 12412.1 of the Government Code is amended to read:

12412.1. The Controller shall:

(a) Account for expenditures by program schedules as utilized in the Budget Bill.

(b) Account for receipt of all federal funds and cross-reference such funds by federal and state program utilizing the federal revenue accounting system developed by the Department of Finance pursuant to Section 13300.

(c) Report monthly on each department's annual expenditure plan, comparing budget expenditures and actual expenditures by program as utilized in the Budget Act and fund source.

(d) Report monthly on revenue with a comparison between actual and estimated revenue.

(e) Maintain a file of all records prepared or maintained by the Controller. The file shall be made available for purposes of the fiscal data system developed pursuant to subdivision (j) of Section 13337.

Reporting requirements under subdivisions (a) to (e), inclusive, of this section may be deemed satisfied upon making data available to the fiscal information system developed pursuant to subdivision (j) of Section 13337.

This section shall apply to all departments and agencies specified in subdivision (c) of Section 12016 commencing with the 1982–83 fiscal year. This section shall apply to all other state entities commencing with the second fiscal year following the fiscal year for

which funds are appropriated by the Legislature to implement the provisions of this section.

SEC. 50. Section 13300 of the Government Code is amended to read:

13300. (a) The department shall devise, install, supervise, and, at its discretion, revise and modify, a modern and complete accounting system for each agency of the state permitted or charged by law with the handling of public money or its equivalent, to the end that all revenues, expenditures, receipts, disbursements, resources, obligations, and property of the state be properly, accurately, and systematically accounted for and that there shall be obtained accurate and comparable records, reports, and statements of all the financial affairs of the state.

(b) This system shall be of a nature so as to permit a comparison of budgeted expenditures, actual expenditures and encumbrances and obligations, as defined by the California Fiscal Advisory Board, and estimated revenue to actual revenue, on a monthly basis which is compatible with a budget coding system, developed by the department. In addition, the system shall provide for a federal revenue accounting system with cross-references of federal fund sources to state programs.

(c) This system shall include a program cost accounting system which accounts for expenditures by line item, program, governmental unit and fund source. The system and the accounts maintained by the several agencies of the state shall be coordinated with the central accounts maintained by the Controller, and shall provide the Controller with all information necessary to the maintenance by the Controller of a comprehensive system of central accounts for the entire state government. The Controller or the Director of Finance may submit to the State Board of Control and the State Board of Control shall consider and adopt any rule or regulation required to implement this section.

The amendments made to subdivisions (b) and (c) of this section during the 1977–78 Regular Session of the Legislature shall apply to the departments and agencies specified in subdivision (c) of Section 12016 commencing with the 1982–83 fiscal year and to all other state entities commencing with the second fiscal year following the fiscal year for which funds are appropriated by the Legislature to implement the provisions of this section. The department shall adopt guidelines and instructions to implement the application of this section to the departments and agencies specified in subdivision (c) of Section 12016 by June 30, 1981, and to all other state entities by no later than June 30 of the fiscal year for which funds are appropriated by the Legislature to implement the provisions of this section.

SEC. 51. Section 13337 of the Government Code is amended to read:

13337. (a) The budget required by the State Constitution to be submitted by the Governor at each regular session of the Legislature shall be submitted within the first 10 days thereof and shall contain

a complete plan and itemized statement of all proposed expenditures of the state provided by existing law or recommended by him or her, and all of its institutions, departments, boards, bureaus, commissions, officers, employees and other agencies, and of all estimated revenues, for the ensuing fiscal year, together with a comparison, as to each item of revenues and expenditures, with the actual revenues and expenditures for the last completed fiscal year, the estimated revenues and expenditures for the existing fiscal year and the budgeted revenue and expenditures for the next fiscal year.

(b) The Governor, or the Department of Finance acting on his or her behalf, shall make appropriate changes in the budget request to reflect any modification in the organization or functions of state government proposed under Article 7.5 (commencing with Section 12080) of Chapter 1 prior to the passage of the budget.

(c) The Governor's Budget shall be prepared as a program budget in accordance with guidelines and instructions adopted by the Department of Finance pursuant to Sections 13335 and 13336.

(d) In order to provide meaningful comparisons, the Governor's Budget shall be prepared in such a manner that the elements and components of each program shall be set forth in the same manner each year.

(e) The Department of Finance shall submit to the committee in each house which considers appropriations and to the Joint Legislative Budget Committee copies of budget material submitted to it by agencies pursuant to the provisions of Article 2 (commencing with Section 13320).

(f) The Governor's Budget shall also include a coding structure which indicates the types of activities being performed by each state entity so that similar or identical activities being performed by different entities may be identified and compared.

(g) The Governor, or the Department of Finance on his or her behalf, shall also prepare a supplemental report after July 1, but before August 1, of each year which indicates, for that fiscal year, a monthly encumbrance, obligation, and expenditure plan for each state entity by program or element. For the purposes of this act, an obligation exists when goods or services have been delivered and the state is required to pay for such goods or services and an encumbrance exists when a commitment has been made to expend funds. For purposes of accounting for funds under this act, all funds appropriated shall be identified as either expended, obligated, encumbered or unencumbered, as further defined by the California Fiscal Advisory Board, and the total of these shall equal the total appropriation.

(h) Prior to the submission of the Governor's Budget to the Legislature, the Department of Finance may conduct public hearings regarding any portion of any budget.

(i) The Governor, or the Department of Finance acting on his or her behalf, shall, at the same time the Governor's Budget is submitted to the Legislature, submit to the Legislature copies of the

material for the purposes of subdivision (j).

(j) The Department of Finance shall develop a fiscal information system which will provide timely and uniform fiscal data needed to formulate and monitor the budget, including, but not limited to, on-line inquiry capacity and the ability to simulate budget expenditures and forecast revenues. This system shall include, among other things, an accounting for expenditures by line item, program, governmental unit and fund source. This system shall also include a coding structure which indicates the types of activities being performed by each state entity so that similar or identical activities being performed by the same or different entities may be identified and compared. This system and the data shall be available to both the legislative and executive branches. The system may contain separate programs accessible by only one branch, designed to provide for distinct application of the data, but the basic system data shall be available on an equal basis to both the legislative and executive branches.

(k) The provisions of this section shall apply to the budgets for all departments and agencies specified in subdivision (c) of Section 12016 commencing with the 1982–83 fiscal year and to each fiscal year thereafter. The provisions of this section shall apply to the budgets of all other state entities commencing with the second fiscal year following the fiscal year for which funds are appropriated by the Legislature to implement the provisions of this section and to each fiscal year thereafter.

SEC. 52. Section 13338 of the Government Code is amended to read:

13338. (a) The Budget Bill shall be prepared in such a manner that it reflects, and follows as closely as possible, the Governor's Budget including programs and elements itemized therein.

(b) The Budget Bill shall also utilize a coding scheme compatible with the Governor's Budget and with the records of the Controller. Except as otherwise provided in this section, the provisions of this subdivision shall apply commencing with the 1982–83 fiscal year, and to each fiscal year thereafter.

(c) The Budget Bill shall provide for the appropriation of federal funds received by the state and deposited in the State Treasury. The provisions of this subdivision shall apply commencing with the 1981–82 fiscal year, and to each fiscal year thereafter, except as otherwise provided in Section 13338.5.

(d) The provisions of subdivisions (a) and (b) shall apply to the budgets for all departments and agencies specified in subdivision (c) of Section 12016 commencing with the 1982–83 fiscal year and to each fiscal year thereafter. The provisions of this section shall apply to the budgets of all other state entities commencing with the second fiscal year following the fiscal year for which funds are appropriated by the Legislature to implement the provisions of this section and to each fiscal year thereafter.

SEC. 53. Section 13339 of the Government Code is amended to

read:

13339. (a) There is hereby created a California Fiscal Advisory Board consisting of the following members, or their representatives:

(1) Chairman of the committee in each house which considers appropriations.

(2) Chairman of the Joint Legislative Budget Committee.

(3) Chairman of the Joint Legislative Audit Committee.

(4) State Treasurer.

(5) State Controller.

(6) Director of Finance, who shall serve as chairman of the board.

(b) The board shall monitor and advise the legislative and executive branches regarding the implementation of this chapter. The board shall also make recommendations as to any further legislation that may be necessary in order to further the objectives of this chapter.

In addition thereto, the advisory board shall review the budgeting and accounting process for the purpose of improving the preparation, legislative review and execution of the budget considering, but not limited to, such subjects as the budget cycle, adequate time for legislative review, increased public participation, and the basis of accounting revenues, expenditures, obligations, and encumbrances. The advisory board shall make a preliminary report of its recommendations by March 1, 1981, and a final report by January 1, 1983.

This section shall remain in effect only until such time as the provisions of Sections 12412.1, 13300, 13337, and 13338 become applicable to those state entities specified in subdivision (d) of Section 12016, and as of that date is repealed, unless a later enacted statute, which is chaptered before that date, deletes or extends such date.

SEC. 54. Section 13967 of the Government Code, as amended by Section 3 of Chapter 530 of the Statutes of 1980, is amended to read:

13967. (a) Upon a person being convicted of a crime of violence committed in the State of California resulting in the injury or death of another person, if the court finds that the defendant has the present ability to pay a fine and finds that the economic impact of the fine upon the defendant's dependents will not cause the dependents to be dependent on public welfare the court shall, in addition to any other penalty, order the defendant to pay a fine commensurate with the offense committed, and with the probable economic impact upon the victim, of at least ten dollars ($10), but not to exceed ten thousand dollars ($10,000).

(b) The fine imposed pursuant to this section shall be deposited in the Indemnity Fund in the State Treasury, the proceeds of which shall be available for appropriation by the Legislature to indemnify persons filing claims pursuant to this article, to provide assistance to established local comprehensive programs for victims and witnesses, including but not limited to, pilot local assistance centers for victims and witnesses established pursuant to the provisions of Article 2

(commencing with Section 13835) of Chapter 4 of Title 6 of Part 4 of the Penal Code, and to provide funding for the programs provided pursuant to Article 4 (commencing with Section 13837) of Chapter 4 of Title 6 of Part 4 of the Penal Code.

(c) It is the intent of the Legislature that funds appropriated pursuant to this section for local assistance centers for victims and witnesses shall be in addition to any funds appropriated as provided in Section 13835.8 of the Penal Code.

(d) Funds appropriated pursuant to this section shall be made available through the Office of Criminal Justice Planning to those public or private nonprofit programs for the assistance of victims and witnesses which:

(1) Provide comprehensive services to victims and witnesses of all types of crime. It is the intent of the Legislature to make funds available only to programs which do not restrict services to victims and witnesses of a particular type or types of crimes.

(2) Are recognized by the county board of supervisors as the major provider of comprehensive services to such victims and witnesses.

(3) Are selected by the county board of supervisors as the eligible program to receive such funds.

(4) Assist victims of violent crimes in the preparation and presentation of their claims to the State Board of Control for indemnification pursuant to this article.

(5) Cooperate with the State Board of Control in obtaining and verifying data required by this article.

(e) This section shall remain in effect only until January 1, 1983, and as of that date is repealed.

SEC. 55. Section 13967 of the Government Code, as amended by Section 3.1 of Chapter 530 of the Statutes of 1980, is repealed.

SEC. 56. Section 13967 of the Government Code, as added by Section 3.5 of Chapter 530 of the Statutes of 1980, is amended to read:

13967. (a) Upon a person being convicted of a crime of violence committed in the State of California resulting in the injury or death of another person, if the court finds that the defendant has the present ability to pay a fine and finds that the economic impact of the fine upon the defendant's dependents will not cause the dependents to be dependent on public welfare the court shall, in addition to any other penalty, order the defendant to pay a fine commensurate with the offense committed, and with the probable economic impact upon the victim, of at least ten dollars ($10), but not to exceed ten thousand dollars ($10,000). In addition to any other penalty, upon a person being convicted of any felony or misdemeanor there shall be levied a penalty assessment of forty dollars ($40) for each felony conviction and twenty dollars ($20) for each misdemeanor conviction upon every fine, penalty, and forfeiture imposed and collected by the courts. Any fine or penalty assessment imposed pursuant to this section shall not be subject to any penalty assessment imposed pursuant to Section 13521 of the

Penal Code.

(b) The fine or penalty assessment imposed pursuant to this section shall be deposited in the Indemnity Fund in the State Treasury, hereby continued in existence, the proceeds of which shall be available for appropriation by the Legislature for the following purposes:

(1) To indemnify persons filing claims pursuant to this article.

(2) To provide assistance to established local comprehensive programs for victims and witnesses, including but not limited to, pilot local assistance centers for victims and witnesses established pursuant to the provisions of Article 2 (commencing with Section 13835) of Chapter 4 of Title 6 of Part 4 of the Penal Code.

(3) To provide funding for the programs provided pursuant to Article 4 (commencing with Section 13837) of Chapter 4 of Title 6 of Part 4 of the Penal Code.

(c) It is the intent of the Legislature that funds appropriated pursuant to this section for local assistance centers for victims and witnesses shall be in addition to any funds appropriated as provided in Section 13835.8 of the Penal Code.

(d) Funds appropriated pursuant to this section shall be made available through the Office of Criminal Justice Planning to those public or private nonprofit programs for the assistance of victims and witnesses which:

(1) Provide comprehensive services to victims and witnesses of all types of crime. It is the intent of the Legislature to make funds available only to programs which do not restrict services to victims and witnesses of a particular type or types of crimes.

(2) Are recognized by the county board of supervisors as the major provider of comprehensive services to such victims and witnesses.

(3) Are selected by the county board of supervisors as the eligible program to receive those funds.

(4) Assist victims of violent crimes in the preparation and presentation of their claims to the State Board of Control for indemnification pursuant to this article.

(5) Cooperate with the State Board of Control in obtaining and verifying data required by this article.

SEC. 57. Section 16113 of the Government Code is amended to read:

16113. (a) Each county auditor shall file a claim with the Controller on or before the last day of August of each year for reimbursement to local governmental agencies for the tax loss attributable to property on the unsecured roll by reason of the reduced assessment ratio of commercial passenger fishing vessels provided for in subdivision (c) of Section 227 of the Revenue and Taxation Code.

(b) Each county auditor shall file a claim with the Controller on or before October 31 of each fiscal year for reimbursement to local governmental agencies for the tax loss attributable to property on

the secured roll by reason of the reduced assessment ratio of commercial passenger fishing vessels provided for in subdivision (c) of Section 227 of the Revenue and Taxation Code.

(c) For the 1980–81 fiscal year, and fiscal years thereafter, the amount the state shall reimburse local governmental jurisdictions for revenue loss by reason of the exemption for business inventories provided for in Section 219 of the Revenue and Taxation Code, and for livestock as provided for in Section 5523 of such code, shall be computed as follows:

(1) For the 1980–81 fiscal year, the sum of the reimbursements for all local governmental jurisdictions within a county shall equal twice the amount of money that would have been allocated for the 1979–80 fiscal year to the jurisdictions if the inventory exemption reimbursement had been predicated on the jurisdictions' share of the proceeds from a countywide property tax rate of four dollars ($4) per one hundred dollars ($100) of assessed valuation including the amount such jurisdictions would have received if such amount had not been subtracted pursuant to the provisions of Section 16117, plus 170 percent of the livestock exemption reimbursement for the 1979–80 fiscal year, with the resulting total sum to be increased by a percentage equal to the State Reimbursement for Inventory Tax Factor.

(2) For the 1982–83 fiscal year and each fiscal year thereafter, the sum of the reimbursements for all local governmental jurisdictions within a county shall be equal to the reimbursement computed for the prior fiscal year, multiplied by the lesser of the change in cost of living for the calendar year in which the fiscal year begins or the change in California per capita personal income for the calendar year preceding the beginning of the fiscal year for which reimbursement is to be determined, the product multiplied by the change in population of the local jurisdiction for the calendar year preceding the beginning of the fiscal year for which reimbursement is to be determined.

"Change in California per capita personal income," "change in cost of living," and "change in population" shall have the meaning provided in Division 9 (commencing with Section 7900) of Title 1.

(d) With respect to the 1980–81 fiscal year and each fiscal year thereafter, each county auditor shall file a claim with the Controller on or before October 31 of each fiscal year for reimbursement to local jurisdictions for the amount computed pursuant to subdivision (c).

Proceeds received from the Controller pursuant to such claims shall be apportioned by the auditor to local governmental jurisdictions as property tax revenues pursuant to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code.

(e) For purposes of this section, "State Reimbursement for Inventory Tax Factor" means:

(1) For cities, counties, and special districts: the percentage change in cost of living (as determined pursuant to Section 2212 of

the Revenue and Taxation Code) plus the percentage change in the population of the city, county, or special district (as determined pursuant to Section 2227 or 2228 of the Revenue and Taxation Code). The percentage change in the population of a redevelopment agency shall be the percentage change in the population of the city or county in which the redevelopment agency is located.

(2) For school districts, county superintendents of schools and community college districts: the percentage change in the cost of living (as determined pursuant to Section 2212 of the Revenue and Taxation Code) plus the percentage change in the ADA of the school district or community college district.

SEC. 58. Section 68203 of the Government Code is amended to read:

68203. (a) On July 1, 1980, and on July 1 of each year thereafter the salary of each justice and judge named in Sections 68200 to 68202, inclusive, shall be increased by that amount which is produced by multiplying the then current salary of each justice or judge by the average percentage salary increase for the current fiscal year for California State employees; provided, that in any fiscal year in which the Legislature places a dollar limitation on salary increases for state employees the same limitation shall apply to judges in the same manner applicable to state employees in comparable wage categories.

(b) For the purposes of this section, salary increases for state employees shall be such increases as reported by the California Office of Employee Relations.

(c) The salary increase for judges and justices made on July 1, 1980, for the 1980–81 fiscal year, shall in no case exceed five percent.

SEC. 59. Section 1505 of the Health and Safety Code, as amended by Section 157 of Chapter 676 of the Statutes of 1980, is amended to read:

1505. The provisions of this chapter shall 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 neighborhood family day care home which is accredited by a school district pursuant to Section 8245 of the Education Code.

(d) Any family day care home for children licensed under Chapter 3.6 (commencing with Section 1597.50).

(e) Any family day care home providing care for the children of only two families, including the operator's own children.

(f) Any juvenile placement facility approved by the California Youth Authority or any juvenile hall operated by a county.

(g) Any place in which a juvenile is judicially placed pursuant to subdivision (a) of Section 362 of the Welfare and Institutions Code.

(h) Any facility conducted by and for the adherents of any well-recognized church or religious denomination for the purpose of providing facilities for the care or treatment of the sick who depend upon prayer or spiritual means for healing in the practice of the

religion of such church or denomination.

(i) Any residential facility exclusively serving persons of ages 16 to 19 years, inclusive, which is operated by a nonprofit corporation sponsored by a combination of well-recognized, bona fide churches or religious denominations for the purpose of providing moral and spiritual guidance to such persons as well as board, room, and care. In such a facility, all minors are placed in the custody thereof pursuant to a power of attorney executed by the minor's parent or guardian, or pursuant to an order of a court of competent jurisdiction, granting such facility complete authority over the person of the minor until rescinded or revoked. Such a facility shall not receive any form of grant assistance from any agency of federal, state, or local government for the provision of such care.

Any facility desiring an exemption under this subdivision shall make application to the state department, which shall grant the exemption if the facility meets the criteria specified in this subdivision. A facility exempted from licensure pursuant to this subdivision shall nevertheless be subject to all requirements of state and local law and ordinances, including regulations adopted pursuant to this chapter, which prescribe standards of sanitation or fire and life safety applicable to the facility.

(j) Any school dormitory or similar facility determined by the department.

(k) Any house, institution, hotel, or other similar place that supplies board and room only, or room only, or board only, provided that no resident thereof requires any element of care as determined by the director.

(*l*) Recovery houses or other similar facilities providing group living arrangements for persons recovering from alcoholism or drug addiction where the facility provides no care or supervision.

(m) Any cooperative arrangement between parents for the care of their children by one or more of the parents where no payment for the care is involved.

(n) Any arrangement for the receiving and care of persons by a relative or any arrangement for the receiving and care of persons from only one family by a close friend of the parent, guardian, or conservator, if such arrangement is not for financial profit and occurs only occasionally and irregularly, as defined by regulations of the state department.

(o) Any similar facility determined by the director.

This section shall remain in effect only until January 1, 1983, and as of that date is repealed unless a later enacted statute which is chaptered prior to January 1, 1983, deletes or extends that date.

SEC. 60. Section 1505 of the Health and Safety Code, as amended by Section 157.5 of Chapter 676 of the Statutes of 1980, is amended to read:

1505. The provisions of this chapter shall 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 neighborhood family day care home which is accredited by a school district pursuant to Section 8245 of the Education Code.

(d) Any family day care home for children licensed under Chapter 3.6 (commencing with Section 1597.50).

(e) Any family day care home providing care for the children of only two families, including the operator's own children.

(f) Any juvenile placement facility approved by the California Youth Authority or any juvenile hall operated by a county.

(g) Any place in which a juvenile is judicially placed pursuant to subdivision (a) of Section 727 of the Welfare and Institutions Code.

(h) Any facility conducted by and for the adherents of any well-recognized church or religious denomination for the purpose of providing facilities for the care or treatment of the sick who depend upon prayer or spiritual means for healing in the practice of the religion of such church or denomination.

(i) Any school dormitory or similar facility determined by the department.

(j) Any house, institution, hotel, or other similar place that supplies board and room only, or room only, or board only, provided that no resident thereof requires any element of care as determined by the director.

(k) Recovery houses or other similar facilities providing group living arrangements for persons recovering from alcoholism or drug addiction where the facility provides no care or supervision.

(*l*) Any cooperative arrangement between parents for the care of their children by one or more of the parents where no payment for the care is involved.

(m) Any arrangement for the receiving and care of persons by a relative or any arrangement for the receiving and care of persons from only one family by a close friend of the parent, guardian, or conservator, if such arrangement is not for financial profit and occurs only occasionally and irregularly, as defined by regulations of the state department.

(n) Any similar facility determined by the director.

This section shall become operative January 1, 1983, and shall remain in effect only until July 1, 1984, and as of that date is repealed unless a later enacted statute which is chaptered prior to July 1, 1984, deletes or extends that date.

SEC. 61. Section 1505 is added to the Health and Safety Code, to read:

1505. The provisions of this chapter shall 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 neighborhood family day care home which is accredited by a school district pursuant to Section 8245 of the Education Code.

(d) Any juvenile placement facility approved by the California Youth Authority or any juvenile hall operated by a county.

(e) Any place in which a juvenile is judicially placed pursuant to subdivision (a) of Section 727 of the Welfare and Institutions Code.

(f) Any facility conducted by and for the adherents of any well-recognized church or religious denomination for the purpose of providing facilities for the care or treatment of the sick who depend upon prayer or spiritual means for healing in the practice of the religion of such church or denomination.

(g) Any school dormitory or similar facility determined by the department.

(h) Any house, institution, hotel, or other similar place that supplies board and room only, or room only, or board only, provided that no resident thereof requires any element of care as determined by the director.

(i) Recovery houses or other similar facilities providing group living arrangements for persons recovering from alcoholism or drug addiction where the facility provides no care or supervision.

(j) Any cooperative arrangement between parents for the care of their children by one or more of the parents where no payment for the care is involved.

(k) Any arrangement for the receiving and care of persons by a relative or any arrangement for the receiving and care of persons from only one family by a close friend of the parent, guardian, or conservator, if such arrangement is not for financial profit and occurs only occasionally and irregularly, as defined by regulations of the state department.

(*l*) Any similar facility determined by the director.

This section shall become operative July 1, 1984.

SEC. 61.5. Section 1528.1 is added to the Health and Safety Code, to read:

1528.1. For the purpose of effecting a more cost-effective licensing program, day care facilities, following an onsite inspection, shall be given a 60-day period to report to the department the final and complete documentation of records found incomplete at the time of the inspection.

For the purposes of this section, "records" means those types of records requiring information from sources not in the control of the facilities, and include, but are not limited to, the following:

(a) Physical examination reports by physicians.

(b) Confirmations of required immunizations.

(c) Submission of official data describing the educational qualifications of the facility staff. No additional onsite inspections for the purpose of checking completion of the designated records shall be made during the 60-day period.

SEC. 61.6. Section 1528.3 is added to the Health and Safety Code, to read:

1528.3. To substantially reduce the cost of the licensing program to the department by recognizing infant and day care centers that consistently maintain licensing standards and regulations, the department shall simplify review and inspection activities as follows:

(a) Previously licensed facilities which have had no complaints registered since the granting of the most recent license shall be automatically renewed for the period specified in Section 1529.

(b) Facilities against which one or more complaints have been registered during the period covered by the most recent license shall receive an unannounced visit prior to issuance of a renewal

(c) Unannounced visits shall be made at random to one-third of the licensed facilities each year.

SEC. 62. Section 1528.5 of the Health and Safety Code is repealed.

SEC 62.4. Section 1529 of the Health and Safety Code is amended to read:

1529. Notwithstanding Sections 1523 and 1524, a license or special permit for a day care facility for children which is in compliance with this chapter and applicable rules and regulations shall be issued for a period of three years, and no fee shall be required to accompany any application for a license or special permit for any such facility.

SEC. 62.5. Section 1529.1 is added to the Health and Safety Code, to read:

1529.1. Upon initial licensure, day care facilities shall be provided a printed copy of all applicable regulations by the department without charge, and at all such other times when revisions in the regulations are reprinted for distribution.

SEC. 63. Chapter 3.6 (commencing with Section 1597.50) is added to Division 2 of the Health and Safety Code, to read:

CHAPTER 3.6. FAMILY DAY CARE HOMES FOR CHILDREN

1597.50. The Legislature finds and declares:

(a) It has a responsibility to ensure the health and safety of children in family homes that provide day care.

(b) That there are insufficient numbers of family day care homes in California.

(c) There will be a growing need for child day care facilities due to the increase in working parents.

(d) Many parents prefer child day care located in their neighborhoods in small family homes.

(e) There should be a variety of child care settings, including family day care homes, as suitable alternatives for parents.

(f) That the state should maintain a program of licensing family day care homes that is not costly to the taxpayers and does not encourage an administrative organism that deters from the need to protect and supervise children in family homes.

(g) That the program shall be operated by the state, will be cost effective, streamlined, simpler for state and local officials, does not place any burdens on the providers and parents, holds the providers accountable in cases of complaints, and advocates that children, especially the youngest in our community, are a priority.

1597.51. (a) Notwithstanding the provisions of Chapter 3 (commencing with Section 1500), the State Department of Social

Services shall establish, administer, and monitor a program which licenses family day care homes for children consistent with the provisions of this chapter except in those counties conducting pilot projects under Section 1597.62.

(b) The provisions of this chapter shall not apply to any family day care home providing care for the children of only two families, including the operator's own children.

1597.52. (a) The department may contract with state, county, or other public agencies for the assumption of certain responsibilities as provided in Section 1511; provided that in exercising the authority so delegated, such agencies shall conform to the requirements of this chapter and to the rules, regulations, and standards of the department promulgated under this chapter.

(b) The department and the local agencies with which it contracts for the licensing of day care facilities for children shall grant or deny a license to a family day care home for children within 30 days after receipt of all appropriate licensing application materials, as determined by the department, and after a home visit has been completed, on the condition that the application includes a statement, signed under penalty of perjury, from the applicant and every other adult living at the same location, that he or she has never been convicted of a crime other than a minor traffic violation involving a fine of fifty dollars ($50) or less.

(c) Licensing reviews, of care and services of a day care facility for children shall be limited to health and safety considerations and shall not include any reviews of the content of any educational or training program of the facility.

(d) Review of day care facilities for children shall be limited to inspection for compliance with the provisions of this chapter, and shall not include evaluations and rating scales.

1597.53. No family day care home for children shall be licensed under Chapter 3 (commencing with Section 1500), but shall be subject to licensure exclusively in accordance with the provisions of this chapter which shall be administered with the other licensing activities of the department.

1597.54. All family day care homes for children, shall apply for an initial license under this chapter, except that any home which on the effective date of this section, had a valid and unexpired license to operate as a family day care home for children under other provisions of law shall be deemed to have a license under this chapter for the unexpired term of the license at which time it may be renewed upon fulfilling the requirements of this chapter.

An applicant for initial licensure as a family day care home for children shall file with the department, pursuant to its regulations, an application on forms furnished by the department, which shall include, but not be limited to, the following:

(a) A brief statement confirming that the applicant is financially secure to operate a family day care home for children. The department shall not require any other specific or detailed financial

disclosure.

(b) Evidence that the family day care home contains a fire extinguisher or smoke detector device, or both, which meets standards established by the State Fire Marshal.

(c) The fingerprints of any operator of a family day care home, and any other adult living in the same location.

(d) Evidence of a current tuberculosis clearance for the operator.

(e) Such other information as may be required by the department for the proper administration and enforcement of the chapter.

1597.55. No site visitations, or unannounced visits or spot checks shall be made under this chapter except as provided in this section.

(a) A site visitation shall be required prior to the initial licensing of the applicant.

(b) A site visitation shall be required for the renewal license when there has been a major violation of present regulations by the licensee which has not been corrected at the time of the request for a renewal license.

(c) A public agency under contract with the department, as provided in Section 1597.52, may make spot checks if it does not result in any cost to the state. However, such spot checks shall not be required by the department.

(d) The department may make a site visitation on the basis of a complaint and a followup visit as provided in Section 1597.56.

(e) In addition to any site visitation or spot check authorized under this section, the department shall annually make unannounced visits on 10 percent of all family day care homes for children licensed under this chapter. The unannounced visits may be made at any time, including the time of a request for a renewal of a license.

1597.56. The department shall establish a procedure for the processing and handling of complaints which shall include a site visitation, a report filed on the complaint and a followup visit to assure that any violation has been corrected.

1597.57. The department shall:

(a) Develop and utilize one application form for all family day care homes for children requesting a new or renewal license.

(b) Establish for parents a consumer education and awareness package of information on the law and regulations governing family day care homes for children under this chapter and the role of the state and other public entities and local associations in relation to family day care homes for children.

(c) Administer an orientation program for new operators of family day care homes for children which may be conducted directly by the department or by contract with local governments or family day care home associations.

(d) Establish staffing ratios for family day care homes under which there shall be not less than one adult to each six children including the provider's own children and not more than two of the six children shall be infants.

1597.58. Each license issued or renewed pursuant to this chapter shall expire three years from the date of its issuance. The license shall be automatically renewed, if, from the date of the initial issuance of a license or issuance of the last renewal license, the licensee has not committed any violations of the provisions of this chapter or regulations issued under this chapter.

Application for renewal of a license shall be filed with the department not less than 30 days prior to the expiration date. Failure to submit a renewal application prior to such date shall result in expiration of the license.

1597.59. (a) Before issuing a license the department shall secure from an appropriate law enforcement agency a criminal record to determine whether the operator has ever been convicted of a crime other than a minor traffic violation. The fee shall be charged by the Department of Justice or the department for the fingerprinting of any operator or for obtaining a criminal record of any such operator pursuant to this section. If it is found that any operator has been convicted of a crime, other than a minor traffic violation, the application for the license shall be denied, unless the department grants an exemption pursuant to subdivision (b).

(b) After review of the record the department may grant an exemption from disqualification for a license pursuant to subdivision (a), if the department has substantial and convincing evidence to support a reasonable belief that the operator convicted of the crime is of such good character as to justify issuance of the license.

1597.60. No fee shall be charged by the department for the initial issuance or renewal of a license or for processing any application therefor under this chapter.

1597.61. When the licensing agency determines that a family day care home for children is operating without a license and notifies the unlicensed provider of the requirement for such license, the licensing agency may issue a cease and desist order only if it finds and documents that continued operation of the facility will be dangerous to the health and safety of the children. In all other cases where the licensing agency determines such a facility is operating without a license and notifies the unlicensed provider of the requirements for such license, the licensing agency may issue a cease and desist order only if such unlicensed provider does not apply for a license within a reasonable time after such notice.

The department may also initiate other legal proceedings as provided in Sections 1550 and 1551.

1597.62. (a) A pilot project of registration of family day care homes for children is hereby continued. This project shall be established in three counties consisting of one urban, one suburban, and one rural county as provided in subdivision (e). Registration shall be limited to such facilities, which care for six or fewer children. The intent of this project is to determine whether a simplified registration procedure can expand and improve availability of care while substantial compliance with health and safety regulations is

maintained. The project shall terminate on January 1, 1983.

(b) The department shall develop simplified forms for collecting information from prospective registrants. Such forms shall request from the registrant the following information:

(1) Name.
(2) Age and sex.
(3) Address.
(4) Telephone number.
(5) Age and number of children the registrant expects to care for.
(6) Size of home.
(7) Outdoor space available.
(8) Records maintained on children in care.
(9) Provisions for meals and snacks.
(10) Fingerprint application.
(11) Evidence of negative tuberculosis test.
(12) A statement signed under penalty of perjury, from the registrant and every other adult living at the same location, that he or she has never been convicted of a crime other than a minor traffic violation involving a fine of fifty dollars ($50), or less.
(13) A statement, signed under penalty of perjury, from the registrant that fire safety, poison control, first aid procedures, disaster and emergency plans, and swimming pool safety are appropriate and in substantial conformity with regulations adopted by the department. The department shall provide a copy of the appropriate sections of health and safety regulations, adopted by the department, to the registrant. Completion of registration, as specified in this section, shall be sufficient for the continued operation of a day care facility for children.

(c) If, after registration by the provider, it is determined that the registrant is not in substantial compliance with regulations adopted by the department for licensed family day care, the department may proceed as provided in Section 1597.61.

(d) The department shall institute a system of random visits to 10 percent of the registered homes during the pilot registration program, with appropriate reporting on the extent to which the system is working satisfactorily.

(e) The department shall develop procedures to be followed in the event of complaints about the home, including procedures for visits, procedures to obtain corrections of unsafe conditions, procedures for suspension and revocation of registrations and licenses, and procedures to invoke criminal sanctions against operators who fail to correct unsafe conditions.

(f) The department shall select the counties to be chosen for the pilot project in the following manner:

(1) It shall confirm the existence of an information and referral system in the county with the capability of providing information to parents and prospective operators about the system.

(2) It shall make certain that the counties have procedures for ensuring that current licenses can be maintained upon appropriate

applicant recertification that requirements are met.

(3) It shall make certain that procedures will be established to ensure that current licenses can be maintained upon appropriate applicant recertification that requirements are met.

(4) The county shall demonstrate its willingness to operate such a program.

(g) The department shall develop, with local information and referral offices, procedures for informing parents of their selection and complaint responsibilities under registration systems.

(h) The pilot registration program shall be implemented by counties which maintain contracts with the state for family day care licensing. Those funds normally allocated to such counties for their licensing programs shall be allocated in full for registration, except as otherwise provided for in Section 8 of Chapter 1063 of the Statutes of 1979. Such funds will cover the costs of administering the pilot registration program, and the costs of public education, followup on parent complaints, random visits, and other program elements.

(i) The board of supervisors shall establish a voluntary advisory committee to advise on the development and implementation of the pilot registration program. It shall consist of three parent consumers of family day care services, three providers of family day care who represent at least two different associations where applicable, two representatives of resource and referral agencies, and one representative of the general public.

(j) The Department of Finance shall provide an evaluation of the registration program provided by this section to determine the impact of the pilot registration program in the following areas:

(1) The extent to which such program has expanded the amount of family day care available.

(2) The extent to which such program has encouraged the registration of unlicensed care providers.

(3) The impact such program has had on state and local administrative costs.

(4) An analysis of the extent and types of complaints which occur under the registration system with a comparison of the extent and types of complaints under current licensing procedures.

(k) The evaluation required by subdivision (g) shall be submitted to the Legislature on or before March 1, 1983.

(*l*) During the existence of the pilot registration program, for the purposes of this chapter, "licensee" includes a registrant.

1597.63. A day care facility for children which provides care for six or fewer children, exclusive of children who reside at the facility, and which also serves as the residence of the licensee, shall be considered a residential use of property for the purposes of all local ordinances, and shall not be classified by a local zoning ordinance in any way which provides or implies that the facility is a business run for profit or differs in any other way from a single-family residence. No conditional use permit, zoning ordinance, or other zoning clearance shall be required for such a facility which is not required

of a single-family residence in the same zone. Use of a single-family dwelling for purposes of a day care facility for children serving six or fewer children, exclusive of children who reside at the facility, shall not constitute a change of occupancy for purposes of Part 1.5 (commencing with Section 17910) of Division 13 or local building codes.

Nothing in this section is intended to supersede Section 13143 or Section 13143.6, to the extent that such sections are applicable to day care facilities for children. The provisions of this section shall not be construed to preclude any city, county, or other local public entity from placing restrictions on building heights, setback, or lot dimensions of a day care facility which serves six or fewer children as long as such restrictions are identical to those applied to other single-family residences. The provisions of this section shall not be construed to preclude the application to a day care facility for children of any local ordinance which deals with health and safety, building standards, environmental impact standards, or any other matter within the jurisdiction of a local public entity; provided, that such ordinance does not distinguish day care facilities which serve six or fewer children, exclusive of children who reside at the facility, from other single-family dwellings.

1597 64. This article shall remain in effect only until July 1, 1984, and as of such date is repealed, unless a later enacted statute, which is chaptered before July 1, 1984, deletes or extends such date.

SEC. 64. The sum of four million one hundred thousand dollars ($4,100,000) is hereby appropriated from the General Fund to the State Department of Social Services for the purposes of Chapter 3.6 (commencing with Section 1597.50) of Division 2 of the Health and Safety Code, except for Section 1597.62 of the Health and Safety Code.

SEC. 65. Section 50740 of the Health and Safety Code is amended to read:

50740. The Rental Housing Construction Incentive Fund established in the State Treasury is hereby renamed the Rental Housing Construction Fund. All money in the fund is hereby continuously appropriated to the Department of Housing and Community Development for purposes of this chapter. All interest or other increment resulting from investment or deposit of moneys in the fund shall be deposited in the fund, notwithstanding Section 16305.7 of the Government Code. Moneys in the fund shall not be subject to transfer to any other fund pursuant to any provision of Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code, excepting the Surplus Money Investment Fund.

SEC. 66. Section 50740.7 is added to the Health and Safety Code, to read:

50740.7. If money committed by the department prior to the effective date of the act which enacted this section cannot be used by the local finance entity or housing authority to which funds are committed, the department may allocate these funds to assist any

other housing developments, including those financed by the agency, eligible under this chapter.

SEC. 67. Section 7314 of the Labor Code is amended to read:

7314. (a) The division may fix and collect such fees for the inspection of elevators as it deems necessary to cover the actual costs of having the inspection performed by a division safety engineer, including administrative costs. An additional fee may, in the discretion of the division, be charged for necessary subsequent inspections to determine if applicable safety orders have been complied with.

(b) The division may charge a fee of not more than fifteen dollars ($15) to cover the cost of processing a permit.

(c) The division may fix and collect such fees for field consultations regarding elevators as it deems necessary to cover the actual costs of the time spent in the consultation by a division safety engineer, including administrative expenses.

(d) Whenever a person owning or having the custody, management, or operation of an elevator fails to pay the fees required under this chapter within 60 days after notification, he or she shall pay in addition to the fees required under this chapter, a penalty fee equal to 100 percent of the fee.

(e) Any fees required pursuant to this section shall be embodied in regulations adopted after notice and public hearing in accordance with the provisions of the Administrative Procedure Act provided for in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 68. Section 7316 of the Labor Code is amended to read:

7316. All fees collected by the division under this chapter shall be paid into the Elevator Safety Account which is hereby created for the administration of the division's elevator safety program. The division shall establish criteria upon which fee charges are based and prepare an annual report concerning revenues obtained and expenditures appropriated for the elevator safety program. The division shall file the report with the Legislative Analyst, the Joint Legislative Audit Committee, and the Department of Finance.

SEC. 69. Section 7721 of the Labor Code is amended to read:

7721. (a) The division may fix and collect fees for the shop, field, and resale inspection of tanks and boilers and for consultations, surveys, audits, and other activities required or related to national standards concerning the design or construction of boilers or pressure vessels or for evaluating fabricator's plant facilities when these services are requested of the division by entities desiring these services. The division may fix and collect the fees for the inspection of pressure vessels as it deems necessary to cover the actual costs of having the inspection performed by a division safety engineer, including administrative costs. An additional fee may, in the discretion of the division, be charged for necessary subsequent inspections to determine if applicable safety orders have been complied with.

(b) The division may charge a fee of not more than fifteen dollars ($15) to cover the cost of processing a permit.

(c) The division may fix and collect such fees for field consultations regarding pressure vessels as it deems necessary to cover the actual costs of the time spent in the consultation by a division safety engineer, including administrative expenses.

(d) Whenever a person owning or having the custody, management, or operation of a pressure vessel fails to pay the fees required under this chapter within 60 days after notification, he or she shall pay, in addition to the fees required under this chapter, a penalty fee equal to 100 percent of the fee.

(e) Any fees required pursuant to this section shall be embodied in regulations adopted after notice and public hearing in accordance with the provisions of the Administrative Procedure Act provided for in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 70. Section 7722 is added to the Labor Code, to read:

7722. The inspection fees collected under this chapter shall be paid into the Pressure Vessel Account, which is hereby created, to be used for the administration of the division pressure vessel safety program.

The division shall establish criteria upon which fee charges are based and prepare an annual report concerning revenues obtained and expenditures appropriated for the pressure vessel safety program. The division shall file the report with the Legislative Analyst, the Joint Legislative Audit Committee, and the Department of Finance.

SEC. 71. Section 1464 of the Penal Code, as amended by Section 1 of Chapter 1047 of the Statutes of 1980, is amended to read:

1464. There shall be levied an assessment in an amount equal to four dollars ($4) for every ten dollars ($10) or fraction thereof, upon every fine, penalty, or forfeiture imposed and collected by the courts for criminal offenses, including all offenses involving a violation of a section of the Vehicle Code or any local ordinance adopted pursuant to the Vehicle Code, except offenses relating to parking or registration or offenses by pedestrians or bicyclists, or where an order is made to pay a sum to the general fund of the county pursuant to subparagraph (iii) of paragraph (3) of subdivision (a) of Section 258 of the Welfare and Institutions Code.

Where multiple offenses are involved, the assessment shall be based upon the total fine or bail for each case. When a fine is suspended, in whole or in part, the assessment shall be reduced in proportion to the suspension.

When any deposit of bail is made for an offense to which this section applies, and for which a court appearance is not mandatory, the person making such deposit shall also deposit a sufficient amount to include the assessment prescribed by this section for forfeited bail. If bail is returned, the assessment made thereon pursuant to this section, shall also be returned.

In any case where a person convicted of any offense, to which this section applies, is in prison until the fine is satisfied, the judge may waive all or any part of the assessment, the payment of which would work a hardship on the person convicted or his or her immediate family.

After a determination by the court of the amount due, the clerk of the court shall collect the same and transmit it to the county treasury. It shall then be transmitted to the State Treasury to be deposited in the Assessment Fund, which is hereby created. The transmission to the State Treasury shall be carried out in the same manner as fines collected for the state by a county.

The moneys so deposited shall be distributed as follows:

(a) Once a month there shall be transferred into the Fish and Game Preservation Fund an amount equal to 0.42 percent of the funds deposited in the Assessment Fund during the preceding month, but in no event shall the amount be less than the assessment levied on fines or forfeitures for violation of state laws relating to the protection or propagation of fish and game. Such moneys are to be used for the education or training of department employees which fulfills a need consistent with the objectives of the Department of Fish and Game.

(b) Once a month there shall be transferred into the Indemnity Fund an amount equal to 24.58 percent of the funds deposited in the Assessment Fund during the preceding month. The funds shall be available for appropriation by the Legislature in accordance with the provisions of subdivision (b) of Section 13967 of the Government Code.

(c) Once a month there shall be transferred into the Peace Officers' Training Fund an amount equal to 27.50 percent of the funds deposited in the Assessment Fund during the preceding month.

(d) Once a month there shall be transferred into the Driver Training Penalty Assessment Fund an amount equal to 37.36 percent of the funds deposited in the Assessment Fund during the preceding month.

(e) Once a month there shall be transferred into the Corrections Training Fund an amount equal to 10.14 percent of the funds deposited in the Assessment Fund during the preceding month.

This section shall remain in effect only until January 1, 1982, and as of that date is repealed.

SEC. 72. Section 1464 of the Penal Code, as amended by Section 2 of Chapter 1047 of the Statutes of 1980, is amended to read:

1464. There shall be levied an assessment in an amount equal to four dollars ($4) for every ten dollars ($10) or fraction thereof, upon every fine, penalty, or forfeiture imposed and collected by the courts for criminal offenses, including all offenses involving a violation of a section of the Vehicle Code or any local ordinance adopted pursuant to the Vehicle Code, except offenses relating to parking or registration or offenses by pedestrians or bicyclists, or where an

order is made to pay a sum to the general fund of the county pursuant to subparagraph (iii) of paragraph (3) of subdivision (a) of Section 258 of the Welfare and Institutions Code.

Where multiple offenses are involved, the assessment shall be based upon the total fine or bail for each case. When a fine is suspended, in whole or in part, the assessment shall be reduced in proportion to the suspension.

When any deposited bail is made for an offense to which this section applies, and for which a court appearance is not mandatory, the person making such deposit shall also deposit a sufficient amount to include the assessment prescribed by this section for forfeited bail. If bail is returned, the assessment made thereon pursuant to this section, shall also be returned.

In any case where a person convicted of any offense, to which this section applies, is in prison until the fine is satisfied, the judge may waive all or any part of the assessment, the payment of which would work a hardship on the person convicted or his immediate family.

After a determination by the court of the amount due, the clerk of the court shall collect the same and transmit it to the county treasury. It shall then be transmitted to the State Treasury to be deposited in the Assessment Fund, which is hereby created. The transmission to the State Treasury shall be carried out in the same manner as fines collected for the state by a county.

The moneys so deposited shall be distributed as follows:

(a) Once a month there shall be transferred into the Fish and Game Preservation Fund an amount equal to 0.42 percent of the funds deposited in the Assessment Fund during the preceding month, but in no event shall the amount be less than the assessment levied on fines or forfeitures for violation of state laws relating to the protection or propagation of fish and game. Such moneys are to be used for the education or training of department employees which fulfills a need consistent with the objectives of the Department of Fish and Game.

(b) Once a month there shall be transferred into the Indemnity Fund an amount equal to 24.58 percent of the funds deposited in the Assessment Fund during the preceding month. Such funds shall be available for appropriation by the Legislature in accordance with the provisions of subdivision (b) of Section 13967 of the Government Code.

(c) Once a month there shall be transferred into the Peace Officers' Training Fund an amount equal to 24.17 percent of the funds deposited in the Assessment Fund during the preceding month.

(d) Once a month there shall be transferred into the Driver Training Penalty Assessment Fund an amount equal to 40.69 percent of the funds deposited in the Assessment Fund during the preceding month.

(e) Once a month there shall be transferred into the Corrections Training Fund an amount equal to 10.14 percent of the funds

deposited in the Assessment Fund during the preceding month.

This section shall become operative on January 1, 1982, shall remain in effect only until July 1, 1982, and as of that date is repealed.

SEC. 73. Section 1464 of the Penal Code, as added by Section 3 of Chapter 1047 of the Statutes of 1980, is amended to read:

1464. There shall be levied an assessment in an amount equal to four dollars ($4) for every ten dollars ($10) or fraction thereof, upon every fine, penalty, or forfeiture imposed and collected by the courts for criminal offenses, including all offenses involving a violation of a section of the Vehicle Code or any local ordinance adopted pursuant to the Vehicle Code, except offenses relating to parking or registration or offenses by pedestrians or bicyclists, or where an order is made to pay a sum to the general fund of the county pursuant to subparagraph (iii) of paragraph (3) of subdivision (a) of Section 258 of the Welfare and Institutions Code.

Where multiple offenses are involved, the assessment shall be based upon the total fine or bail for each case. When a fine is suspended, in whole or in part, the assessment shall be reduced in proportion to the suspension.

When any deposited bail is made for an offense to which this section applies, and for which a court appearance is not mandatory, the person making such deposit shall also deposit a sufficient amount to include the assessment prescribed by this section for forfeited bail. If bail is returned, the assessment made thereon pursuant to this section, shall also be returned.

In any case where a person convicted of any offense, to which this section applies, is in prison until the fine is satisfied, the judge may waive all or any part of the assessment, the payment of which would work a hardship on the person convicted or his immediate family.

After a determination by the court of the amount due, the clerk of the court shall collect the same and transmit it to the county treasury. It shall then be transmitted to the State Treasury to be deposited in the Assessment Fund, which is hereby created. The transmission to the State Treasury shall be carried out in the same manner as fines collected for the state by a county.

The moneys so deposited shall be distributed as follows:

(a) Once a month there shall be transferred into the Fish and Game Preservation Fund an amount equal to 0.42 percent of the funds deposited in the Assessment Fund during the preceding month, but in no event shall the amount be less than the assessment levied on fines or forfeitures for violation of state laws relating to the protection or propagation of fish and game. Such moneys are to be used for the education or training of department employees which fulfills a need consistent with the objectives of the Department of Fish and Game.

(b) Once a month there shall be transferred into the Indemnity Fund an amount equal to 24.58 percent of the funds deposited in the Assessment Fund during the preceding month. Such funds shall be available for appropriation by the Legislature in accordance with the

provisions of subdivision (b) of Section 13967 of the Government Code.

(c) Once a month there shall be transferred into the Peace Officers' Training Fund an amount equal to 24.17 percent of the funds deposited in the Assessment Fund during the preceding month.

(d) Once a month there shall be transferred into the Driver Training Penalty Assessment Fund an amount equal to 50.83 percent of the funds deposited in the Assessment Fund during the preceding month.

This section shall become operative on July 1, 1982, shall remain in effect only until January 1, 1983, and as of that date is repealed.

SEC. 74. Section 700.1 is added to the Probate Code, to read:

700.1. Where a deceased person has received or may have received health care under the provisions of Chapter 7 (commencing with Section 14000) or Chapter 8 (commencing with Section 14200), Part 3, Division 9, Welfare and Institutions Code, the heirs, the executor, the administrator, their representative, or the designated representative of the decedent shall give the Director of Health Services or his or her successor notice of the death no later than 30 days from the date of death. The director shall have four months after notice is given to the Sacramento office of the director to perfect a claim. In the event that assets of the estate have been distributed to the heirs, the director shall be entitled to a claim against an heir or heirs to the full extent of the director's claim or the distributed assets, whichever is less. The director's entitlement against heirs shall include interest and other accruing costs as in the case of other executions.

SEC. 75. Section 25008 is added to the Public Resources Code, to read:

25008. It is further the policy of the state and the intent of the Legislature to promote all feasible means of energy conservation and all feasible uses of alternative energy supply sources.

The Legislature finds and declares that the State of California has extensive physical and natural resources available to it at state-owned sites and facilities which can be substituted for traditional energy supplies or which lend themselves readily to the production of electricity. Due to increases in energy costs, the state's expenditures for energy have also increased, adding to the burden on California taxpayers and reducing the amount of funds available for other public purposes.

It is in the best interest of the state to use these resources when it can be demonstrated that long-term cost and energy use reduction will result, and where increased independence from other fuel sources and development of additional revenues for the state may be obtained.

Therefore, in recognition of recent and projected increases in the cost of energy from traditional sources, it is the policy of the state to use available resources at state facilities which can substitute for

traditional energy supplies or produce electricity at its facilities when use or production will reduce long-term energy expenditures. Criteria used in analysis of proposed actions shall include lifecycle cost evaluation, benefit to taxpayers, reduced fossil fuel, and improved efficiency. Energy facilities at state-owned sites shall be scaled to produce optimal system efficiency and best economic advantage to the state. Energy produced in excess of state facility needs may be sold to nonstate purchasers.

Resources and processes which may be used to substitute for traditional energy supplies and for the purpose of electrical generation at state facilities include, but are not limited to, cogeneration, biomass, wind, geothermal, and solar technologies.

It is the intent of the Legislature that no policy in this section, expressed or implied, be in conflict with existing state or federal regulations regarding the production or sale of electricity, and that this policy be just and reasonable to utility ratepayers.

SEC. 75.5. Section 97.1 of the Revenue and Taxation Code, as added by Senate Bill No. 102 of the 1981–82 Regular Session, is amended to read:

97.1. (a) For the purpose of computations made pursuant to Section 97, for the 1981–82 fiscal year only, for each city, city and county, and county, there shall be excluded from the amount of property tax revenue allocated pursuant to this chapter to each such agency in the prior fiscal year an amount equal to "supplemental unsecured property tax revenue," as defined in subdivision (d).

(b) For the purpose of computations made pursuant to Section 97, for the 1981–82 fiscal year only, for school entities, there shall be added to the amount of property tax revenue allocated pursuant to this chapter to each school entity in the prior fiscal year an amount equal to the "supplemental unsecured property tax revenues" collected by each city, city and county, and county from property within the school entity, as defined in subdivision (d).

(c) For the purpose of computations made pursuant to Section 97, for the 1982–83 fiscal year, the amount of property tax revenue allocated pursuant to this chapter to each jurisdiction in the prior fiscal year shall be computed as if the property tax allocations were made in the 1981–82 fiscal year without reference to this section.

(d) As used in this section, "supplemental unsecured property tax revenue" means that revenue actually received by each city which is attributable to the portion of the property tax rate levied on the unsecured roll for the 1978–79 tax year, less the rate for voter-approved debt, which is in excess of four dollars ($4) per one hundred dollars ($100) of assessed value.

For each county and city and county "supplemental unsecured property tax revenue" means eigty-five percent of that revenue actually received by each county and city and county which is attributable to the portion of the property tax rate levied on the unsecured roll for the 1978–79 tax year, less the rate for voter-approved indebtedness, which is in excess of four dollars ($4)

per one hundred dollars ($100) of assessed value, less an amount which is equal to any additional costs of collection of the 1978–79 unsecured roll in excess of normal operating costs.

SEC. 75.6. Section 75.5 of this act shall be operative only if Senate Bill No. 102 is chaptered and becomes effective before this act and if Senate Bill No. 102 adds Section 97.1 to the Revenue and Taxation Code.

SEC. 81. Section 406 of the Water Code is amended to read:

406. Any person desiring to design or conduct weather resources management operations within the state shall file with the department an application in writing for a license. Each application shall be accompanied by a filing fee fixed by the director, and shall be on a form supplied for such purpose by the department.

SEC. 82. Section 409 of the Water Code is amended to read:

409. A current license may be renewed annually upon application to the department on or before the last day of September and payment of a renewal fee. The renewal fee shall be fixed by the director. The department may refuse to renew a license if the department finds that the licensee has failed or refused to comply with any of the provisions of this chapter, after notice and opportunity for hearing.

SEC. 83. Section 411 of the Water Code is amended to read:

411. A person desiring to conduct a weather resources management project shall file with the department an application in writing for a permit. Each application shall be accompanied by a filing fee fixed by the director, and shall be on a form to be supplied for such purpose by the department.

The permit application shall set forth all of the following:

(a) The name and address of the permit applicant and the licensee who shall supervise operations under the permit.

(b) The name, address, and qualifications of any individual conducting day-to-day operations of the project.

(c) The person or persons on whose behalf the project is to be conducted if other than the applicant.

(d) The nature and purpose of the intended project, and the equipment, seeding agents, seeding techniques, operational techniques, and method of evaluation to be used.

(e) The geographical area of the project and time interval in which, and the approximate conditions under which, the project will be conducted.

(f) The geographical target area which will be affected by the project, as near as it may be determined in advance, including an estimation of other areas which may be affected.

(g) A description of project operations, including operational methods and criteria, supervision and monitoring procedures, sources of wind and weather information, and type, location, and wavelength of radar, if any.

(h) Suspension criteria for the intended project which establish when project operations shall be suspended due to hazardous

conditions. Suspension criteria shall consider, where relevant, the effect of projected increased precipitation to be caused by the weather resources management project on flood conditions, soil moisture capacity of the watershed, adverse runoff projections, reservoir storage capacity, and soil conditions.

(i) Proof of publication of a notice of intention as required by Section 422.

(j) Such other pertinent information as the department may require.

SEC. 84. Section 412 of the Water Code is amended to read:

412. Before the issuance of a weather resources management permit, the department may hold one or more public hearings in or near an area which may be affected. The department shall hold such a public hearing if so requested by the board of supervisors of a county within an area which may be affected by a proposed weather resources management project.

The department may assess an additional permit fee to pay for the administrative costs of holding the public hearings, which shall be fixed by the director.

SEC. 85. Section 413 of the Water Code is amended to read:

413. A weather resources management permit shall normally expire four years after the date of issue. The department may renew the permit for a fee fixed by the director.

SEC. 86. Section 4201 of the Water Code is amended to read:

4201. One-third of the cost of administration of a service area and the distribution of water therein shall be paid by the state and two-thirds shall be paid by the owners of the rights to divert or store water within the service area as provided in this chapter.

SEC. 87. Section 4227 of the Water Code is amended to read:

4227. The statement shall also contain an apportionment of two-thirds of the amount of the budget among the owners of the various rights to store or divert within the service area.

SEC. 88. Section 4250 of the Water Code is amended to read:

4250. As used in this article, "owners expense" means two-thirds of the total amount of the budget for the service area.

SEC. 89. Section 4327 of the Water Code is amended to read:

4327. The statement shall be submitted on or before the first day of September of the year preceding that for which it is made and shall apportion two-thirds the amount of the budget therein contained to the association.

SEC. 90. Section 4357 of the Water Code is amended to read:

4357. Two-thirds of the expenditures for the supervision of the distribution of water in any service area shall be paid from that portion or account of the Water Resources Revolving Fund credited on the department's books to that service area, upon claims approved by the department and otherwise audited and approved as may be required in the case of other claims against the state.

SEC. 91. Section 4405 of the Water Code is amended to read:

4405. One-third of the cost of the work to be performed by the

department in rendering watermaster service and incidental duties required under the order or decree shall be paid by the state and two-thirds shall be paid by the owners and deposited by the department as received from the respective owners.

SEC. 92. Section 5075 of the Welfare and Institutions Code, as amended by Section 5 of Chapter 1133 of the Statutes of 1979, is amended to read:

5705. (a) Commencing with the 1979–80 fiscal year, the net cost of all services specified in the approved county Short-Doyle plans shall be financed on a basis of 90 percent state funds and 10 percent county funds, irrespective of where or by whom the services are provided, except for services to be financed from other public or private sources as indicated in the county Short-Doyle plan. The cost of the services shall be the actual cost as determined in accordance with standard accounting practices or a negotiated net amount or rate approved by the Director of Mental Health. The department may approve any waiver requested by the Board of Supervisors provided that the board has held a special hearing during the formal budget deliberations at which the board considered testimony on the impact of the waiver on local mental health services and determines, based on all available information, that the county cannot meet the matching requirements provided by this section.

(b) Negotiated net amounts or rates may be used as the cost of services only in accordance with the following paragraphs:

(1) Negotiated net amounts may be used as the cost of services in a contract which provides for the delivery of all or part of the total county Short-Doyle annual plan for each fiscal year. The negotiated net amount shall be approved by the State Department of Mental Health prior to commencing services for reimbursement. Providers under this paragraph shall report to the State Department of Mental Health and the local mental health program cost accounting and any other information required by the State Department of Mental Health in accordance with procedures established by the Director of Mental Health emphasizing success in program outcome versus providers' expenditures. Contracts entered into pursuant to this paragraph shall be financed within an approved Short-Doyle plan. For the purposes of this paragraph, the cost-sharing formula of such contracts shall be 90 percent state funds, and 10 percent funding from the contracting organization which shall not include state or federal funds directly allocated to contracting organizations.

(2) Negotiated rates may be used as the cost of services in contracts by providers with counties. The negotiated rate shall be approved by the State Department of Mental Health prior to commencing services for reimbursement. Providers under this paragraph shall report to the State Department of Mental Health and the local mental health program cost accounting and any other information required by the State Department of Mental Health in accordance with procedures established by the Director of Mental Health.

During the 1979–80, 1980–81, and 1981–82 fiscal years, the requirement for local financial participation in the net cost of services provided under this part shall be waived except for state hospital services provided on and after January 1, 1980. The required local financial participation in the net cost of state hospital services under this part shall only be waived until January 1, 1980.

This section shall remain in effect only until July 1, 1982, and on that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1982, deletes or extends such date.

SEC. 93. Section 10020 of the Welfare and Institutions Code is amended to read:

10020. No person having private health care coverage shall be entitled to receive the same health care furnished or paid for by a publicly funded health care program.

As used in this chapter, "publicly funded health care program" shall mean care or services rendered by a local government or any facility thereof, or health care services for which payment is made under the California Medical Assistance Program established by Chapter 7 (commencing with Section 14000) of Part 3 of this division by the State Department of Health Services or by its fiscal intermediary, or by a carrier or other organization with which the State Department of Health Services has contracted to furnish such services or to pay providers who furnish such services.

As used in this chapter, "private health care coverage" means any of the following:

(a) Service benefit plans under which payment is made by a carrier under contracts with physicians, hospitals, or other providers of health services rendered to employees or annuitants or family members, or under which, under certain conditions, payment is made by a carrier to the employee or annuitant or family member.

(b) Indemnity benefit plans under which a carrier agrees to pay certain sums of money, not in excess of actual expenses incurred, for health services to or on behalf of a person who is a plan member or a third party beneficiary under the plan.

(c) Individual practice prepayment plans which offer health services in whole or in part on a prepaid basis, with professional services thereunder provided by individual physicians who agree, under such conditions as may be prescribed by the board, to accept the payments provided by the plans as full payment for covered services rendered by them.

(d) Service benefit, indemnity benefit, and individual practice prepayment plans as defined in subdivisions (a), (b), and (c) which are offered by trust funds regulated by the United States Department of Labor.

If such person receives health care furnished or paid for by a publicly funded health care program, the carrier of his private health care coverage shall reimburse the publicly funded health care program the cost incurred in rendering such care to the extent of the benefits provided under the terms of the policy for the services rendered.

SEC. 96.1. Sections 96.2 to 96.5, inclusive, of this act shall take

effect only if Senate Bill No. 633 is chaptered and shall be effective on the same date that bill takes effect.

SEC. 96.2. Section 12306 of the Welfare and Institutions Code is repealed.

SEC. 96.3. Section 12306 is added to the Welfare and Institutions Code, to read:

12306. With respect to in-home supportive services, the state shall pay from the General Fund the matching funds necessary to obtain federal social services funds. If the federal social services funds allocated by the department are insufficient, the state, beginning with the 1981–82 fiscal year, shall also reimburse the counties for all services provided under this article up to the sum of the amounts expended by the counties and those payroll taxes paid by the state on behalf of the counties under Section 12302.2 as determined by the department during the 1980–81 fiscal year. In no event shall this sum exceed two hundred sixty-three million dollars ($263,000,000). Counties shall provide 10 percent of the costs in excess of this sum expended in the 1980–81 fiscal year. The state shall reimburse from the General Fund or any available federal funds 90 percent of the costs in excess of the sum expended in the 1980–81 fiscal year. The obligation of the state's General Fund under this article is limited to the amount appropriated in the annual Budget Act.

SEC. 96.4. Notwithstanding the provisions of Section 33 of Senate Bill No. 633, the Legislature intends the following with respect to that bill:

(a) State funds for support of the State Office of Economic Opportunity proposed by Item 510-001-001 (d) of the Governor's Budget shall be reduced by the amount of two hundred fifty-five thousand one hundred twenty-five dollar ($255,125).

(b) Item 430-001-001 of the Governor's Budget, which proposes funds for specified programs under the authority of the State Department of Developmental Services shall be reduced by one hundred twenty thousand dollars ($120,000).

(c) Item 430-101-001 of the Governor's Budget, which proposes funds, payable out of the federal trust fund, for local assistance for programs funded by the State Department of Developmental Services, shall be reduced by five hundred forty-eight thousand dollars ($548,000).

SEC. 96.5. Notwithstanding the provisions of Section 35 of Senate Bill No. 633, Section 9 of that bill, which amends Section 11403 of the Welfare and Institutions Code, shall become operative on August 1, 1981.

SEC. 97. Article 2 (commencing with Section 12525) of Chapter 4 of Part 3 of Division 9 of the Welfare and Institutions Code is repealed.

SEC. 98. Section 14005.12 of the Welfare and Institutions Code is amended to read:

14005.12. (a) For the purposes of Sections 14005.4, and 14005.7, except as specified in subdivision (b), the income levels for maintenance per month shall be 115 percent of the highest amounts which would ordinarily be paid to a family of the same size without

any income or resources under subdivision (a) of Section 11450, except that in the case of a single individual the amount of the income level for maintenance per month shall be 65 percent of the income level for a two-person family. In the case of a two-person family, the amount of the income level for maintenance per month shall be 115 percent of the standard for a two-person family under Section 11452, except that the amount shall be a higher amount to the extent required by federal law. In the case of a family of 11 persons or more the amount of the income level for maintenance per month shall be the amount for a 10-person family plus for each additional person the amount specified in Section 11452 for additional needy persons.

(b) For the purposes of Sections 14005.4 and 14005.7 for a person in long-term care the amount considered as required for maintenance per month shall be computed pursuant to regulations which provide for the following purposes:

(1) Personal and incidental needs while a patient.

(2) The upkeep and maintenance of the home.

(3) The support and care of his spouse, minor dependents and any disabled relative for whose support he has contributed regularly.

(4) If federal requirements permit such a person to own an automobile of greater value than is permitted in the case of recipients of aid under Chapter 3 of this part, the department shall adopt the more liberal allowance in its rules and regulations.

SEC. 99. Section 14005.8 of the Welfare and Institutions Code is amended to read:

14005.8. Families who were receiving public assistance under the provisions of the Aid to Families with Dependent Children Program in at least three of the six months immediately preceding the month in which the family became ineligible for such assistance due to increased earnings from employment or increased hours of employment shall remain eligible for health care services under the provisions of Section 14005.1 for a period of three months beginning with the most recent month in which such family became ineligible for assistance under the Aid to Families with Dependent Children Program.

SEC. 100 Section 14005.9 of the Welfare and Institutions Code is amended to read:

14005.9. (a) Share of cost shall be determined on a three-month basis, except as specified in subdivision (b). No person or family shall be required to incur more than three months' share of cost prior to being certified as specified in Section 14018.

(b) Share of cost shall be determined on a monthly basis for persons in long-term care. No such person shall be required to incur more than one month's share of cost prior to being certified as specified in Section 14018.

(c) For persons in long-term care, any income exempted under Sections 14005.4 and 14005.7 shall be considered in the share-of-cost determination to the extent required by federal law or regulations.

SEC. 101. Section 14009.5 is added to the Welfare and Institutions Code, to read:

14009.5. The department may claim against the estate of a decedent individual who received health care services under this chapter or Chapter 8 (commencing with Section 14200) an amount equal to the payments for the health care services received. The state may not claim where the eligible person was under 65 when services were received, or where there is a surviving spouse, or where there is a surviving child who is under age 21 or who is blind or permanently and totally disabled, within the meaning of the Social Security Act.

The department shall waive its claim if it determines that enforcement of the claim would result in substantial hardship to other dependents of the individual against whose estate the claim exists.

SEC. 102. Section 14016 of the Welfare and Institutions Code is repealed.

SEC. 103. Section 14016 is added to the Welfare and Institutions Code, to read:

14016. (a) The county in which the person resides shall determine the eligibility of, each person pursuant to Sections 14005.1, 14005.4, and 14005.7 and Article 4.4 (commencing with Section 14140) of this chapter, except that the department may contract with the federal Social Security Administration for the determination of Medi-Cal eligibility of persons eligible under Title XVI of the Social Security Act. Upon termination of such assistance, the county shall determine whether the person remains eligible for Medi-Cal coverage under one of these sections.

(b) The department shall institute an eligibility quality control program, with onsite state auditors who shall verify the eligibility determination of a statistically valid sampling of persons in each county granted Medi-Cal eligibility under Section 14005.4, 14005.7, or 14005.8 or Article 4.4 (commencing with Section 14140) of this chapter. The department shall report to the Legislature in May 1982, on the results of the quality control and on findings of errors.

SEC. 104. Section 14016.2 is added to the Welfare and Institutions Code, to read:

14016.2. The Joint Legislative Audit Committee shall conduct an audit of one or more county eligibility departments and report to the Legislature on results and recommendations for achieving state control of eligibility determination.

SEC. 105. Section 14016.3 is added to the Welfare and Institutions Code, to read:

14016.3. The department shall provide technical assistance to counties in order to maximize the identification of private health care coverage as defined by Section 10020. A county agency shall receive reimbursement for the administrative costs for properly completing a form which identifies such private health care coverage only in those cases where the agency does not receive such

reimbursement from the department or the State Department of Social Services. The administrative costs for properly completing the form shall be determined by the department.

SEC. 106. Section 14016.4 is added to the Welfare and Institutions Code, to read:

14016.4. The department may enter into an agreement with a county to have the county detect and recover the value of any Medi-Cal benefits which have been improperly received or obtained by any person. Where such an agreement is in effect the county will receive an incentive amount equal to 10 percent of the amount remaining after the costs of the recovery have been deducted from the amount recovered.

The administrative costs for the implementation of this section shall be controlled by the county administrative cost control plan pursuant to Section 14154.

SEC. 107. Section 14016.9 is added to the Welfare and Institutions Code, to read:

14016.9. The department shall utilize the earnings clearance system to verify the eligibility of persons who have applied for or are receiving benefits pursuant to Sections 14005.4 and 14005.7.

SEC. 108. Section 14017 of the Welfare and Institutions Code is amended to read:

14017. Each eligible person under Section 14005.1, and each person eligible under Section 14005.4 or 14005.7 who is certified but is not in possession of a valid California driver's license or identification card issued by the Department of Motor Vehicles shall be provided, by the department, with an identification card containing his or her picture, social security number, identifying characteristics, and signature.

SEC. 109. Section 14017.5 is added to the Welfare and Institutions Code, to read:

14017.5. It shall be the responsibility of the provider prior to rendering Medi-Cal reimbursable services to persons presenting themselves as Medi-Cal beneficiaries to verify the person's identity by matching the name and signature on their identification card issued by the department or their valid California driver's license or California identification card issued by the Department of Motor Vehicles, against the name and signature on the Medi-Cal card and further by visually verifying their likeness to the photograph on the identification card or driver's license.

If a provider, in attempting to verify identity, suspects a person to be guilty of impersonating a Medi-Cal beneficiary, the provider shall attempt to retain that person's Medi-Cal card and shall promptly notify the department.

SEC. 110. Section 14018.2 is added to the Welfare and Institutions Code, to read:

14018.2. Reimbursement shall not be denied to any qualified health care provider for care rendered to an eligible Medi-Cal beneficiary for the sole reason that a proof of eligibility label does not

accompany the bill.

Proof of eligibility labels may, however, continue to be used as such and shall be made available to an eligible Medi-Cal beneficiary through the local office which has determined the person's eligibility or through the department.

By March 1982, the department shall report to the Legislature on the accuracy and reliability of its automated eligibility reporting system so that the Legislature can make a determination as to the continued need for proof of eligibility labels.

SEC. 111. Section 14018.4 of the Welfare and Institutions Code is repealed.

SEC. 112. The State Department of Health Services shall work with interested qualified representatives of private industry to assess the feasibility of instituting an automated eligibility verification system for the Medi-Cal program, and shall report to the Legislature on results of this study by May 15, 1982.

SEC. 113. Section 14023 of the Welfare and Institutions Code is amended to read:

14023. (a) Any applicant for public assistance or for coverage under this chapter who at the time of application has any other contractual or legal entitlement to any health care service defined in Section 14053, and who willfully fails at that time to disclose the fact of such other entitlement, or falsely represents that he does not have such other entitlement, is guilty of a misdemeanor.

(b) Any public assistance recipient or person eligible under this chapter who, subsequent to the date of application for such assistance or coverage under this chapter, acquires any other contractual or legal entitlement to any health care service defined in Section 14053, and willfully fails or refuses to give notice thereof to his county welfare department within 10 days of such acquisition, is guilty of a misdemeanor.

(c) Any public assistance recipient or person eligible under this chapter who has any other contractual or legal entitlement to any health care service defined in Section 14053, and who knowing that he must use such entitlement first, obtains any such service under Medi-Cal without first having utilized and exhausted his other contractual or legal entitlement thereto or therefor, is guilty of a misdemeanor.

(d) Any applicant for public assistance shall by virtue of receiving payment or becoming eligible under this chapter have irrevocably assigned the benefits of any contractual or legal entitlement for health care to the State Director of Health Services to the extent that such services were paid for under this chapter.

SEC. 114. Section 14050.1 of the Welfare and Institutions Code is amended to read:

14050.1. For purposes of this chapter, "public assistance recipient" means a person who is eligible for aid under the provisions of Chapter 2 (commencing with Section 11200) or Chapter 3 (commencing with Section 12000). In addition it includes persons for

whom coverage is required under the categorically needy program under Title XIX of the Social Security Act as defined in federal regulations.

A person whose status as a public assistance recipient has been waived for Medi-Cal eligibility purposes by the United States Department of Health and Human Services shall not be considered a public assistance recipient under this section.

SEC. 115. Section 14101.7 is added to the Welfare and Institutions Code, to read:

14101.7. The Workers' Compensation Appeals Board and the department shall exchange information and cooperate to assure that health services provided by Medi-Cal which are reimbursable by Workers' Compensation are identified, and that Workers' Compensation reimburses the department for those services.

SEC. 116. Section 14105.1 is added to the Welfare and Institutions Code, to read:

14105.1. Notwithstanding any other provision of law, reimbursement rates for hospital inpatient services rendered to Medi-Cal program beneficiaries between October 1, 1981 and June 30, 1982, shall be adjusted to provide that the payment per discharge or patient day upon final settlement shall not exceed a rate of increase of 3.6 percent over the prior base year payment per discharge or patient day based upon final settlement.

Hospitals may elect to receive reimbursement for the period July 1, 1981 to June 30, 1982, at a rate of payment per discharge or patient day at final settlement that does not exceed a 6-percent increase over the prior base year payment per discharge or patient day based upon final settlement provided that the rates shall apply to services rendered to Medi-Cal program beneficiaries between July 1, 1981 and June 30, 1982.

Payments to hospitals for the period July 1, 1981 to June 30, 1982 shall be computed by the department to limit any rate of payment increase for the period to a rate consistent with the limits established by this section.

SEC. 117. Section 14109.5 is added to the Welfare and Institutions Code, to read:

14109.5. Notwithstanding the provisions of Section 14109, effective January 1, 1982, the reimbursement rate for costs specified in Section 14109 shall not exceed the reimbursement rate for similar services established under this chapter. The department shall adopt regulations specifying the manner in which a health care provider shall inform patients of any potential financial liability if the provider elects not to accept Medi-Cal reimbursement for such costs as a result of this provision of law.

The fiscal intermediary shall expedite the implementation of any change order resulting only from this section. The department shall provide sufficient funding for any such change order to enable the fiscal intermediary to implement such change order expeditiously and to not have to divert staff or other resources from existing

contract tasks, including but not limited to those resources dedicated to the implementation of all other change orders.

SEC. 118. Section 14124.80 is added to the Welfare and Institutions Code, to read:

14124.80. The Legislature finds and declares that:

(a) Many instances of potential third-party liability are not discovered by the department. Similarly, the Legislature finds that there are private nongovernmental sources of potential claim information which is unique to these private sources and not otherwise readily available to the department. This private information is unique in that, although the information may be shared between private claimants, including potential private lienors, the department is not privy to it and includes past adjudicated claims, expired or expiring health policy claims, long-term care and settlement situations where Medi-Cal is not identified in any application or filing for benefits. Additionally, there are applications and other filings made without any identification of potential Medi-Cal rights which become known to private sources because of this information sharing system. Further, there are other miscellaneous claims that have not been and will not be discovered in the ordinary course of administration by the department.

(b) There is a backlog of potential claims or liens which could result in the recovery of substantial amounts if private sources of information were available to the state.

(c) A cost-effective manner of recovering these potentially large amounts is through the contracting by the state, on a pilot program basis, with a private organization which possesses the expertise and resources required to rapidly discover and recover the lienable amounts owing by third parties for health care services provided by the Medi-Cal program, and which will receive compensation on a contingency fee arrangement, thereby supplementing the ongoing functions of the state in recovering lienable amounts, reducing the cost to the state of the recovery effort, and maximizing the amounts recovered for the Medi-Cal program.

(d) Attorneys who are currently mandated under Section 14124.79 to report Medi-Cal involvement are excluded from any further remuneration benefits under this section.

SEC. 119. Section 14124.81 is added to the Welfare and Institutions Code, to read:

14124.81. The State Department of Health Services shall administer the provisions of Sections 14124.82 to 14124.88, inclusive. The department shall establish a pilot project for the discovery and recovery of amounts owing by third parties for health care services provided by the Medi-Cal program.

SEC. 120. Section 14124.82 is added to the Welfare and Institutions Code, to read:

14124.82. (a) The department shall enter, by October 1, 1981, into at least two at-risk performance type contracts with private organizations that have access to information on cases with potential

for the recovery of amounts owing for services rendered under the Medi-Cal program, and that have access to a substantial backlog period of information on past due Medi-Cal claims, as well as current and future potential claims. At least one contract shall cover northern California claims, and at least one contract shall cover southern California claims.

(b) Priority, by the terms of the contract or contracts, shall be given to the identification of recovery claims nearing the statute of limitations, prior adjudicated claims, and prior existing injury claims. However, all claims which are older, in whole or part, than 12 months, at the time of discovery and notification by the contractor to the department, shall be subject to contractual lien recovery unless departmental personnel have previously identified these claims and have filed appropriate liens, notices, or other payment demands.

SEC. 121. Section 14124.83 is added to the Welfare and Institutions Code, to read:

14124.83. The agreement shall include, but is not limited to, the following provisions:

(a) The contractor shall discover and recover amounts owing by third parties which may be subject to a claim for reimbursement.

(b) Payment to the contractor shall be based upon a no-cost percentage of recovery formula, which shall not exceed 25 percent of the gross recovery upon the claim. It is the intent of the Legislature that "no cost" include all considerations for court costs, legal fees, and the universe of the case processing activity, not including, however, departmental processing.

(c) The contractor shall report periodically to the department concerning its progress in the discovery of cases and the recovery of amounts subject to claim, and shall provide such other information as the department may require to adequately monitor the progress of the contractor.

SEC. 122. Section 14124.84 is added to the Welfare and Institutions Code, to read:

14124.84. The department shall provide the contractor with such information as is reasonably necessary for the contractor to perform its obligations under the contract, including accounting data and other information the contractor may request.

SEC. 123. Section 14124.85 is added to the Welfare and Institutions Code, to read:

14124.85. The contractor, for the duration of the contract period, shall have the powers of the Director of the State Department of Health Services as set forth in this article, except for the power to waive a claim under paragraph (2) of subdivision (b) of Section 14124.71. The contract shall specify the particular means and documentation of the delegation of powers under paragraph (1) of subdivision (b) of Section 14124.71. The contractor shall be subject to the provisions of Section 14100.2 except that those provisions shall not inhibit performance of the contract.

SEC. 124. Section 14124.86 is added to the Welfare and Institutions Code, to read:

14124.86. The pilot project contract entered into by the department pursuant to Section 14124.82 shall not exceed a term of three years from the date of its execution. The contractor shall retain its rights and duties under the contract with respect to any claims or liens processed in whole or in part prior to the termination date of the agreement.

SEC. 125. Section 14124.87 is added to the Welfare and Institutions Code, to read:

14124.87. The department shall submit a report to the Legislature each January 1 on the administration of the pilot project. The report shall include, among other things, the recovery of claimable amounts, by geographic area of the state, by the contractor.

SEC. 126. Section 14124.88 is added to the Welfare and Institutions Code, to read:

14124.88. Subsequent to the expiration of the pilot project contract, the department, in its reasonable discretion, may execute a separate, additional agreement for the discovery and recovery of amounts which may be subject to claim pursuant to this article, subject to the provisions of Sections 14124.81 to 14124.87, inclusive.

SEC. 127. Due to the state's financial condition during the 1981–82 fiscal year, it is the intent of the Legislature that the contracts authorized by Section 14124.82, as added by this act, will result in savings to the General Fund of at least five million dollars ($5,000,000) during the fiscal year. Accordingly, the Department of Finance shall monitor and approve the execution of the contracts required under Section 14124.82. If the State Department of Health Services fails to reasonably fulfill its duties under Section 14124.82, the Department of Finance shall notify the Legislature no later than November 1, 1981, and shall increase the salary savings requirement to the State Department of Health Services by two million dollars ($2,000,000) in General Fund expenditures as of that date for the remainder of the fiscal year.

SEC. 127.5. Section 14132 of the Welfare and Institutions Code is amended to read:

14132. The following is the schedule of benefits under this chapter:

(a) Outpatient services are covered as follows:

Physician, hospital or clinic outpatient, surgical center, optometric, chiropractic, psychology, podiatric, occupational therapy, physical therapy, speech therapy, audiology, acupuncture to the extent federal matching funds are provided for acupuncture, and services of persons rendering treatment by prayer or healing by spiritual means in the practice of any church or religious denomination insofar as these can be encompassed by federal participation under an approved plan, subject to utilization controls.

(b) Inpatient hospital services, including, but not limited to, physician and podiatric services, physical therapy and occupational

therapy, are covered subject to utilization controls.

(c) Skilled nursing facility services, including podiatry and physician services, and prescribed drugs, as described in subdivision (d), are covered subject to utilization controls. Physical therapy, occupational therapy, speech therapy, and audiology services for patients in skilled nursing facilities are covered subject to utilization controls.

(d) Purchase of prescribed drugs is covered subject to the Medi-Cal Drug Formulary and utilization controls.

(e) Outpatient dialysis services and home hemodialysis services, including physician services, medical supplies, drugs and equipment required for dialysis, are covered, subject to utilization controls.

(f) Anesthesiologist services when provided as part of an outpatient medical procedure, nurse anesthetists services when rendered by an inpatient or outpatient setting under conditions set forth by the director, outpatient laboratory services, and X-ray services are covered to the extent prescribed.

(g) Blood and blood derivatives are covered.

(h) Emergency and essential diagnostic and restorative dental services, except for orthodontic, fixed bridgework, and partial dentures that are not necessary for balance of a complete artificial denture, are covered, subject to utilization controls. The utilization controls shall allow emergency and essential diagnostic and restorative dental services and prostheses that are necessary to prevent a significant disability or to replace previously furnished prostheses which are lost or destroyed due to circumstances beyond the beneficiary's control. Notwithstanding the foregoing, the director may by regulation provide for certain fixed artificial dentures necessary for obtaining employment or for medical conditions which preclude the use of removable dental prostheses, and for orthodontic services in cleft palate deformities administered by the department's crippled children services program.

(i) Medical transportation is covered, subject to utilization controls.

(j) Home health care services are covered, subject to utilization controls.

(k) Prosthetic and orthotic devices and eyeglasses are covered, subject to utilization controls. Utilization controls shall allow replacement of prosthetic and orthotic devices and eyeglasses necessary because of loss or destruction due to circumstances beyond the beneficiary's control. Frame styles for eyeglasses replaced pursuant to this subdivision shall not change more than once every two years, unless the department so directs.

Orthopedic and conventional shoes are covered when provided by a prosthetic and orthotic supplier on the prescription of a physician and when at least one of the shoes will be attached to a prosthesis or brace, subject to utilization controls. Modification of stock conventional or orthopedic shoes when medically indicated, is covered subject to utilization controls. When there is a clearly

established medical need that cannot be satisfied by the modification of stock conventional or orthopedic shoes, custom-made orthopedic shoes are covered, subject to utilization controls.

(*l*) Hearing aids are covered, subject to utilization controls. Utilization controls shall allow replacement of hearing aids necessary because of loss or destruction due to circumstances beyond the beneficiary's control.

(m) Durable medical equipment and medical supplies are covered, subject to utilization controls. The utilization controls shall allow the replacement of durable medical equipment and medical supplies when necessary because of loss or destruction due to circumstances beyond the beneficiary's control.

(n) Intermediate care facility services, including physician services, and prescribed drugs as described in subdivision (d) are covered, subject to utilization controls. Physical therapy, occupational therapy, speech therapy and audiology services for patients in intermediate care facilities are covered subject to utilization controls.

(o) Family planning services are covered, subject to utilization controls.

(p) Inpatient intensive rehabilitation hospital services in a general acute care hospital are covered, subject to utilization controls, when the following criteria are met:

(1) A patient with a permanent disability or severe impairment requires an inpatient intensive rehabilitation hospital program as described in Section 14064 to develop function beyond the limited amount that would occur in the normal course of recovery; or

(2) A patient with a chronic or progressive disease requires an inpatient intensive rehabilitation hospital program as described in Section 14064 to maintain the patient's present functional level as long as possible.

(q) Adult day health care is covered in accordance with the provisions of Chapter 8.7 (commencing with Section 14520) of this part.

(r) Application of fluoride, or other appropriate fluoride treatment as defined by the department, and other prophylaxis treatment for children 17 years of age and under are covered.

(s) Paramedic services performed by a city, county, or special district, or pursuant to a contract with a city, county, or special district, and pursuant to a program established under Article 3 (commencing with Section 1480) of Chapter 2.5 of Division 2 of the Health and Safety Code by a paramedic certified pursuant to that article, and consisting of defibrillation and those services specified in subdivision (3) of Section 1482 of the article.

This subdivision shall be in effect only to the extent federal financial participation is available as set forth in Section 14106.6.

SEC. 127.6. It is the intent of the Legislature that Section 127.5 of this bill shall be operative only if this bill and Senate Bill 633 of the 1981–82 Regular Session are both chaptered, and this bill is chaptered

last. Therefore, if Senate Bill 633 is not chaptered, or if Senate Bill 633 is chaptered after this bill, Section 127.5 of this bill shall not become operative.

SEC. 128. Section 14134 is added to the Welfare and Institutions Code, to read:

14134. A recipient of services under this chapter shall be required to make copayments as follows:

(a) Except for any person age 12 or under or any woman receiving perinatal care, a copayment of five dollars ($5) shall be made for nonemergency services received in an emergency room. For the purposes of this section, "nonemergency services" means any services not required for the alleviation of severe pain or the immediate diagnosis and treatment of severe medical conditions which, if not immediately diagnosed and treated, would lead to disability or death.

(b) Except for any person age 65 or over, any person age 12 or under, any person who has a chronic condition requiring multiple prescription as determined by that person's attending physician, or any person who is an inpatient in a facility as defined in Section 1250 of the Health and Safety Code, a copayment of one dollar ($1) shall be made for each drug prescription.

(c) Except for any person age 12 or under or any woman receiving perinatal care, a copayment of one dollar ($1) shall be made for each visit for services under subdivision (a) of Section 14132.

The above copayment amounts may be collected and retained or waived by the provider. The department shall not reduce the reimbursement otherwise due to providers as a result of such copayment. Such copayment amounts shall be in addition to any reimbursement otherwise due the provider for services rendered under this program.

No copayment shall be required from individuals eligible under the federal program of insurance for the aged and disabled for benefits which will be billed to that program. The provisions of this section shall not apply to any services received by persons covered under the federal program of health insurance for the aged and disabled, for which claims for payment will be billed to the federal program.

SEC. 129. Section 14134.2 is added to the Welfare and Institutions Code, to read:

14134.2. The reimbursement rate for any three or more laboratory services for the same patient on the same day, which may be performed in an automated manner, shall be the reimbursement at the rate established for automated services. This provision shall not apply to emergency conditions nor for services performed in rural areas, as defined by the department.

SEC. 130. Section 14171 of the Welfare and Institutions Code is amended to read:

14171. (a) The director shall adopt regulations establishing an administrative appeal process to review grievances or complaints

arising from the findings of an audit or examination made pursuant to Sections 10722 and 14170.

(b) The administrative appeal process established by the director shall guarantee a provider the right to present any grievances or complaints arising from the findings of an audit or examination made by or on behalf of the department pursuant to Sections 10722 and 14170 at an impartial hearing which shall include the procedural requirements of Chapter 5 (commencing with Section 11500), Part 1, Division 3, Title 2 of the Government Code. The impartial hearing shall be conducted by a hearing officer appointed by the director. The director may subcontract with the Office of Administrative Hearings to conduct hearings on cases involving complicated issues of fact or law, or to reduce the backlog of cases.

(c) Notwithstanding subdivision (b) of this section, the administrative appeal process established by the director shall commence with an informal conference with the provider, a representative of the department and the hearing officer. The hearing officer, when appropriate, may assign the administrative appeal to an informal level of review where efforts could be made to resolve facts and issues in dispute in a fair and equitable manner, subject to the requirements of state and federal law. Nothing in this subdivision shall prohibit the provider from presenting any unresolved grievances or complaints at an impartial hearing pursuant to subdivision (b).

(d) In the event recovery of a disallowed payment has been made by the department, a provider who prevails in an appeal of a disallowed payment shall be entitled to interest at the rate equal to the rate received on investments in the Pooled Money Investment Fund, commencing on the date the appeal is formally accepted by the department.

(e) Commencing 60 days after issuance of the first statement of accountability or demand for repayment resulting from an audit or examination made pursuant to Sections 10722 and 14170, interest at the rate equal to the rate received on investments in the Pooled Money Investment Fund shall be assessed against any unrecovered overpayment due to the department.

(f) The final decision of the director shall be reviewable in accordance with the provisions of Section 1094.5 of the Code of Civil Procedure within six months of the issuance of the director's final decision.

SEC. 131. Section 14172 of the Welfare and Institutions Code is amended to read:

14172. (a) Except as provided in subdivision (b), if any amount is due and payable and unpaid as the result of an overpayment to a provider for health care services identified through an audit or examination conducted by or on behalf of the director, and the director has issued a final decision on the appeal pursuant to Section 14171, and 90 days has elapsed from the issuance of such final decision, the director may, not later than three years after the

payment became due and owing, file in the office of the County Clerk of Sacramento County, and with the county clerk of the county in which the provider has his principal place of business, a certificate containing the following:

(1) The amount due and owing and unpaid at the rate equal to the rate received on investments in the Pooled Money Investment Fund commencing on the date that an audit or examination finding made pursuant to Sections 10722 and 14170 is mailed.

(2) A statement that the director has complied with all the provisions of this article prior to the filing of such certificate.

(3) A request that judgment be entered against the provider in the amount set forth in the certificate.

The county clerk immediately upon the filing of the certificate shall enter a judgment for the State of California against the provider in the amount set forth in the certificate. Such judgment may be filed by the county clerk in a looseleaf book entitled "Health Care Overpayment Recovery Judgments."

(b) If the provider seeks judicial review of the final decision of the director pursuant to subdivision (d) of Section 14171 and notice of such action is properly served on the director within 90 days of the issuance of the final decision of the director, the director shall not file any certificate as provided in subdivision (a).

If the provider does not seek judicial review of the final decision of the director pursuant to subdivision (d) of Section 14171 and does not properly serve notice within 90 days from the date of the final decision of the director, the director may file the certificate provided in subdivision (a); provided, however, if the provider seeks judicial review of the final decision of the director more than 90 days from the date of such decision in accordance with subdivision (d) of Section 14171, the director shall within 10 days after receiving notice of such action release any lien imposed pursuant to this article and any judgment entered pursuant to subdivision (a) shall be considered for all purposes null and void.

(c) No certificate shall be filed or judgment entered pursuant to the provisions of this section or Section 14173 against a provider which meets both of the following criteria:

(1) The provider is an unincorporated individual practitioner.

(2) The provider was not certified to participate under the provisions of this chapter or Chapter 8 (commencing with Section 14200) of this part, on the date of issuance of the final decision of the director establishing an overpayment.

Nothing in this subdivision shall prevent the director from using any other means available at law to recover amounts due and owing and unpaid from such providers.

SEC. 132. Section 14172.5 is added to the Welfare and Institutions Code, to read:

14172.5. Notwithstanding the provisions of Section 14172 or any other law, when it is established that an overpayment has been made to an institutional provider, the department shall not begin

liquidation of such overpayment until 60 days after issuance of the first statement of accountability or demand for repayment after issuance of the audit or examination report establishing such overpayment, except that where the provider has filed a valid request for hearing, liquidation of any disputed overpayment shall be deferred until a final administrative decision is rendered.

SEC. 133. Chapter 8.8 (commencing with Section 14600) is added to Part 3 of Division 9 of the Welfare and Institutions Code, to read:

CHAPTER 8.8. MEDI-CAL MANAGEMENT: ALTERNATIVE METHODS

Article 1. General Provisions

14600. The Legislature finds and declares that expenditure demands on health service costs at the federal, state, and local level, now, and will in the foreseeable future, exceed available public resources. In order to live within fiscal constraints, the state must develop alternative methods of managing Medi-Cal care that utilizes resources to the maximum advantage of people requiring public medical assistance.

The purposes of the program alternatives described in this chapter are to provide limited implementation and experimentation prior to statewide enactment of these alternative approaches to funding and management of health care services.

14601. As used in this chapter:

(a) "Department" means State Department of Health Services.

(b) "Director" means State Director of Health Services.

Article 2. Negotiated Hospital Rates

14610. As used in this article:

(a) "Rate" means the rate of reimbursement per unit of service which is agreed to by the department and a hospital.

(b) "Unit of service" means an inpatient day, a case, a discharge or admission, an episode, or any other measure of service which is a basis for reimbursement agreed to by a hospital and the department.

(c) "Commission" means the California Health Facilities Commission.

(d) "Private entity" means any private organization with appropriate experience and expertise to negotiate Medi-Cal hospital reimbursement rates on behalf of the state.

14611. It is the intention of the Legislature to enact a method for reimbursing hospitals for inpatient and outpatient services provided to Medi-Cal beneficiaries on a prospectively negotiated contractual basis. The provisions of this article are intended to develop and test alternatives for contractually arranging for the payment and delivery of such services which will become the basis for a permanent contracting system.

14612. The Legislature further intends that the alternatives developed and tested pursuant to the provisions of this article shall be consistent with the following objectives:

(a) Providing reasonable access to all levels and types of hospital care by beneficiaries.

(b) Providing reasonable geographical access to hospital care by beneficiaries.

(c) Promoting efficiency and economy in the delivery of hospital care.

(d) Fairness to the contracting hospitals.

14613. (a) The department shall develop at least three alternative methods of reimbursing hospitals for providing inpatient and outpatient hospital services to Medi-Cal beneficiaries on a prospectively negotiated rate basis. Each method shall provide for prospectively negotiating rates for such care. Each method shall require the hospital to agree to provide a minimal number of units of service at the negotiated rate.

(b) The department shall consult with associations and other appropriate representatives of the hospital industry. The department shall make every reasonable effort to develop at least one alternative for prospectively negotiating hospital rates which is supported by such representatives of the hospital industry.

(c) The department shall consult with the commission regarding the development of at least one alternative for prospectively negotiating hospital rates. The department may enter into an interagency agreement with the commission for the development of such an alternative.

14614. Each alternative method for prospectively negotiated rate reimbursement developed pursuant to this article shall do the following:

(a) Reduce administrative cost to the department and to hospitals.

(b) Provide incentives to hospitals to participate in the Medi-Cal program, including prospective interim payments, unless the parties agree otherwise.

(c) Provide incentives to hospitals to provide services on an outpatient basis wherever possible.

(d) Provide incentives to hospitals to reduce their costs.

14615. (a) The department shall submit a report describing in detail all of the alternatives for prospective hospital rate negotiations prepared pursuant to this article to the appropriate policy and fiscal committees of the Legislature by no later than January 15, 1982. The department may submit such detailed reports on individual alternatives as they are developed.

(b) In its report to the Legislature, the department shall describe at least the following aspects of each alternative:

(1) The unit of service which will be the basis for negotiating agreements with hospitals.

(2) General provisions of the contract regarding rates and rate

adjustments.

(3) The agency or entity which will negotiate on behalf of the state.

(4) The financial information from hospitals which will be utilized to negotiate agreements.

(5) The time limits and specific procedures for negotiating agreements with hospitals.

(6) The length of time of the contract.

(7) The specific procedures for executing contracts by the state.

(8) Procedures, if any, relating to modification, recission, anticipatory repudiation, breach, damages (including liquidated damages), and arbitration.

(9) The relationship between the contracting method and the state's budget limits for hospital services to Medi-Cal beneficiaries.

(10) Conditions of participation.

(11) Other aspects of the contract and the negotiating process.

14616. Not sooner than 30 days after providing notification to the Joint Legislative Budget Committee, the department may implement on a test basis any of the alternatives for prospective hospital rate negotiations which have been reported to the Legislature pursuant to Section 14614. The department may enter into an interagency agreement with the commission, or contract with a private entity, for implementing any such alternative.

In testing alternatives, the department shall attempt to obtain participation by hospitals representing various sizes, types, ownership, and geographic locations. The department may not discriminate against hospitals wishing to participate on the basis of any of the characteristics described in the immediately preceding sentence.

14617. Nothing in this article shall be construed to require that hospitals participate in a prospectively negotiated rate test, as provided by this article, as a condition of participation in the Medi-Cal program.

14618. The department shall provide progress reports on the implementation of each alternative method being tested at least every three months. At such time as the department believes an alternative has been substantially tested and evaluated, the department shall submit a full and final report evaluating the alternative or alternatives tested to the Legislature.

14619. For the 1981–82 fiscal year, the Controller may transfer such funds among Items 426-001-001, 426-001-890, 426-101-001, and 426-101-890 of the Budget Act of 1981 as are necessary to implement the provisions of this article.

14620. Authority to implement negotiated hospital rates after the completion of the pilot study and after June 30, 1983, shall be contingent on both of the following:

(a) A special Budget Act item, following the submission by the State Department of Health Services of a final report which evaluates the results of the projects conducted under the provisions

of this article.

(b) Enactment of legislation specifying the negotiated hospital rate program.

Article 3. Primary Care Case Management

14630. For the purposes of this article, the following definitions shall apply:

(a) "Eligible primary care provider" means any internist, general practitioner, obstetrician/gynecologist, pediatrician or family practice physician or any primary care clinic, rural health clinic, community clinic or hospital outpatient clinic holding a valid and current Medi-Cal provider number, which agrees to provide case management to primary care beneficiaries.

(b) "Case management" means responsibility for referral, consultation, ordering of therapy, admission to hospitals, follow-up care, and prepayment approval of referred services.

(c) "Designation form" or "form" means a form supplied by the department to be executed by a Medi-Cal beneficiary and an eligibility primary care provider, setting forth the beneficiary's choice of primary care provider and agreement to be limited by the case management decisions of that primary care provider and the provider's agreement to be responsible for that beneficiary's case management and medical care, as specified in this article.

(d) "Emergency care" means health care rendered by an eligible Medi-Cal provider to a Medi-Cal beneficiary for any condition in which the beneficiary is in danger of loss of life or serious injury or illness or is experiencing severe pain and suffering.

(e) "Primary care beneficiary" or "beneficiary" means a Medi-Cal eligible person who has executed a designation form with an eligible primary care provider.

14631. As of January 1, 1982, the director shall establish one or more pilot projects, each to be conducted within a clearly defined geographic area. The pilot projects shall be subject to the department seeking and obtaining any necessary federal waivers. The pilot projects shall not be carried out unless such waivers are either obtained or found unnecessary.

The pilot projects shall be operated under the principle that, notwithstanding any other provision of law, no payment for Medi-Cal services other than dental and emergency care shall be made unless:

(a) A current and valid designation form has been executed by the beneficiary for whom services are claimed and an eligible provider who has either rendered or approved the services for which payment is claimed.

(b) The form has been filed with the department.

(c) A suitably marked identification card has been supplied by the department to the beneficiary indicating that the beneficiary has made a choice of primary care provider.

14632. Reimbursement to a primary care provider under a

risk-sharing or capitated contract shall include a rate differential of at least 6 percent of the primary care provider's rate for providing case management in conjunction with Medi-Cal services.

14633. A physician who is an eligible primary care provider may enter into a risk-sharing contract with the department for the costs of all care received by a primary care beneficiary, provided that the provider has executed a designation form with at least 15 beneficiaries during a fiscal year. The department shall compare costs of the care for such beneficiaries with the average costs for each category of Medi-Cal eligible persons within the primary care provider's geographic area.

14634. A clinic which is an eligible primary care provider may enter into a risk-sharing contract with the department for the costs of all care of those beneficiaries with whom the clinic has executed a designation form. The department shall negotiate with each such clinic prospective capitated monthly rates by eligibility category for the Medi-Cal covered health care, except dental and long-term care, of that clinic's Medi-Cal primary care beneficiaries.

14635. The director shall report to the Legislature on initial implementation of these pilot projects in May 1982, and shall provide a full progress report to the Legislature in March 1983.

14636. Notwithstanding any other provision of law, during the period that such risk-sharing contracts are in effect, eligible primary care providers shall be exempt from the provisions of the Knox-Keene Health Care Service Plan Act relative to the services provided to Medi-Cal primary care beneficiaries under the terms and provisions of the pilot project.

Article 4. Budget-Managed Health Care System

14640. It is the intent of the Legislature that pilot projects be conducted in selected counties to test whether the same scope of health care services currently provided through the Medi-Cal fee-for-service system can be delivered with greater economy and the same or improved quality through a budget-managed health care system administered by county governments or by organized entities designated by county governments.

14641. Projects established pursuant to this article shall have the following goals:

(a) Reduced program and service unit costs.

(b) Improved fiscal management resulting from counties being responsible for all cost revenues and thus maximizing provider incentives for cost effectiveness.

(c) Reduced provision of inappropriate services, especially unnecessary hospital-based services, and decreased barriers to providing appropriate services.

(d) Provision of the same scope of services to the same eligible population in a more efficient manner.

(e) Containment of hospital costs through impact on current

incentives to over utilize acute hospital services.

(f) Integration of health manpower planning and requirements with overall service system needs and planning.

14642. Pilot projects established pursuant to this article shall be structured as follows:

(a) The population covered by the project shall be medically indigent persons eligible under the provisions of Section 14005.4.

(b) The scope of benefits shall be those provided to the medically indigent under Section 14132. However, counties are not limited to and shall not be required to adopt the utilization controls specified in Chapter 7 (commencing with Section 14000), provided that alternatives are presented and approved in the project plan as being reasonable and appropriate in maintaining high quality of care.

(c) Pilot counties shall be authorized to enter into contracts with private sector providers to expand county service capability. The county may negotiate such reimbursement or payment arrangements it desires in such contracts. All contracts shall be available for review by the department.

(d) Pilot counties shall, prior to the implementation of the project, submit to the state a plan which specifies in detail how the county proposes to deliver the full range of services to the full eligible population unc' r the provisions of the project and a detailed budget for the delivery of services. The department shall not begin the implementation of any pilot project until the county has documented to the satisfaction of the department all of the following:

(1) Its ability to provide the full range of services to at least 85 percent of the eligible population.

(2) The county has a plan acceptable to the department for providing services to the remainder of the eligible population.

(3) The project is consistent with the requirements of this article.

(e) The department and the pilot county shall establish a data collection system which provides detailed information on at least the following:

(1) The numbers of persons determined by the county to be eligible.

(2) The units of service received by the eligible population.

(3) The location (county or contract provider) of services provided.

(4) The costs of the services.

(5) Any other data necessary for making adjustments in budgets pursuant to subdivision (g) and to perform the evaluation required by Section 14648.

(f) Fixed budgets and a payment schedule for health care services shall be established annually for each pilot county on the following basis:

(1) The maximum funds payable shall be the amount of Medi-Cal funds projected to be spent in that county on the medically indigent population covered by the project during the project period, based on the department's usual estimating methodology.

(2) Adjustments in payments to counties, as required by subdivision (g), shall be made in the next regularly scheduled payment to the counties and shall be for the project period for which data has been reported to, and verified by, the department.

(g) The budget and payments specified in subdivision (f) may be adjusted based upon procedures and a methodology which is agreed to by the department and the county and which is consistent with the intent of this article for the following reasons:

(1) Reductions based on a decrease in the number of persons made eligible, or in the number or type of services rendered, which are not justifiable in terms of improved efficiency and a maintenance of the quality of care.

(2) Increases based on a larger than anticipated increase in the number of persons eligible for the project, provided that the increase in eligibles in the pilot county is not unreasonable in relation to comparable nonpilot counties.

(h) The department may terminate a pilot project or require a plan of correction whenever the data collected pursuant to subdivision (f) indicates that there has been a significant decrease in the number of type of services being provided within the county which is not justifiable in terms of improved efficiency and a maintenance of the quality of care provided.

14643. Prior to the implementation of the project, the county and the department shall execute an agreement which shall include, but not be limited to, provisions which do the following:

(a) Specify the terms and conditions of the project and its termination.

(b) Ensure that the rights of the medically indigent population are protected.

(c) Provide for the responsibility and liability of the state and county during the project or the termination of the project.

(d) Specify the procedure and methodology for adjustments to the project budget and payments pursuant to subdivision (g) of Section 14642.

(e) Specify other duties and responsibilities of each party in the implementation and conduct of the project.

14644. The department shall administer the provisions of this article as they pertain to health care services to the medically indigent. The department shall be responsive to the advice and recommendations promulgated by the pilot study advisory committee established under Section 14645.

14645. There shall be an advisory committee established to assist and advise the department in the development, implementation, and evaluation of pilot projects established pursuant to this article. The advisory committee shall be comprised of the following:

(a) One staff designee by each of the chairpersons of the Senate Health and Welfare Committee, Senate Finance Committee, Senate Rules Committee, Assembly Health Committee, Assembly Ways and Means Committee and the Speaker of the Assembly.

(b) Three members appointed by the County Supervisors Association of California.

(c) Three members appointed by the Director of the Department of Health Services.

(d) One member appointed by the Conference of Local Health Officers.

(e) One member appointed by the Health Care Administrators Association of the County Supervisors Association of California.

(f) Two members each appointed by the Speaker of the Assembly and the Senate Rules Committee, representing the medically indigent adult eligible population.

14646. The department shall seek all federal waivers required to implement projects established pursuant to this article. Portions of pilot projects involving eligible persons which require federal approval shall not be carried out unless such waivers are either obtained or found unnecessary.

14647. Projects established pursuant to this article shall be exempt from the provisions of Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code.

14648. Projects established pursuant to this article shall be evaluated by the department and the department shall report to the Legislature its progress and implementation timetable at six-month intervals from the effective date of this article.

14649. With the agreement of the Department of Finance, the Controller may provide each pilot county with the funds agreed to in the agreement specified in Section 14643 in quarterly or monthly advance payments.

14650. No more than three pilot projects shall be implemented under the authority of this article until the department provides the Legislature with a report which does the following:

(a) Documents at least six months of full implementation of the three pilots.

(b) Analyzes any implementation problems encountered, including recommendations for resolving such problems.

(c) Evaluates the fiscal and program experience of the pilots in meeting the goals specified in Section 14641.

(d) Summarizes the data collected pursuant to paragraph (2) of subdivision (f) of Section 14642.

14651. The department may expand the pilot projects to include all Medi-Cal eligibles within a county only after the following conditions are met:

(a) A pilot project with the medically indigent has been fully operational for at least 12 months.

(b) The department has submitted to the Legislature a comprehensive evaluation of that pilot project with the medically indigent.

(c) The department has submitted to the Legislature a detailed plan on the proposed expansion to include all Medi-Cal recipients.

(d) A participating pilot county agrees to expand the pilot.

14652. If one of the initial three pilot projects is in a county with a population of over 5,000,000 persons, the project shall be limited in scope to a region of such a county.

14653. This article shall remain in effect only until July, 1, 1984, and on that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1984, deletes or extends such date.

Article 5. Consolidated Mental Health Programs

14660. The State Department of Mental Health and the State Department of Health Services shall jointly conduct a number of county programs which consolidate mental health funds expended by the Medi-Cal and Short-Doyle Program in order to test whether such consolidation will accomplish more efficient and appropriate delivery of services.

14661. Programs approved under this article shall have the following goals:

(a) Improvement of fiscal management by focusing program responsibility for costs and revenues in a single entity.

(b) Reduction of inappropriate services, especially unnecessary hospital-based services, by consolidating funds and allocating resources to meet priority service needs.

(c) Integration of services offered by both public and private providers to ensure that publicly supported services provide a wide range of service options consistent with sound fiscal and management policy.

14662. The State Department of Mental Health shall select at least three counties for participation in the pilot project. Criteria for selection of the participating counties shall include all of the following:

(a) Variations in public and private service mixes.

(b) Variation in per capita costs.

(c) Variation in county size and sociodemographic data.

14663. The State Department of Health Services shall determine the amount of Medi-Cal funds expended for mental health services during the 1981–81 fiscal year in each county participating under this article, including inpatient, outpatient, and clinic services. Funds expended for services to mental health clients in skilled nursing facilities with special treatment programs or Short-Doyle augmentations of service shall also be included in the Medi-Cal funding total.

The State Department of Health Services and the State Department of Mental Health shall jointly contract with each county selected to participate under this article. Funds provided under the contract shall include all mental health funds, regardless of funding source, contained in the 1981–82 fiscal year budget in accordance with a program plan submitted by the county. The plan shall include units and types of services to be provided to specified types of clients and shall describe how each of the goals of this article is to be

achieved, including those funds not previously included in the county Short-Doyle Plan. The plan shall also specify utilization controls to be used and other mechanisms of fiscal accountability. The county plan should include as broad a range of contract services as is consistent with sound management practice.

14664. The State Department of Health Services shall seek all federal waivers required in order to provide a flexible system of reimbursement and negotiated rates for a wide range of services. All persons currently eligible for Short-Doyle and Medi-Cal services shall be eligible for services under this article.

Eligible providers of service under the Medi-Cal program shall be reimbursed for services by the county in those counties authorized under this article. Unless authorized in the plan and contract, the Medi-Cal program shall not independently reimburse providers.

14665. The State Department of Mental Health shall evaluate programs approved under these provisions and shall submit periodical reports to the Legislature relative to project performance.

14666. With the agreement of the Department of Finance, the Controller may provide each pilot county with the funds agreed to in the performance contract in quarterly or monthly advance payments.

14667. This article shall remain in effect only until July 1, 1984, and on that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1984, deletes or extends such date.

SEC. 133.5. The following provisions apply to Sections 93 to 133, inclusive, of this act, which make changes in the Medi-Cal program.

(a) Any provision which is in conflict with any federal statute or regulation shall be inapplicable to the extent of such conflict, but this provision and the remainder of the provisions shall be unaffected to the extent no conflict exists.

(b) The State Department of Health Services shall seek all federal waivers necessary to implement the provisions. The provisions for which appropriate federal waivers cannot be obtained shall not be implemented, but provisions for which waivers are either obtained or found to be unnecessary shall be unaffected by the inability to obtain federal waivers for the other provisions.

(c) The provisions of Sections 14005.12 and 14134 of the Welfare and Institutions Code, as enacted by this act, shall not be implemented with respect to any recipient of medical assistance, unless federal law or federal waivers of applicable law permit the implementation of the provision with respect to all recipients of medical assistance.

(d) The State Director of Health Services shall adopt regulations implementing the provisions as emergency regulations in accordance with the provisions of the Administrative Procedure Act, Chapter 4.5 (commencing with Section 11371) of Part 1 of Division 3 of Title 2 of the Government Code. For the purposes of the Administrative Procedure Act, the adoption of the regulations shall be deemed to be an emergency and necessary for the immediate

preservation of the public peace, health, and safety, or general welfare.

Nothwithstanding the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, emergency regulations adopted by any state agency in order to implement the provisions shall not be subject to the review and approval of the Office of Administrative Law until 120 days after the regulations take effect.

SEC. 134. Section 16700 of the Welfare and Institutions Code is amended to read:

16700. (a) On or before August 30 of each year, beginning with 1980, the governing body of each county, the City of Berkeley, and each existing local health district formed pursuant to Chapter 6 (commencing with Section 800) of Part 2 of Division 1 of the Health and Safety Code, shall adopt a county health services plan and budget, and shall submit the plan and budget to the State Director of Health Services in the form and in accordance with the procedures specified by the director.

(b) For purposes of this part, local jurisdiction shall mean a county, an existing local health district formed pursuant to Section 800 of the Health and Safety Code, or a city which has not transferred to the county enforcement authority of applicable health statutes and regulations.

SEC. 135. Section 16701 of the Welfare and Institutions Code is amended to read:

16701. (a) "County health services" means public health services, outpatient health services, and inpatient health services provided directly by a local jurisdiction or financed or purchased by a local jurisdiction through grants, contracts or agreements but shall not include services provided pursuant to Division 5 (commencing with Section 5000) of the Welfare and Institutions Code or Division 10.5 (commencing with Section 11750) of the Health and Safety Code.

(b) "Net county costs for health services" means expenditures for county health services, less revenues received for county health services, plus federal revenue sharing funds budgeted or expended for health services.

(c) "City health services" means public health services, outpatient health services, and inpatient health services provided directly by the city or financed or purchased by the city through grants, contracts, or agreements, but shall not include services provided pursuant to Division 5 (commencing with Section 5000) of the Welfare and Institutions Code or Division 10.5 (commencing with Section 11750) of the Health and Safety Code.

(d) "Net city costs for health services" means expenditures for city health services, less revenues received for city health services, plus federal revenue sharing funds budgeted or expended for health services.

SEC. 136. Section 16702 of the Welfare and Institutions Code is

amended to read:

16702. The net county costs of health services specified in each county health services plan and budget shall be financed in each county, the City of Berkeley, and each existing local health district with assistance from the County Health Services Fund in accordance with the following:

(a) For each county, an annual grant of three dollars ($3) per capita based upon population estimates of the Department of Finance as of January 1 of the previous fiscal year; and

(b) Fifty percent of the amount derived by subtracting paragraph (2) from paragraph (1) below:

(1) The actual net costs for the county for the 1977–78 fiscal year, as reported to the State Director of Health Services pursuant to subdivision (f) of Section 20 of Chapter 292 of the Statutes of 1978, increased by 16 percent for the 1979–80 fiscal year;

(2) The amount calculated for the county in subdivision (a).

(c) (1) The amount of assistance from the County Health Services Fund for the County of Alameda, as determined in subdivision (b), shall include an amount equal to 50 percent of the net city costs for health services of the City of Berkeley as reported to the State Director of Health Services pursuant to subdivision (f) of Section 20 of Chapter 292 of the Statutes of 1978, increased by 16 percent for the 1979–80 fiscal year;

(2) The amount of assistance from the County Health Services Fund for the City of Berkeley shall be an amount equal to 25 percent of the net city costs for health services of the City of Berkeley as reported to the State Director of Health Services pursuant to subdivision (f) of Section 20 of Chapter 292 of the Statutes of 1978, increased by 16 percent for the 1979–80 fiscal year;

(3) The amount of assistance from the County Health Services Fund for the San Joaquin Local Health District shall be that amount set forth in the Budget Act of 1981 for that purpose for the 1981–82 fiscal year.

(d) The amount of funds transferred at the request of the county pursuant to Section 1157.5 of the Health and Safety Code.

(e) Commencing July 1, 1980, and each July 1 thereafter, the amounts specified in subdivisions (a), (b), (c), and (d) shall be adjusted to reflect any increases or decreases in the cost of living. The average of the separate indices of the cost of living for Los Angeles and San Francisco as published by the United States Bureau of Labor Statistics shall be used as the basis for determining the changes in the cost of living. The State Department of Health Services shall compare the average index for the December preceding the July in which the cost-of-living adjustment is effective with the average index for the month of December of the previous year. The percentage increase or decrease in the average index shall then be multiplied by the amounts specified in subdivisions (a), (b), (c), and (d) as previously adjusted pursuant to this subdivision.

SEC. 137. Section 16703 of the Welfare and Institutions Code is

amended to read:

16703. The sum of the amounts set forth in Section 16702 is appropriated annually from the General Fund for deposit in the County Health Services Fund which is hereby created. The expenditure of funds from the County Health Services Fund shall be made by the State Department of Health Services without regard to fiscal year and shall be available for expenditure for two fiscal years subsequent to the fiscal year in which the original appropriation was made.

SEC. 138. Section 16704 of the Welfare and Institutions Code is amended to read:

16704. Funds from the County Health Services Fund shall be allocated to the governing body of each county, the City of Berkeley, and each existing local health district annually in accordance with the following procedures:

(a) The allocation of the amount determined in subdivision (a) of Section 16702 shall be made to each governing body of each county upon submission of the plan and budget as required by Section 16700. These funds shall be expended for county health services.

(b) The allocation of the amounts up to the maximum determined in subdivisions (b), (c), and (d) of Section 16702 shall be made upon application by the governing body of each local jurisdiction and upon signing of an agreement between the governing body and the State Director of Health Services. In the agreement, (1) all local jurisdictions shall agree to expend funds in an aggregate amount at least equal to the total amount designated in the plan and budget submitted pursuant to Section 16700; (2) counties shall agree to net county costs for county health services of county funds in the same amount as the funds requested under this paragraph pursuant to subdivision (b) of Section 16702; (3) counties shall agree to expend one dollar ($1) of county funds for every three dollars ($3) of state funds requested pursuant to subdivision (d) of Section 16702; and (4) cities shall agree to expend three dollars ($3) of city funds for every one dollar ($1) of state funds requested pursuant to paragraph (2) of subdivision (c) of Section 16702; and (5) all local health districts shall agree to expend two dollars ($2) of district funds for every one dollar ($1) of state funds requested pursuant to paragraph (3) of subdivision (c) of Section 16702. Funds requested pursuant to subdivision (d) and paragraph (3) of subdivision (c) of Section 16702 shall be expended only for public health services.

(c) The agreement shall provide for reports of expenditures and information and shall constitute a contractual obligation. The State Director of Health Services shall not have the authority to disapprove the county health services plan or to require the additional expenditure of county, city, or district funds for health services beyond that required by this section and Section 16707.

(d) The local jurisdiction shall act in general accordance with the plan and budget submitted pursuant to Section 16700.

SEC. 139. Section 16705 of the Welfare and Institutions Code is amended to read.

16705. (a) A local jurisdiction shall be entitled to receive up to its maximum allocation under subdivision (b) and paragraphs (2) and (3) of subdivision (c) of Section 16702 respectively even if it proposes in its budget to spend less for county health services than the amount required to obtain the maximum allocation, only if all of the following conditions are met:

(1) There would be no detrimental impact on the public in the case of public health services and indigents in the case of inpatient and outpatient services.

(2) There would be no impairment in the local jurisdiction's ability to carry out the service levels specified in its county health services plan.

(3) The determination of whether the requirements provided by paragraphs (1) and (2) are met is made according to procedures specified in subdivision (b).

(4) For each county, in no case shall the state pay more than 60 percent of the amount derived by subtracting subparagraph (B) from subparagraph (A) below:

(A) Total net county costs for health services in the proposed budget.

(B) The amount of the annual grant received by the county pursuant to subdivision (a) of Section 16702.

(5) For the City of Berkeley, in no case shall the state pay more than 30 percent of the total net local costs for health services in the proposed budget.

(6) For an independent health district, in no case shall the state pay more than 40 percent of the total net local costs for health services in the proposed budget.

(b) The determination in paragraphs (1) and (2) of subdivision (a) shall be made in the following manner:

(1) Within 30 days of adoption of the county health services plan and budget, the governing body of the local jurisdiction shall hold a public hearing to determine whether the amount of such reduction is detrimental to the health needs of the public in the case of public health services or detrimental to the health care needs of the indigent in the case of outpatient or inpatient health services and whether or not such reduction would impair the local jurisdiction's ability to carry out the service levels specified in its county health services plan. Notice of the hearing shall be published at least once in a newspaper of general circulation not less than 10 days before the hearing.

(2) The governing body shall make a finding based on the public hearing that reductions are or are not detrimental and whether or not reduction would impair the local jurisdiction's ability to carry out the service levels specified in its county health services plan. The local jurisdiction shall transmit immediately to the director a copy of the finding, together with the written evidence on which the finding

was based.

(3) The State Director of Health Services shall make the final determination as to whether the proposed reductions in expenditures for county health services detrimentally affects the public in the case of public health services or detrimentally affects the indigents in the case of outpatient and inpatient services and whether or not reductions would impair the local jurisdiction's ability to carry out the service levels specified in its county health services plan.

SEC. 140. Section 16707 of the Welfare and Institutions Code is amended to read:

16707. Savings that occur in the County Health Services Fund due to a lack of applications for funds or for failure of local jurisdictions to expend funds as required to qualify for funding under this part may be allocated by the State Director of Health Services upon application by the governing body of any local jurisdiction in accord with special needs and priorities established by the director. These funds shall only be expended if a local jurisdiction agrees to net expenditures of local jurisdiction funds in the same amounts.

SEC. 141. Section 16708 of the Welfare and Institutions Code is amended to read:

16708. Expenditures subject to payment shall include expenditures for salaries of personnel, facilities and services provided through contract, operation, service and maintenance costs, depreciation of local jurisdiction facilities, and other expenditures as may be approved by the director.

SEC. 142. Section 16709 of the Welfare and Institutions Code is repealed.

SEC. 143. Section 16710 of the Welfare and Institutions Code is amended to read:

16710. In those counties, except the County of Alameda, where the governing body of a city has not transferred to the county enforcement authority of applicable public health statutes and regulations or where public health services are provided by a city pursuant to a contract with a county, the county shall, in the plan, budget, and agreement, provide for continuation and funding of the services.

SEC. 144. Section 16712 of the Welfare and Institutions Code is amended to read:

16712. The State Department of Health Services shall adopt any regulations necessary to implement this part. The department may adopt these regulations on an emergency basis pursuant to Article 4 (commencing with Section 11420) of Chapter 4.5 of Division 3 of Title 2 of the Government Code, based on the finding by the department that these regulations are necessary to assure that local jurisdictions receive funding for health services on a timely basis in order to promote and protect the health and safety of the people of California.

SEC. 145. Section 16715 of the Welfare and Institutions Code is

amended to read:

16715. (a) The Local Health Capital Expenditure Account is hereby created in the County Health Services Fund. Moneys in the Local Health Capital Expenditure Account shall be expended by the State Department of Health Services, as specified in this section, to (1) provide financial assistance to local jurisdictions to fund capital expenditures for local health facilities and equipment thereof, including new facilities and equipment and the replacement or modernization of existing facilities and equipment, and (2) defray the department's administrative costs in providing technical assistance to local jurisdictions relative to financing such capital improvements, for which purpose the department shall establish a special personnel unit. Moneys in the Local Health Capital Expenditure Account shall be available for encumbrance without regard to fiscal year and, notwithstanding any other provision of law, shall not revert to the General Fund or be transferred to any other fund or account in the State Treasury except for purposes of investment as provided in Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code. All interest or other increment resulting from such investment shall be deposited in the Local Health Capital Expenditure Account, notwithstanding Section 16305.7 of the Government Code.

As used in this section, "local health facility" means any facility owned or operated by a local jurisdiction for the provision of county health services.

(b) The State Department of Health Services shall provide financial assistance to local jurisdictions pursuant to this section in the form of direct loans or grants. Any grant under this section shall not exceed 50 percent of the cost of the project to be financed. The remainder of the cost of the project may be financed with any moneys available to the local jurisdiction for such purpose, including a loan or other financing method.

Loans under this section may be made for an amount not exceeding 80 percent of the project costs, for a term not exceeding 40 years, and shall bear interest on the unpaid principal balance at a rate to be computed annually, which shall be the same as the average rate returned by the Pooled Money Investment Board for the past five fiscal years immediately preceding the year in which the loan payment is made. The State Department of Health Services shall not require loans under this section to be secured or insured, but shall require as a condition of making such a loan that there be a feasible plan for repayment.

The extent to which state assistance under this section shall be in the form of grants or loans, and the discretionary terms of such assistance, shall be established by the State Department of Health Services, as will best serve the needs of each health service area in improving the availability or quality of county health care services. It is the intent of the Legislature that, in providing financial

assistance under this section, the State Department of Health Services shall endeavor to equalize the availability of this assistance on the basis of need throughout all geographic areas of the state. In allocating financial assistance, the amount of effort being made by a local jurisdiction to serve all its residents in a comprehensive and efficient manner shall also be considered.

(c) Any local jurisdiction desiring assistance for financing an eligible project under this section shall submit an application to the State Department of Health Services and concurrently transmit a copy thereof to the area health planning agency for the health service area in which the applicant local jurisdiction is located. The area health planning agency shall hold one or more public hearings on the application and shall transmit its recommendation to the State Director of Health Services, who shall make the final decision.

(d) The State Department of Health Services shall develop criteria for use by the department and area health planning agencies in reviewing applications for assistance under this section. The criteria shall be developed in consultation with area health planning agencies, the Office of Statewide Health Planning and Development, the California Conference of Local Health Officers, the County Supervisors' Association of California, and the California Hospital Association, and shall include, but not be limited to, the following.

(1) Consistency of the proposed project with the county health services plan and with the local jurisdiction's long-range development plan.

(2) Consistency of the proposed project with the health systems plan and annual implementation plan developed for the area pursuant to federal Public Law 93-641, as amended.

(3) The extent to which the project will facilitate access of county indigents to health care services, particularly primary health services.

(4) The immediate and long-term financial feasibility of the project, taking into consideration all forms of assistance proposed to be obtained for the project.

(5) In the case of modernization projects, the extent of physical deterioration of the facilities or equipment to be improved, remodeled, or replaced.

(6) The adequacy of the county health services plan in meeting basic public health needs and the personal health needs of indigents.

(7) The extent to which the local jurisdiction is moving towards a more organized or efficient system of health care delivery.

(8) The extent to which the project is required to eliminate or prevent imminent safety hazards, as defined by federal, state, or local laws or regulations, or to comply with state licensure standards, or to comply with accreditation standards.

(9) The extent to which funds from the Local Health Capital Expenditure Account will be utilized to attract other sources of capital funding for county health facilities.

(e) The State Department of Health Services shall disburse

financial assistance under this section pursuant to a contract with the recipient local jurisdiction, which shall specify the conditions of the grant or loan. These conditions may include provisions which assure compliance with the health care objectives for which the application was approved or given priority.

SEC. 146. Section 16716 is added to the Welfare and Institutions Code, to read:

16716. Each county receiving financial assistance from the state pursuant to Section 16700 shall prepare and submit to the State Department of Health Services by November 1, 1981, a report describing health services provided by the county pursuant to Part 5 (commencing with Section 17000) of Division 9 of the Welfare and Institutions Code during fiscal year 1980–81. The report shall be in the form and in accordance with procedures established by the State Department of Health Services and shall include but not be limited to information covering the following: eligibility, services, resources, collections, target population size, and costs.

Subsequent reports shall be prepared and submitted by each county in the form and in accordance with procedures and a time table established by the State Department of Health Services after consultation with the County Supervisors Association of California.

The State Department of Health Services shall summarize and analyze the information provided by the counties pursuant to this section in the department's annual submissions to the Legislature.

SEC. 147. The unexpended balance of Item 340(m) of the Budget Act of 1980 is hereby reappropriated in an amount not to exceed four million seven hundred twenty-three thousand four hundred sixty-four dollars ($4,723,464) to augment Item 388.1 of the Budget Act of 1980 for purposes of apportionment pursuant to Article 2 (commencing with Section 84720) of Chapter 5 of Part 50 of the Education Code.

SEC. 148. There is hereby appropriated for transfer by the Controller during the 1981–82 fiscal year from the Driver Training Penalty Assessment Fund to Section A of the State School Fund, in lieu of the amount which would otherwise be transferred pursuant to subdivision (b) of Section 41304 of the Education Code, the sum of seventeen million eight hundred forty-four thousand sixty-seven dollars ($17,844,067). This amount shall be available for apportionments pursuant to Article 12 (commencing with Section 41900) of Chapter 5 of Part 24 of the Education Code. Any balance remaining after making the apportionments pursuant to this subdivision shall be available for apportionment pursuant to Section 42238 of the Education Code.

SEC. 149. There is hereby appropriated a sum not to exceed one million six hundred fifty thousand dollars ($1,650,000) for support of the State Department of Health Services to carry out the provisions of this act. However, none of the money appropriated pursuant to this section may be expended for a major program component unless 30 days' prior written notification is provided to the chairman of the

committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee.

SEC. 150. Notwithstanding any other provision of law, on the effective date of this act, from the unencumbered balance of the Local Agency Indebtedness Fund, the sum of seventeen million dollars ($17,000,000) shall revert to the General Fund.

SEC. 151. Notwithstanding any other provision of law, there is hereby appropriated from the moneys deposited pursuant to Section 6217 of the Public Resources Code to the State School Building Lease-Purchase Fund for the 1984–85 fiscal year, the amount of two hundred million dollars ($200,000,000). This appropriation shall be made to the extent of funds available after allocations have been made pursuant to subdivisions (a) to (e), inclusive, of Section 6217.

This section shall become operative on July 1, 1984.

SEC. 152. The Department of Food and Agriculture shall conduct a demonstration project in the County of Sonoma pursuant to which the department shall make low-interest loans available to apple growers in that county for the purpose of purchasing orchard stock, diversified plants, equipment, maintenance, fertilizers, labor, and to make related capital improvements.

It is the intent of the Legislature that this section constitute the authorization for a resource conservation loan program as required in the 1981–82 Budget Act.

SEC. 153. Notwithstanding any other provision of law, there shall be no appropriation for refund for the tax credits provided pursuant to Sections 17052.5 and 17052.8 of the Revenue and Taxation Code during the 1981–82 fiscal year.

SEC. 154. On January 1, 1982, any dental care plan contracted for by an employee organization authorized for payroll deductions under Section 1156 of the Government Code may be eligible to receive any state contribution towards dental care coverage for employees and annuitants of the state civil service, the California State University and Colleges system, the Regents of the University of California and the eligible dependents of those employees.

SEC. 155. There is hereby appropriated from the General Fund to the Unsecured Property Tax Credit Fund, which is hereby created, the sum of one hundred twenty-five million dollars ($125,000,000) for purposes of providing a credit against the Personal Income Tax and the Bank and Corporations Tax Law to those individuals and corporations which are or have been subject to tax on property on the unsecured roll for the 1978–79 fiscal year at a rate higher than four dollars ($4) per one hundred dollars ($100) of assessed value, to be distributed pursuant to the provisions of Assembly Bill No. 11 of the 1981–82 Regular Session.

This section shall become operative only if Assembly Bill No. 11 is chaptered and makes provision for tax credits for the individuals and corporations described in this section.

SEC. 156. There is hereby appropriated from the General Fund to the Department of General Services the amount of two hundred

fifty-four thousand dollars ($254,000) for 5.9 personnel years for the purpose of providing additional protection on the ground floor of the State Capitol and grounds adjacent thereto.

SEC. 157. It is the intent of the Legislature that cities which existed but did not levy a property tax in 1977–78 shall receive an in-lieu appropriation from the state for their loss of revenue if the subventions provided pursuant to Section 25761 of the Business and Professions Code, Section 4306 of the Public Utilities Code, and Section 26483 of the Revenue and Taxation Code are reduced or eliminated for the 1981–82 fiscal year.

SEC. 158. Five million dollars ($5,000,000) of the amount appropriated by Chapter 1043 of the Statutes of 1979 and allocated for use by the California Housing Finance Agency pursuant to former subdivision (b) of Section 50740 of the Health and Safety Code shall revert to the General Fund on the effective date of this act, and is hereby appropriated for the 1981–82 fiscal year to the County of Los Angeles for purposes of state assistance payments.

SEC. 159. Nothwithstanding any other provision of law, the Department of Corrections is authorized to award a construction contract for the Southern Maximum Security Complex at Tehachapi with the understanding of the parties that the remaining funds required to complete the unit will be made available during the 1982–83 fiscal year.

SEC. 160. If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC. 161. The provisions of this act shall not become operative unless and until the Budget Act of 1981 becomes law.

SEC. 162. Notwithstanding Section 6 of Article XIII B of the California Constitution and Section 2231 or 2234 of the Revenue and Taxation Code, no appropriation is made by this act for the purpose of making reimbursement pursuant to these sections. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Chapter 3 (commencing with Section 2201) of Part 4 of Division 1 of that code.

SEC. 163. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that this act, which would provide necessary statutory adjustments to implement the Budget Act of 1981, may take effect during the 1981–82 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 103

An act to amend Section 84720 of, to add Section 87613 to, and to add Chapter 4.5 (commencing with Section 84600) to Part 50 of, the Education Code, relating to community colleges, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1981 Filed with Secretary of State June 28, 1981.]

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

SECTION 1. Chapter 4.5 (commencing with Section 84600) is added to Part 50 of the Education Code, to read:

CHAPTER 4.5. COMMUNITY COLLEGE FUNDING

Article 1. General Provisions

84600. The Legislature hereby declares that it is in the interest of the state and of the people thereof for the state to provide realistic funding that enables public community colleges to carry out their responsibility for the postsecondary, less-than-baccalaureate, life-long education of California adults. This responsibility of public community colleges is strongly community-oriented and comprehensive, including the functions of general, transfer, occupational, developmental, and community education.

84601. It is the intent of the Legislature that the system of funding public community colleges should engender effective delivery of those educational services required in local communities, provide incentives toward achievement of statewide educational goals, afford local college planners an adequate sense of future stability, and, insofar as possible, be cost related among the major cost centers within the colleges. The funding system also should be designed to strengthen and encourage local responsibility for control of public community college education.

84602. It is the intent of the Legislature that a portion of the funds provided in Chapter 5 (commencing with Section 84700) be used by community college districts to provide information to the chancellor for planning and general coordination of postsecondary education. This information would also enable the Legislature to determine whether these purposes are being fulfilled by the community colleges.

84603. (a) The Legislature hereby finds and declares that the Board of Governors of the California Community Colleges adopted in November, 1980, a program classification system.

(b) The Chancellor of the California Community Colleges shall collect information on course offerings and activities for each community college district based on the program classification

system adopted by the board of governors.

(1) The chancellor shall report this information to the California Postsecondary Education Commission and to the Legislature by March 1, 1982.

(2) The California Postsecondary Education Commission shall review the information collected and advise the Legislature with regard to the accuracy and uniformity of the information by April 1, 1982. The commission shall assist the chancellor in monitoring the collection of the information and determining the format for presentation.

84604. The base 1981–82 fiscal year revenues for each community college district shall be the sum of those revenues received pursuant to Sections 84720 to 84723, inclusive, except in the event that the general state aid plus local property tax revenues available for the purposes of Sections 84720 to 84724, inclusive, are less than 0.98 times the revenues calculated pursuant to Sections 84720 to 84724, inclusive, in which case the base 1981–82 fiscal year revenues shall be the amount in subdivision (b) plus the amount in subdivision (c) plus the amount, if applicable, in subdivision (d), but in no case less than the amount in subdivision (a):

(a) The total general revenue for the district for the 1979–80 fiscal year multiplied by 1.01 minus the child development program deduction computed pursuant to Item 388.1 of the Budget Act of 1980.

(b) 0.99 multiplied by the amount computed pursuant to Section 84721 plus the amount computed pursuant to Section 84723 minus the child development program deduction computed pursuant to Item 388.1 of the Budget Act of 1980.

(c) The amount computed pursuant to Section 84722 multiplied by the deficit factor which results in a total statewide apportionment equal to the amount budgeted for state general apportionment for the 1980–81 fiscal year.

(d) The amount received by the district in fiscal year 1980–81 for lease purchase agreements, pursuant to Section 84724, for those districts whose total available revenue pursuant to Section 84094 divided by the average daily attendance for fiscal year 1978–79 is below the statewide average total available revenue per unit of average daily attendance and which levied a permissive override tax pursuant to Section 84006 in fiscal year 1977–78 and levied less than the maximum authorized general purpose tax in fiscal year 1977–78.

(e) The base fiscal year revenues for each community college district for 1982–83 shall be the sum of those revenues received for the prior fiscal year.

84604.5. (a) The base 1981–82 fiscal year revenues of a community college district shall be reduced by one thousand one hundred dollars ($1,100) for each unit of average daily attendance in a class or course in the 1980–81 fiscal year in which no credit was given and which is not set forth in subdivision (a) of Section 84641.

(b) The governing board of a community college district may

charge a fee pursuant to Section 78462.5 for any course or class for which no apportionment is made pursuant to this chapter.

Article 2. Fiscal Year 1981–82 Funding

84605. For the 1981–82 fiscal year, the chancellor shall apportion state aid to community college districts according to the following procedure:

(a) The 1981–82 fiscal year revenues for each community college district shall be its base 1981–82 fiscal year revenues, as defined in Section 84604, plus or minus the average daily attendance adjustment based on incremental costs, as defined in Section 84607; plus the inflation adjustment specified in Section 84608; plus the capital outlay or lease-purchase assistance, if any, as specified in Section 84609.

(b) The chancellor shall adjust the amounts determined pursuant to subdivision (a) to provide for prior year adjustments or adjustments which are required pursuant to Section 84330, as well as adjustments for the effects of annexation or transfer of territory occurring after June 30, 1978.

(c) From the 1981–82 fiscal year revenues of each community college district, as adjusted by subdivision (b), the chancellor shall subtract local property tax revenues, specified by law for the general operating support of community colleges, exclusive of bond interest and redemption. The remainder shall be the state general apportionment for each such district.

(d) The Controller shall draw warrants on the State Treasury in favor of the county treasurer of each county containing a community college district at such times and in such amounts as determined by the chancellor. However, no more than 75 percent of the state general apportionment provided for in this section shall be made prior to February 1, 1982.

(e) On or before March 1, 1982, the chancellor shall publish and shall provide to the Legislature, a report on revenues per unit of average daily attendance in the community colleges. The report shall include comparisons on a district-by-district basis, as well as on a statewide basis, of revenues per unit of average daily attendance for fiscal years 1980–81 and 1981–82. The report shall also include information on the amounts of actual and estimated sources of revenue that comprise the base for the calculation of revenues per unit of average daily attendance.

(f) For purposes of this article, "average daily attendance" shall mean the attendance of state residents attending within the district.

84606. The base 1981–82 fiscal year revenues for each community college district shall be adjusted for changes in noncredit average daily attendance based on costs according to the following procedure:

(a) The chancellor shall determine the increase or decrease in the number of units of noncredit average daily attendance reported by

each district between fiscal years 1980–81 and 1981–82.

(b) The chancellor shall multiply the increase or decrease in such units of average daily attendance by one thousand one hundred dollars ($1,100).

84607. The base 1981–82 fiscal year revenues for each community college district shall be adjusted for changes in credit average daily attendance based on incremental costs according to the following procedure:

(a) The chancellor shall determine the increase or decrease in the number of units of credit average daily attendance reported by each district between fiscal years 1980–81 and 1981–82.

(b) The chancellor shall multiply the increase or decrease in such units of average daily attendance by the incremental cost rate:

(1) For districts reporting 3,000 or more units of total average daily attendance for fiscal year 1980–81, and which have decreased in credit average daily attendance since 1980–81, the incremental cost rate is two-thirds of the district's revenues per unit of total average daily attendance for fiscal year 1980–81. For districts reporting fewer than 3,000 units of total average daily attendance for fiscal year 1980–81, and which have decreased in credit average daily attendance since fiscal year 1980–81, the incremental cost rate is two-thirds of the statewide revenues per unit of total average daily attendance for fiscal year 1980–81.

(2) For all districts which have increased in credit average daily attendance since fiscal year 1980–81, the incremental cost rate is two-thirds of the statewide revenues per unit of total average daily attendance for fiscal year 1980–81.

84608. (a) For districts reporting 3,000 or more total units of average daily attendance for fiscal year 1980–81, the chancellor shall add to the amounts determined pursuant to Sections 84606 and 84607 the product of: 0.05 times the statewide revenues per unit of total average daily attendance for fiscal year 1980–81, times the district general equity factor, times the total average daily attendance for the district for fiscal year 1981–82.

(b) For districts reporting fewer than 3,000 units of total average daily attendance for fiscal year 1980–81, the chancellor shall add to the amounts determined pursuant to Sections 84606 and 84607 the product of: 0.05 times the statewide revenues per unit of total average daily attendance for fiscal year 1980–81; times the small district multiplier specified in former Section 84764 or 84765, except using 1980–81 fiscal year credit average daily attendance; times the district general equity factor, times the total average daily attendance for the district for fiscal year 1981–82.

(c) The chancellor shall determine the district general equity factor as follows:

(1) Except as provided in subparagraph (A), the district general equity factor is the quotient of statewide revenues per unit of total average daily attendance for fiscal year 1980–81 divided by district revenues per unit of total average daily attendance for fiscal year

1980–81.

(A) For each district reporting 3,000 or more units of total average daily attendance in the 1980–81 fiscal year which receives a general equity factor of less than 1.0 pursuant to paragraph (1) and which meets three of the following four conditions, the district general equity factor shall be 1.0 and the district revenues per unit of total average daily attendance for fiscal year 1980–81 shall be used for the purpose of subdivision (a).

(i) Where district expenditures per unit of total average daily attendance in the 1980–81 fiscal year for student services, as defined in activities prescribed by Accounts 6200 to 6400, inclusive, of the Community College Accounting Manual, are in the upper quartile for the state.

(ii) Where fiscal year 1980–81 expenditures per unit of total average daily attendance in the 1980–81 fiscal year for plant maintenance, operations, and security, as defined in activities prescribed by Account 6500 of the Community College Accounting Manual, are in the upper quartile for the state.

(iii) Where the Fall 1980 minority student enrollment of the district exceeds 50 percent of the total student enrollment.

(iv) A participation rate of less than 60 per mill for the prior fiscal year. "Participation rate" means the sum of the district enrollment and enrollment in adult schools divided by the number of adults residing in the district multiplied by 1,000.

84609. For fiscal year 1981–82, community college districts not receiving an adjustment to their base revenues pursuant to subdivision (d) of Section 84604 shall also receive an amount determined by the chancellor not to exceed the sum of:

(a) Revenues derived for fiscal year 1980–81, pursuant to Section 84904, from the capital outlay matching tax authorized by Section 85100 if the purpose for which the tax was levied has not been fulfilled prior to July 1, 1981.

(b) Revenues derived for fiscal year 1980–81, pursuant to Section 84904, from the lease-purchase tax authorized by Section 84006 if the purpose for which the tax was levied has not been fulfilled prior to July 1, 1981.

Article 3. Fiscal Year 1982–83 Funding

84620. For the 1982–83 fiscal year only the Chancellor shall apportion state aid to community college districts according to the procedures specified in Article 2 (commencing with Section 84605), except that the base 1982–83 fiscal year revenues shall be the sum of revenues received for the prior fiscal year pursuant to Article 2, except for subparagraph (A) of paragraph (1) of subdivision (c) of Section 84608 and Section 84609 and provided that references to a fiscal year shall be deemed to be references instead to the succeeding fiscal year.

Furthermore, for the 1982–83 fiscal year, Section 84608 shall apply

only to average daily attendance generated in credit courses and programs.

84621. The factor of 0.05 prescribed by subdivisions (a) and (b) of Section 84608 shall be reduced to zero for the 1982–83 fiscal year unless the board of governors adopts a program classification system by April 1, 1982, for implementation not later than July 1, 1982.

Article 4. Deficit Apportionment Mechanism

84630. For the 1981–82 and 1982–83 fiscal years, in the event that General Fund appropriations and local property tax and other local tax revenues allocated to community college districts are less than the amounts specified for all districts for the fiscal year, pursuant to Section 84605 or 84620, as appropriate, the chancellor shall apportion general aid to the community college districts according to the following procedure:

(a) The chancellor shall fund in total for all community college districts the base as specified in Section 84604 or 84620, as appropriate, less the workload adjustment as specified in Section 84606 or 84607 for districts experiencing a loss in either noncredit or credit average daily attendance, and the following purposes in the following order:

(1) Inflation adjustments calculated pursuant to Section 84608.

(2) Lease and capital outlay commitments calculated pursuant to Section 84609.

(3) Workload increases in instruction calculated pursuant to Sections 84606 and 84607.

(4) Program changes calculated pursuant to Section 84640.

(b) Unless otherwise provided in this article, in cases where total available funds are less than the total amount calculated for all districts for a particular purpose, the chancellor shall apportion funds for that purpose to each district eligible for the funds by multiplying the amounts determined in paragraphs (1) and (2):

(1) The total amount available for the purpose divided by the total of all districts' calculated amounts for that purpose.

(2) The calculated amount for that purpose for the district during the fiscal year.

Article 5. General Provisions

84640. The board of governors, in accordance with rules and regulations adopted by it, shall annually review the need for state funds from Section B of the State School Fund to provide for community college district program changes that require funds which exceed those otherwise provided by this article; and shall include an estimate of the need in its budget for each year. To be eligible for funding, the program changes shall have been identified in district plans submitted to the chancellor's office, or by the board of governors. Districts receiving program change funding shall

report on the use of the funds in accordance with regulations adopted by the board.

84641. (a) For purposes of this chapter, the following courses and classes shall be noncredit courses and classes:

(1) Parenting, including parent co-operative preschools, classes in child growth and development and parent-child relationships, and classes in parenting.

(2) Elementary and secondary basic skills and other courses and classes such as remedial academic courses or classes in reading, mathematics, and language arts.

(3) English as a second language.

(4) Citizenship for immigrants.

(5) Education programs for substantially handicapped.

(6) Short-term vocational programs with high employment potential.

(7) Education programs for older adults.

(8) Education programs in home economics.

(9) Health and safety education.

(b) No state apportionment shall be made for any course or class which is not set forth in subdivision (a) and for which no credit is given.

84642. This chapter shall remain operative only until June 30, 1983, and as of that date shall cease to be operative unless a later enacted statute, which is chaptered before June 30, 1983, deletes or extends that date.

SEC. 2. Section 84720 of the Education Code is amended to read:

84720. For the 1980–81 fiscal year, the chancellor shall apportion general state aid to community college districts according to the following procedure:

(a) The 1980–81 fiscal year revenues for each community college district shall be its base 1980–81 fiscal year revenues, as defined in Section 84721; plus or minus the average daily attendance adjustment based on incremental costs, as defined in Section 84722; plus the inflation adjustment specified in Section 84723; plus the capital outlay or lease purchase assistance, if any, as specified in Section 84724.

(b) The chancellor shall adjust the amount determined pursuant to subdivision (a) to provide for prior year adjustments or adjustments which are required pursuant to Sections 84330, 84737 and 84904, as well as adjustments for the effects of annexation for transfer of territory occurring after June 30, 1979.

(c) For any district whose revenues computed pursuant to this article are less than 1.01 times the revenues received by the district for fiscal year 1979–80, as defined in paragraph (1) of subdivision (c) of Section 84700, the district shall receive 1.01 times its fiscal year 1979–80 revenues in lieu of amounts computed pursuant to this article.

(d) From the 1980–81 fiscal year revenues of each community college district, as adjusted pursuant to subdivisions (b) and (c), the

chancellor shall subtract the following revenues: (1) local property tax revenues, exclusive of bond interest and redemption for the general operating support of community colleges, and (2) motor vehicle license fees received pursuant to Section 11003.4 of the Revenue and Taxation Code. The remainder shall be the state general apportionment for each such district.

(e) The Controller shall draw warrants on the State Treasury in favor of the county treasurer of each county containing a community college district at such times and in such amounts as determined by the chancellor; provided that no more than 75 percent of the state general apportionment provided for in this section shall be made prior to February 1, 1981.

(f) On or before February 15, 1981, the chancellor shall publish, and shall provide to the Legislature, a report on revenues per unit of average daily attendance in the community colleges. The report shall include comparisons on a district-by-district basis, as well as on a statewide basis, of revenues per unit of average daily attendance for fiscal years 1979–80 and 1980–81. The report shall also include information on the amounts of actual and estimated sources of revenue that comprise the basis for the calculation of revenues per unit of average daily attendance.

(g) For purposes of this article "average daily attendance" and "attendance ADA" shall mean the attendance of state residents attending within the district.

(h) If the revenues appropriated by Section 84728 are insufficient to provide for the state general apportionment as calculated pursuant to this section, the amounts appropriated by Section 84728 shall be allocated on a pro rata basis, so that all community college districts receive the same percentage of their general revenues that they are otherwise entitled to receive, except in the event that the general state aid appropriated in lieu of Section 84728 plus local property tax revenues available for the purposes of Sections 84720 to 84724, inclusive, are less than 0.98 times the revenues calculated pursuant to Sections 84720 to 84724, inclusive, in which case the amounts appropriated in lieu of Section 84728 shall be allocated so that the total general revenues for each district, after proper adjustment for property tax receipts, is equal to the amount in subdivision (j) plus the amount in subdivision (k), but in no case less than the amount in subdivision (i).

(i) The total general revenues for the district for fiscal year 1979–80 multiplied by 1.01 less the child development program deduction computed pursuant to Item 388.1 of the Budget Act of 1980.

(j) 0.99 multiplied by the amount computed pursuant to Section 84721 plus the amount computed pursuant to Section 84723 less the child development program deduction computed pursuant to Item 388.1 of the Budget Act of 1980.

(k) The amount computed pursuant to Section 84722 multiplied by the deficit factor which results in a total statewide apportionment

equal to the amount budgeted for state general apportionments for the 1980–81 fiscal year.

SEC. 3. Section 87613 is added to the Education Code, to read:

87613. (a) In any community college district, the percentage of weekly faculty contact hours taught by part-time instructors during the 1981–82 and 1982–83 school years shall not exceed the percentage of weekly faculty contact hours taught by part-time instructors during the 1980–81 school year.

(b) The governing board of a community college district may request from the Board of Governors of the California Community Colleges a waiver of this section under standards adopted by the board of governors.

(c) For purposes of this section, "part-time instructor" means an instructor who is employed to teach adult or community college classes for not more than 60 percent of the hours per week considered a full-time assignment.

(d) The provisions of this section shall not apply to any community college district in which the weekly faculty contact hours taught by part-time instructors do not exceed 28 percent in 1981–82.

SEC. 4. Except for Section 2 of this act, this act shall be deemed operative for the entire 1981–82 fiscal year as though it had been enacted into law and become operative on July 1, 1981. The Chancellor of the California Community Colleges and other public officers may, for such purposes, take all necessary steps to effect the required adjustments, including the authority to adjust allowance computations, apportionments, and disbursements ordered from Section B of the State School Fund.

(b) Section 2 of this act shall be deemed operative for the entire 1980–81 fiscal year as though it had been enacted into law and become operative on July 1, 1980. The Chancellor of the California Community Colleges and other public officers may, for such purposes, take all necessary steps to effect the required adjustments, including the authority to adjust allowance computations, apportionments, and disbursements ordered from Section B of the State School Fund.

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

In order for the provisions of this act to apply for the entire 1981–82 fiscal year and to provide community college districts sufficient time to plan and adopt new budgets for the 1981–82 fiscal year as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 104

An act to amend Section 232.1 of the Civil Code, to amend Sections 302, 318.5, 351.5, and 16556 of, to add and repeal Sections 303.1, 304, 321.5, 352.5, 361.5, 366.3, 366.4, and 366.5 of, and to repeal Sections 361.5, 366.3, 366.5, and 16557 of, the Welfare and Institutions Code, and to amend and repeal Section 95 of Chapter 1068 of the Statutes of 1976, and to amend Sections 2, 25, and 30 of Chapter 977 of the Statutes of 1976, relating to family protection, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1981 Filed with Secretary of State June 29, 1981]

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

SECTION 1. Section 232.1 of the Civil Code is amended to read:

232.1. (a) An action may be brought in a demonstration county for the purpose of having any person under the age of 18 years declared free from the custody and control of either or both of his or her parents when he or she comes within any of the following descriptions:

(1) Who has been left without provision for his or her identification by his or her parent or parents or by others or has been left by both of his or her parents or his or her sole parent in the care and custody of another for a period of six months or by one parent in the care and custody of the other parent for a period of one year without any provision for his or her support, or without communication from the parent or parents, with the intent on the part of the parent or parents to abandon the person. A failure to provide identification, failure to provide, or failure to communicate shall be presumptive evidence of the intent to abandon. If the parent or parents have made only token efforts to support or communicate with the child, the court may declare the child abandoned by the parent or parents. In those cases in which the child has been left without provision for his or her identification and the whereabouts of the parents are unknown, a petition may be filed after the 120th day following the discovery of the child and citation by publication may be commenced. The petition may not be heard until after the 180th day following the discovery of the child.

The fact that a child is in a foster care home subject to the requirements of Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code, shall not prevent a licensed adoption agency which is planning adoption placement for the child, from instituting, under this subdivision, an action to declare the child free from the custody and control of his or her parents. When the requesting agency is a licensed county adoption agency, the county counsel and if there is no county counsel, the district attorney shall

institute the action.

(2) Who has been cruelly treated or neglected by either or both of his or her parents, if the person has been a dependent child of the juvenile court, and the parent or parents have been deprived of his or her custody for the period of one year prior to the filing of a petition praying that he or she be declared free from the custody and control of the cruel or neglectful parent or parents.

(3) Whose parent or parents suffer a disability because of the habitual use of alcohol, or any of the controlled substances specified in Schedules I to V, inclusive, of Division 10 (commencing with Section 11000) of the Health and Safety Code, except when the controlled substances are used as part of a medically prescribed plan, or are morally depraved, if the person has been a dependent child of the juvenile court, and the parent or parents have been deprived of his or her custody because of the disability, or moral depravity, for the period of one year continuously immediately prior to the filing of the petition praying that he or she be declared free from the custody and control of the parent or parents. As used in this subdivision, "disability" means any physical or mental incapacity which renders the parent or parents unable to adequately care for and control the child.

(4) Whose parent or parents are convicted of a felony, if the facts of the crime of which the parent or parents were convicted are of such nature as to prove the unfitness of the parent or parents to have the future custody and control of the child.

(5) Whose parent or parents have been declared by a court of competent jurisdiction wherever situated to be developmentally disabled or mentally ill, if, in the state or country in which the parent or parents are hospitalized or resident, the Director of Mental Health or the Director of Developmental Services, or his or her equivalent, if any, and the superintendent of the hospital of which, if any, the parent or parents are inmates or patients certify that the parent or parents so declared to be developmentally disabled or mentally ill will not be capable of supporting or controlling the child in a proper manner.

(6) Whose parent or parents are, and will remain incapable of supporting or controlling the child in a proper manner because of mental deficiency or mental illness, if there is testimony to this effect from two physicians and surgeons, each of whom must have been certified either by the American Board of Psychiatry and Neurology or under Section 6750 of the Welfare and Institutions Code, or two licensed psychologists, each of whom shall have a doctoral degree in psychology and at least five years of postgraduate experience in the diagnosis and treatment of emotional and mental disorders. If, however, the parent or parents reside in another state or in a foreign country, the testimony herein may be supplied by two physicians and surgeons who are residents of the state or foreign country, if the physicians and surgeons have been certified by a medical organization or society of that state or foreign country to practice

psychiatric or neurological medicine and if the court determines that the certification requirements of the organization or society are comparable to those of the American Board of Psychiatry and Neurology.

The parent or parents shall be cited to be present at the hearing, and if he, she, or they have no attorney, the court shall appoint an attorney or attorneys to represent the parent or parents and fix the compensation to be paid by the county for the services, if the court determines the parent or parents are not financially able to employ counsel.

(7) Who has been cared for in one or more foster homes under the supervision of the juvenile court, the county welfare department, or other public or private licensed child-placing agency for two or more consecutive years, providing that the court finds by clear and convincing evidence that the return of the child to his or her parent or parents would be detrimental to the child and that the parent or parents have failed during that period, and are likely to fail in the future, to:

(i) Provide a home for the child;

(ii) Provide care and control for the child;

(iii) Maintain an adequate parental relationship with the child; and

(iv) Maintain continuous contact with the child, unless unable to do so.

Physical custody of the child by the parent or parents for insubstantial periods of time during the required two-year period shall not serve to interrupt the running of the period.

(8) Who has been found to be a dependent child of the juvenile court, has been removed from the physical custody of his or her parent or parents pursuant to Section 361.5 or voluntarily placed pursuant to Chapter 5.5 (commencing with Section 16550) of Part 4 of Division 9 of the Welfare and Institutions Code, and where an action to terminate parental rights was initiated due to a court order pursuant to Section 366.5 of the Welfare and Institutions Code.

At the termination proceeding, the person bringing the action shall show that on a continuous basis reasonable services have been provided to the parents, or were offered and refused by them, which were designed to aid the parents to overcome the problems which originally led to the deprivation of physical custody, the effectiveness, if any, of the services, and that despite the use of the services return of the child to the parent or parents would be detrimental to the child. Social workers or probation officers who provided the services shall appear, if available, at the termination proceedings.

At the termination proceeding, the court may consider the wishes of the child. When the child is 12 years of age or older, the consent of the child shall be obtained in order that there be a termination of parental rights.

If the court sustains the petition and there is an order pursuant to

this subdivision, the court shall specify the factual grounds established to support its findings and enter them in the permanent records of the court.

An action may be brought under this subdivision if the child was declared a dependent child of the juvenile court on or after July 1, 1977, or was voluntarily placed by his or her parents pursuant to Chapter 5.5 (commencing with Section 16550) of Part 4 of Division 9 of the Welfare and Institutions Code on or after that date.

(9) A minor under two years of age who has been found to be a dependent child of the court pursuant to subdivision (d) of Section 300 of the Welfare and Institutions Code, as a result of physical or sexual abuse and who has been removed from the physical custody of his or her parent or parents pursuant to Section 361.5 of the Welfare and Institutions Code.

(b) A licensed adoption agency of a demonstration county may institute under this section, an action to declare a child, as described in this section, free from the custody and control of his or her parents. When the requesting agency is a licensed county adoption agency, the county counsel, or if there is no county counsel, the district attorney shall institute the action.

(c) As used in this section, a "demonstration county" is a county selected pursuant to Section 2 of Chapter 977 of the Statutes of 1976.

(d) This section shall remain in effect only until the date specified in Section 30 of Chapter 977 of the Statutes of 1976, and as of that date is repealed, unless a later enacted statute, which is chaptered before that date, deletes or extends that date.

SEC. 2. Section 302 of the Welfare and Institutions Code is amended to read:

302. (a) The juvenile court of a demonstration county shall adjudge a person to be a dependent child of the court if the child has been accepted for out-of-home placement pursuant to Chapter 5.5 (commencing with Section 16550) of Part 4 of Division 9 and has remained out of his parents' or guardians' physical custody for six months.

(b) It shall be the duty of the county welfare department or probation department of a demonstration county to notify the juvenile court when a child has been in voluntary placement for six months and to request the court to adjudge the minor a dependent child of the court.

SEC. 2.5. Section 303.1 is added to the Welfare and Institutions Code, to read:

303.1. The State Department of Social Services shall annually prepare and distribute an evaluation report on the California Family Protection Act program. This report shall collect the information concerning foster care described in Section 303 in the demonstration counties and in other similar nondemonstration counties in order to compare the counties and determine the effectiveness of the program compared to the programs in other counties. The department shall also determine the savings accrued by the federal,

state, and local governments due to the implementation of this act. The report shall also evaluate the level of recidivism for clients of the Family Protection Act program, and the effectiveness of the permanent planning element.

SEC. 3. Section 304 is added to the Welfare and Institutions Code, to read:

304. The fact that a minor has been adjudged a dependent child of the juvenile court pursuant to Section 300 or 302 shall not divest a superior court, pursuant to Section 4600 of the Civil Code, from hearing proceedings between the parents of a minor regarding the custody of a minor who is within the jurisdiction of the superior court. The records of any juvenile court proceeding involving a minor who is the subject of a proceeding pursuant to Section 4600 of the Civil Code may be introduced in evidence in the proceeding. Where the juvenile court believes that the appropriate disposition of a proceeding pursuant to Section 300 is best achieved through a change of custody, pursuant to Section 4600 of the Civil Code, it may request the superior court to hear the action.

SEC. 3.3. Section 318.5 of the Welfare and Institutions Code is amended to read:

318.5. The minor and his or her parents or guardian shall have a right to representation by legal counsel at all stages of any proceedings under this chapter in a demonstration county in any case in which the minor is alleged to be a person described in Section 300 or 302, to be provided as follows:

(a) The court shall appoint counsel for the minor if the minor appears at any hearing without counsel, whether the minor is able to afford counsel or not. If the parent or guardian does not furnish counsel for the minor and the court determines that the parent or guardian has the ability to pay for counsel for the minor, the court may assess the parents the cost of the counsel.

Counsel for the minor shall, when appropriate, interview the minor, and shall, in all cases, conduct an independent investigation sufficient to adequately represent the minor.

(b) The court shall appoint counsel, who may be the public defender, for the parents or guardian when it appears to the court that the parents or guardian desire counsel but are unable to afford and cannot for that reason employ counsel.

(c) In a county where there is no public defender, or where there is a conflict of interest between two or more persons entitled to the appointment of the public defender as counsel in a proceeding, the court shall fix the compensation to be paid by the county for service of counsel other than the public defender.

(d) At the beginning of the first hearing in any proceeding under this chapter, in any case in which the minor is alleged to be a person described in Section 300 or 302, if either the minor or his or her parents or guardian appear without counsel, the judge shall advise the unrepresented party of his or her rights under this section and shall implement those rights before proceeding further. However,

no waiver by a minor of any rights under this section shall be valid. Any counsel entering an appearance on behalf of any party shall continue to represent that person at all subsequent proceedings before the juvenile court unless relieved by the court either (1) upon the substitution of other counsel, or (2) upon a showing of good cause to relieve counsel without the substitution of other counsel.

(e) The counsel shall be charged in general with the representation of the child's interests. To that end, the counsel shall make such further investigations as he or she deems necessary to ascertain the facts, including the interviewing of witnesses, and he or she shall examine and cross-examine witnesses in both the adjudicatory and dispositional hearings; the counsel may also introduce and examine his or her own witnesses, make recommendations to the court concerning the child's welfare, and participate further in the proceedings to the degree necessary to adequately represent the child. In addition, the counsel shall investigate the interests of the child beyond the scope of the juvenile proceeding and report to the court other interests of the child that may be protected by other administrative or judicial proceedings, including but not limited to, a civil action pursuant to subdivision (b) of Section 11172 of the Penal Code. The court shall take whatever appropriate action is necessary to fully protect the interests of the child.

(f) Notwithstanding any other provisions of law, counsel shall be given access to all records relevant to the case which are maintained by state or local public agencies. Counsel shall be given access to records maintained by hospitals or by other medical or nonmedical practitioners or by child care custodians, in the manner prescribed by Section 1158 of the Evidence Code.

SEC. 3.5. Section 321.5 is added to the Welfare and Institutions Code, to read:

321.5. When a hearing is held under the provisions of this article and the parent or guardian of the minor is not present and has not had actual notice of the hearing, the parent or guardian of the minor may file an affidavit setting forth these facts with the clerk of the juvenile court. The clerk shall immediately set the matter for rehearing at a time within 24 hours, excluding Sundays and nonjudicial days, from the filing of the affidavit. Upon the rehearing, the court shall proceed in the same manner as upon the original hearing.

If a parent, guardian, or an attorney or guardian ad litem for the minor appointed by the court requests evidence of the prima facie case, a rehearing shall be held within three judicial days to consider evidence of the prima facie case. If the prima facie case is not established, the minor shall be released from detention.

When the court ascertains that the rehearing cannot be held within three judicial days because of the unavailability of a witness, a continuance may be granted for a reasonable period not to exceed five judicial days.

SEC. 4. Section 351.5 of the Welfare and Institutions Code is amended to read:

351.5. In a juvenile court hearing in a demonstration county the district attorney or county counsel shall, with the consent or at the request of the juvenile court judge or welfare department, represent the petitioner and shall assist in the ascertaining and presenting of the evidence.

SEC. 5. Section 352.5 is added to the Welfare and Institutions Code, to read:

352.5. (a) Upon request of counsel for the parent, minor, or petitioner the court may continue any hearing under this chapter in a demonstration county beyond the time limit within which the hearing is otherwise required to be held, provided that no continuation shall be granted if contrary to the interests of the minor.

(b) In any case in which the parent and minor is represented by counsel and no objection is made to an order continuing any such hearing beyond the time limit within which the hearing is otherwise required to be held, the absence of such an objection shall be deemed a consent to the continuance.

(c) In a county where there is no public defender, or where there is a conflict of interest between two or more persons entitled to the appointment of the public defender as counsel in a proceeding, the court shall fix the compensation to be paid by the county for service of counsel other than the public defender.

(d) At the beginning of the first hearing in a demonstration county in any proceeding under this chapter, in any case in which the minor is alleged to be a person described in Section 300 or 302, if either the minor or his or her parents or guardians appear without counsel, the judge shall advise the unrepresented party of his or her rights under this section and shall implement the rights before proceeding further, provided, however, that no waiver by a minor of any rights under this section shall be valid. Any counsel entering an appearance on behalf of a party shall continue to represent that person at all subsequent proceedings before the juvenile court unless relieved by the court either (1) upon the substitution of other counsel, or (2) upon a showing of good cause to relieve counsel without the substitution of other counsel.

SEC. 6. Section 361.5 of the Welfare and Institutions Code is repealed.

SEC. 7. Section 361.5 is added to the Welfare and Institutions Code, to read:

361.5. (a) In a demonstration county in all cases wherein a minor is adjudged a dependent child of the court on the ground that he or she is a person described by Section 300 or 302, the court may limit the control to be exercised over him or her by any parent or guardian and shall by its order clearly and specifically set forth all such limitations. The limitations shall not exceed those necessary to protect the child.

(b) No dependent child shall be taken from the physical custody

of his or her parent or guardian unless upon the hearing the juvenile court finds clear and convincing evidence of any of the following:

(1) There is substantial danger to the physical health of the minor, or would be if the minor was returned home, and there are no reasonable means by which the minor's physical health may be protected without removing the minor from his or her parent's or guardian's physical custody.

(2) The parent or guardian of the minor is unwilling to have physical custody of the minor and the parent or guardian has been notified that if the minor remains out of their physical custody for the period specified in Section 366.5, the minor may be declared permanently free from their custody and control under Section 232.1 of the Civil Code.

(3) The minor is suffering severe emotional damage, or would suffer damage if returned home, indicated by extreme anxiety, depression, withdrawal, or untoward aggressive behavior toward self or others and there are no reasonable means by which the minor's emotional health may be protected without removing the minor from his or her parent's or guardian's physical custody.

(4) The minor has been sexually abused and there are no reasonable means by which the minor can be protected from further sexual abuse without removing the minor from his or her parent or guardian or the minor does not wish to return to his or her parent or guardian.

(5) In any action under paragraph (1), (2), or (3) of this subdivision, the specified factual grounds shall include, where appropriate, the refusal or failure of the parents or guardians to accept reasonable services, which shall justify removal if the statutory grounds are otherwise met. The court shall specify the factual grounds established to support these findings and enter them in the permanent records of the court.

(c) If the minor is taken from the physical custody of his or her parent or guardian and unless the minor is placed with relatives, the minor shall be placed in foster care in the county of residence of his or her parent or guardian in order to facilitate reunification of the family.

(d) If the probation officer or county welfare department social worker cannot find suitable placement within the county he or she may place the minor outside the county. The probation officer or social worker shall serve written notice on the parent or guardian in the same manner as provided in Section 366.5 at least seven days prior to the placement. The notice shall state the reasons which require a placement outside the county. The parent or guardian may object to the placement not later than seven days after receipt of the notice and, upon the objections the court shall hold a hearing not later than five days after the objection and prior to the placement. The court shall order out-of-county placement if it finds that the minor's particular needs require placement outside the county.

SEC. 8. Section 366.3 of the Welfare and Institutions Code is

repealed.

SEC. 9. Section 366.3 is added to the Welfare and Institutions Code, to read:

366.3. (a) Every hearing in a demonstration county in which an order is made adjudging a minor a dependent child of the juvenile court pursuant to Section 300 or Section 302 and the minor is removed from the custody of his or her parent or guardian, shall be continued to a specific future date not more than six months after the date of the order. The continued hearing shall be placed on the appearance calendar.

(b) At least 10 days prior to the hearing, the probation officer or social worker shall file a supplemental report with the court regarding the services offered to the family, the progress made, and where relevant, the prognosis for return of the child to the physical custody of his or her parent or guardian, and make his or her recommendation for disposition. Notice of hearing shall be mailed by the probation officer or social worker to the same persons as in an original proceeding and to counsel of record by certified mail addressed to the last known address of the person to be notified, or shall be personally served on them, not earlier than 30 nor later than 15 days preceding the date to which the hearing was continued. The probation officer or social worker shall provide the parent or guardian and the minor's attorney with a copy of the report, including his or her recommendation for disposition, at least seven days before the hearing.

(c) At the beginning of the hearing the court shall advise all persons present at the hearing of the date of the future hearing, of their right to be present and to be represented by counsel.

(d) At the review hearing the court shall order the return of the minor to the physical custody of his or her parents or guardians unless it finds that return of the child would create a substantial risk of detriment to the physical or emotional well-being of the minor. The probation department or county welfare department or county welfare department shall have the burden of establishing the detriment. The failure of the parent or guardian to participate in any court-ordered treatment programs shall constitute prima facie evidence that return would be detrimental. In making its determination the court shall review the probation officer's or social worker's report and shall consider the efforts or progress, or both, demonstrated by the parent or guardian and the extent to which they cooperated and availed themselves of services provided.

(e) If the minor is not returned to his or her parent or guardian the court shall make specific findings regarding the reasons why the minor cannot be returned. It shall also order, where relevant, any additional services needed for the purpose of facilitating reunification. The court shall also inform the parents or guardians that if the minor cannot be returned by the next review hearing a proceeding pursuant to Section 232.1 of the Civil Code may be instituted.

(f) When a minor is returned to the custody of his or her parent or guardian, the hearing shall be continued to a specific future date not more than 12 months after the date of the order. The continued hearing shall be placed on the appearance calendar and shall be conducted in accordance with Section 366.4.

SEC. 10. Section 366.4 is added to the Welfare and Institutions Code, to read:

366.4. (a) Every hearing in a demonstration county in which an order is made placing a minor under the supervision of the juvenile court pursuant to Section 300 and in which the minor is not removed from the physical custody of his or her parent or guardian shall be continued to a specific future date not to exceed 12 months after the date of the original dispositional hearing. The continued hearing shall be placed on the appearance calendar. The court shall advise all persons present of the date of the future hearing, of their right to be present and to be represented by counsel.

(b) At least 10 days prior to the hearing, the probation officer or social worker shall file a supplemental report with the court describing the services offered to the family and the progress made by the family in eliminating the conditions or factors requiring court supervision. The probation officer or social worker shall also make a recommendation regarding the necessity of continued supervision. A copy of this report shall be furnished to all parties at least five days prior to the hearing.

(c) After hearing any evidence presented by the probation or welfare department, the parent, or the minor, the court shall determine whether continued supervision is necessary. The court shall terminate jurisdiction over the parent or parents and minor unless the probation or welfare department, or the minor, establishes by preponderance of the evidence that conditions still exist which would justify initial assumption of jurisdiction under Section 300.

(d) If the court retains jurisdiction it shall continue the matter to a specified date, not more than six months from the time of the hearing, at which point it shall again be determined whether continued jurisdiction is necessary.

SEC. 11. Section 366.5 of the Welfare and Institutions Code is repealed.

SEC. 12. Section 366.5 is added to the Welfare and Institutions Code, to read:

366.5. In order to provide stable, permanent homes for children, a court of a demonstration county shall if the minor cannot be returned home pursuant to subdivision (d) of Section 366.3, make the following determinations at the time of the second review (12 months) for a child who was under two years of age at the time of the original removal pursuant to Section 361 or 302 or at the third periodic review (18 months) for a child who was over two years of age at the time of the original removal pursuant to Section 361.5 or 302. However, when siblings who are both over and under two years of age are removed from parental custody at the same time the

permanent planning hearing may be held either at 12 or at 18 months for all of the minors.

(a) At the hearing the court shall first determine whether the minor should be returned to his or her parents or guardians, pursuant to subdivision (d) of Section 366.3. If the minor is not returned to the custody of his or her parents or guardians the court shall determine whether there is a substantial probability that the minor will be returned to the physical custody of his or her parents or guardians within six months. If the court so determines it shall set another review hearing for not more than six months, which shall be a permanent placement hearing.

(b) If the court determines that the minor cannot be returned to the physical custody of his or her parent or guardian and that there is not a substantial probability that the minor will be returned within six months the court shall develop a permanent plan for the minor. In order to enable the minor to obtain a permanent home the court shall make the following determinations and orders:

(1) If the court finds that the minor is adoptable, in the opinion of a licensed adoption agency, the court shall order the county counsel, or if there is no county counsel, the district attorney, to initiate an action to declare the minor permanently free from the custody and control of his or her parents or guardians pursuant to Section 232.1 of the Civil Code unless the court finds that any of the following conditions exist:

(A) The parents or guardians have maintained regular visitation and contact with the minor and the minor would benefit from continuing this relationship.

(B) A minor 12 years of age or older objects to termination of parental rights.

(C) The minor's foster parents are unable to adopt the minor because of exceptional circumstances, which do not include an unwillingness to accept legal responsibility for the child, but are willing and capable of providing the minor with a stable and permanent environment and the removal of the minor from the physical custody of his or her foster parents would be seriously detrimental to the emotional well-being of the minor.

(2) If the court finds that the minor is not adoptable, but that one or more adults are available and eligible to become legal guardians for the minor, the court shall order the appropriate county department to initiate or facilitate guardianship proceedings.

(3) If the court finds that the minor is not adoptable and that there is not a suitable adult available to become the legal guardian of the child, the court shall order the county welfare department or probation department to facilitate the placement of the minor in a home environment that can reasonably be expected to be stable and permanent. When the minor is in a foster home and the foster parents are willing and capable of providing a stable and permanent environment, the minor shall not be removed from the home if the removal would be seriously detrimental to the emotional well-being

of the minor because the minor has substantial psychological ties to the foster parents.

(c) Notwithstanding Section 1405 of the Probate Code, the proceeding for the appointment for a guardian for a minor under this section shall be in the juvenile court and may be heard by a referee. In such a case, the juvenile court shall have the power to appoint a guardian pursuant to the standards and procedures otherwise specified by the Probate Code. The court may appoint the district attorney or county counsel to prosecute the action.

(d) When an adoption or guardianship of the minor has been finalized, the court shall terminate its jurisdiction over the minor. Prior to the time an adoption or guardianship is finalized, the juvenile court shall retain jurisdiction over the minor and shall review the minor's status every six months to insure that the adoption or guardianship is completed as expeditiously as possible. If some other long-term placement for the minor has been made, pursuant to paragraph (3) of subdivision (b) the court shall conduct subsequent reviews every 12 months. If no permanent plan has been established, the court shall conduct a full hearing under this section every six months until a plan has been established. Following termination, the parent or parents shall not be parties to, or receive notice of, any subsequent proceedings.

(e) Physical custody of a minor by his or her parents or guardians for insubstantial periods during the 12- or 18-month periods prior to a permanent placement hearing shall not serve to interrupt the running of such period. The time limits also shall not be tolled if a child has been returned to the custody of his or her parent and is subsequently removed again.

(f) Permanent planning hearings need not be held if (1) an action under Section 232 of the Civil Code has been commenced or (2) an action to establish a legal guardian under the Probate Code has been commenced. However, the procedures specified in subdivision (d) shall be followed after such a proceeding is completed.

(g) In developing a permanent placement plan the department and court shall give due consideration to the foster parents, if any, of the minor in considering adoption, guardianship or stable long-term placements. Foster parents shall be notified of these hearings.

SEC. 13. Section 16556 of the Welfare and Institutions Code is amended to read:

16556. If a minor has been voluntarily placed with the county welfare department of a demonstration county for out-of-home placement by his or her parents or guardians pursuant to this chapter and the minor has remained out of their physical custody for six consecutive months, the department shall do one of the following:

(a) Return the minor to the physical custody of his or her parents or guardians.

(b) Refer the minor to a licensed adoption agency for consideration of adoptive planning and receipt of a permanent

relinquishment of care and custody rights from the parents or guardians pursuant to subdivision (m) of Section 224 of the Civil Code.

(c) Apply for a petition pursuant to Section 322.5 and file a petition with the juvenile court to have the minor declared a dependent child of the court under Section 300 or 302.

SEC. 14. Section 16557 of the Welfare and Institutions Code is repealed.

SEC. 15. Section 95 of Chapter 1068 of the Statutes of 1976 is amended to read:

Sec. 95. (a) It is the intent of the Legislature, if this bill and Senate Bill No. 30 are both chaptered and become effective January 1, 1977, Senate Bill No. 30 adds and repeals Sections 576.8, 600.3, 634.7, 635.5, 652.5, 654.5, 726.5, and 729.5, of the Welfare and Institutions Code, and this bill is chaptered after Senate Bill No. 30, that Sections 576.8, 600.3, 634.7, 635.5, 652.5, 654.5, 726.5, and 729.5, of the Welfare and Institutions Code, as added and repealed by Senate Bill No. 30, be given effect in the forms set forth in Sections 85, 86, 88, 89, 90, 91, 92, and 93, respectively, of this act, become operative on July 1, 1977, and be repealed on June 30, 1985. Therefore, if this bill and Senate Bill No. 30 are both chaptered and become effective January 1, 1977, Senate Bill No. 30 adds and repeals Sections 576.8, 600.3, 634.7, 635.5, 652.5, 654.5, 726.5, and 729.5, of the Welfare and Institutions Code, and this bill is chaptered after Senate Bill No. 30, Sections 85, 86, 88, 89, 90, 91, 92, and 93 of this act shall become operative on July 1, 1977, and shall remain in effect only until the date specified in subdivision (b), and as of that date are repealed, unless a later enacted statute, which is chaptered before the date specified in subdivision (b), deletes or extends such date and Sections 3.5, 4, 5.7, 7, 10, 12, 16, and 19 of Senate Bill No. 30 shall not become operative.

(b) Sections 85, 86, 88, 89, 90, 91, 92, and 93 of this act shall remain in effect only until June 30, 1984, or two years after the effective date of Senate Bill No. 14 or any other bill which implements statewide the Adoption Assistance and Child Welfare Act pursuant to Public Law 96-272, if, in the case of Senate Bill No. 14, it implements statewide the Adoption Assistance and Child Welfare Act pursuant to Public Law 96-272 and is passed by the Legislature and signed into law on or before January 1, 1983, or, in the case of another bill so implementing that act, it is passed by the Legislature and signed into law on or before January 1, 1983, whichever is later, and as of that date are repealed, unless a later enacted statute, which is chaptered before that date, deletes or extends that date. However, in any event the aforementioned provisions shall not be effective after October 1, 1984.

SEC. 16. Section 2 of Chapter 977 of the Statutes of 1976 is amended to read:

Sec. 2. (a) Therefore, this act shall be implemented in two counties, one over and one under 500,000 population, on a demonstration basis during the period from January 1, 1977 through

the date specified in Section 30 of this act. The State Department of Social Services shall choose the appropriate counties by April 1, 1977, from among those that apply for participation in the demonstration program.

(b) In any demonstration county, in the event of any conflict between any other statutes and this act, this act shall prevail.

SEC. 17. Section 25 of Chapter 977 of the Statutes of 1976 is amended to read:

Sec. 25. This act shall be known and may be cited as the California Family Protection Act of 1976.

SEC. 18. Section 30 of Chapter 977 of the Statutes of 1976 is amended to read:

Sec. 30. This act shall remain in effect only until June 30, 1984, or two years after the effective date of Senate Bill No. 14 or any other bill which implements statewide the Adoption Assistance and Child Welfare Act pursuant to Public Law 96-272, if, in the case of Senate Bill No. 14, it implements statewide the Adoption Assistance and Child Welfare Act pursuant to Public Law 96-272 and is passed by the Legislature and signed into law on or before January 1, 1983, or, in the case of another bill so implementing that act, it is passed by the Legislature and signed into law on or before January 1, 1983, whichever is later, and as of that date is repealed, unless a later enacted statute, which is chaptered before that date deletes or extends that date. However, in any event, the provisions of this act shall not be effective after October 1, 1984.

SEC. 19. Funds for the extension of the California Family Protection Act as provided in this act are provided in category (e) of Item 518-101-001 and category (e) of Item 518-101-866 of the 1981 Budget Act.

The allocation of funds appropriated pursuant to the 1981 Budget Act shall be as follows:

One million fifty thousand dollars ($1,050,000) to San Mateo County, four hundred sixty thousand dollars ($460,000) to Shasta County, and one hundred twenty-five thousand dollars ($125,000) to the State Department of Social Services for the purpose of conducting the evaluation required by this act.

SEC. 20. The sums appropriated in the 1981 Budget Act for the California Family Protection Act in category (e) of Item 518-101-001 and category (e) of Item 518-101-866 shall be adjusted for fiscal year 1981–82 to reflect the cost-of-living increase granted in the 1981 Budget Act for county administration of welfare programs.

SEC. 21. In the event that Senate Bill No. 14, or any other measure which implements statewide the Adoption Assistance and Child Welfare Act pursuant to Public Law 96-272, is passed by the Legislature and signed into law on or before January 1, 1983, the State Department of Social Services shall develop, utilizing the evaluation described in Section 303.1, an assessment of the programmatic and cost differences between the programs required under the Family Protection Act and those required under Senate Bill No. 14 or any

other measure which implements Public Law 96-272. The department shall recommend to the Legislature how and in what time frame the two programs shall be integrated.

SEC. 22. (a) Notwithstanding any other provision of law, on or after the effective date of this act, in the event that the average California Family Protection Act caseload exceeds 424 for San Mateo County and 148 for Shasta County, then the county shall pay the State Department of Social Services 15 percent of the nonfederal share of the aid payments attributable to the additional caseload over the 424 level in the case of San Mateo County and the 148 level in the case of Shasta County.

(b) Notwithstanding any other provision of law, in the event that the average California Family Protection Act caseload declines below 424 for San Mateo County and 148 for Shasta County, then the State Department of Social Services shall pay the county 15 percent of the nonfederal share of the computed savings attributable to the caseload decrease.

(c) All minors placed voluntarily pursuant to Section 16551 of the Welfare and Institutions Code and minors adjudicated dependents of the court pursuant to Section 300 of the Welfare and Institutions Code, excluding minors who are placed with foster parents who are related to them, shall be included in determining the average caseload.

(d) The method of payment pursuant to subdivisions (a) and (b) shall be in the form of an increased or decreased adjustment in the cash advance to a county's foster care aid payment program made within 90 days of the close of the preceding fiscal year.

Within 45 days of the close of the fiscal year a county shall submit a claim to the State Department of Social Services reflecting the appropriate adjustment. The Department of Social Services shall review the claim and make the appropriate adjustment to the foster care aid payment cash advance within 90 days of the preceding fiscal year.

SEC. 23. The participation of San Mateo and Shasta Counties in the California Family Protection Act project is at their option. Those counties may withdraw from the California Family Protection Act program at any time prior to that program's expiration.

SEC. 24. The provisions of Sections 2.5, 3, 3.5, 5, 7, 9, 10, 12, and 15 of this act shall remain in effect only until June 30, 1984, or two years after the effective date of Senate Bill No. 14 or any other bill which implements statewide the Adoption Assistance and Child Welfare Act pursuant to Public Law 96-272, if, in the case of Senate Bill No. 14, it implements statewide the Adoption Assistance and Child Welfare Act pursuant to Public Law 96-272 and is passed by the Legislature and signed into law on or before January 1, 1983, or, in the case of another bill so implementing that act, it is passed by the Legislature and signed into law on or before January 1, 1983, whichever is later, and as of that date are repealed, unless a later enacted statute, which is chaptered before that date deletes or

extends that date. However, in any event, these provisions shall not be effective after October 1, 1984.

SEC. 25. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The existing demonstration county program will expire June 30, 1981, without legislation extending that date. In order to preclude that termination, it is necessary that this act go into immediate effect.

CHAPTER 105

An act to add Section 290.1 to the Penal Code, relating to crimes.

[Approved by Governor June 29, 1981. Filed with Secretary of State June 29, 1981.]

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

SECTION 1. Section 290.1 is added to the Penal Code, to read:

290.1. Notwithstanding Section 1203.4 and except as provided in Section 290.5, a person convicted of a felony sex offense shall not be relieved from the duty to register under Section 290.

CHAPTER 106

An act to add Section 56.29 to the Civil Code, to amend Sections 791.01, 791.02, 791.03, 791.05, 791.06, 791.07, 791.08, 791.09, 791.10, 791.12, 791.15, 791.17, 791.20, 791.23 and 791.26 of, to add Sections 791.04, 791.13 and 791.21 to, and to repeal Sections 791.04, 791.13 and 791.21 of, the Insurance Code, relating to insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1981. Filed with Secretary of State June 29, 1981.]

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

SECTION 1. Section 56.29 is added to the Civil Code, to read:

56.29. Nothing in this part shall prevent the disclosure by a provider of health care to an insurance institution, agent, or support organization, subject to Article 6.6 (commencing with Section 791) of Part 2 of Division 1 of the Insurance Code, of medical information if such insurance institution, agent, or support organization has complied with all requirements for obtaining the information pursuant to Article 6.6 (commencing with Section 791) of Part 2 of Division 1 of the Insurance Code.

SEC. 1.3. Section 791.01 of the Insurance Code is amended to read:

791.01. (a) The obligations imposed by this article shall apply to those insurance institutions, agents or insurance-support organizations which, on or after July 1, 1981:

(1) In the case of life or disability insurance:

(A) Collect, receive or maintain information in connection with insurance transactions which pertains to natural persons who are residents of this state, or

(B) Engage in insurance transactions with applicants, individuals or policyholders who are residents of this state.

(2) In the case of property or casualty insurance:

(A) Collect, receive or maintain information in connection with insurance transactions involving policies, contracts or certificates of insurance delivered, issued for delivery or renewed in this state, or

(B) Engage in insurance transactions involving policies, contracts or certificates of insurance delivered, issued for delivery or renewed in this state.

(b) The rights granted by this article shall extend to:

(1) In the case of life or disability insurance, the following persons who are residents of this state:

(A) Natural persons who are the subject of information collected, received or maintained in connection with insurance transactions.

(B) Applicants, individuals or policyholders who engage in or seek to engage in insurance transactions.

(2) In the case of property or casualty insurance, the following persons:

(A) Natural persons who are the subject of information collected, received or maintained in connection with insurance transactions involving policies, contracts or certificates of insurance delivered, issued for delivery or renewed in this state, and

(B) Applicants, individuals or policyholders who engage in or seek to engage in insurance transactions involving policies, contracts or certificates of insurance delivered, issued for delivery or renewed in this state.

(c) For purposes of this section, a person shall be considered a resident of this state if the person's last known mailing address, as shown in the records of the insurance institution, agent, or insurance-support organization, is located in this state.

(d) This article shall not apply to any person or entity engaged in the business of title insurance as defined in Section 12340.3.

(e) This article shall not apply to a person or entity engaged in the business of a home protection company, as defined in Section 12740, which does not obtain or maintain personal information, as defined in this article, of its policyholders and applicants.

(f) Insurance institutions, agents, insurance support organizations or any insurance transaction subject to this article shall be exempt from Part 2.6 (commencing with Section 56) of Division 1 of, and Sections 1785.20 and 1786.40 of, the Civil Code.

SEC. 1.5. Section 791.02 of the Insurance Code is amended to read:

791.02. As used in this act:

(a) (1) "Adverse underwriting decision" means any of the following actions with respect to insurance transactions involving insurance coverage which is individually underwritten:

(A) A declination of insurance coverage.

(B) A termination of insurance coverage.

(C) Failure of an agent to apply for insurance coverage with a specific insurance institution which the agent represents and which is requested by an applicant.

(D) In the case of a property or casualty insurance coverage:

(i) Placement by an insurance institution or agent of a risk with a residual market mechanism, with an unauthorized insurer, or

(ii) The charging of a higher rate on the basis of information which differs from that which the applicant or policyholder furnished.

(E) In the case of a life, health or disability insurance coverage, an offer to insure at higher than standard rates.

(2) Notwithstanding paragraph (1), any of the following actions shall not be considered adverse underwriting decisions but the insurance institution or agent responsible for their occurrence shall nevertheless provide the applicant or policyholder with the specific reason or reasons for their occurrence:

(A) The termination of an individual policy form on a class or statewide basis.

(B) A declination of insurance coverage solely because such coverage is not available on a class or statewide basis.

(C) The rescission of a policy.

(b) "Affiliate" or "affiliated" means a person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with another person.

(c) "Agent" means any person licensed pursuant to Chapter 5 (commencing with Section 1621), Chapter 5A (commencing with Section 1759), Chapter 6 (commencing with Section 1760), Chapter 7 (commencing with Section 1800), or Chapter 8 (commencing with Section 1831).

(d) "Applicant" means any person who seeks to contract for insurance coverage other than a person seeking group insurance that is not individually underwritten.

(e) "Consumer report" means any written, oral or other communication of information bearing on a natural person's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics or mode of living which is used or expected to be used in connection with an insurance transaction.

(f) "Consumer reporting agency" means any person who:

(1) Regularly engages, in whole or in part, in the practice of assembling or preparing consumer reports for a monetary fee.

(2) Obtains information primarily from sources other than

insurance institutions.

(3) Furnishes consumer reports to other persons.

(g) "Control," including the terms "controlled by" or "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with or corporate office held by the person.

(h) "Declination of insurance coverage" means a denial, in whole or in part, by an insurance institution or agent of requested insurance coverage.

(i) "Individual" means any natural person who:

(1) In the case of property or casualty insurance, is a past, present or proposed named insured or certificate holder;

(2) In the case of life or disability insurance, is a past, present or proposed principal insured or certificate holder;

(3) Is a past, present or proposed policyowner;

(4) Is a past or present applicant; or

(5) Is a past or present claimant; or

(6) Derived, derives or is proposed to derive insurance coverage under an insurance policy or certificate subject to this act.

(j) "Institutional source" means any person or governmental entity that provides information about an individual to an agent, insurance institution or insurance-support organization, other than:

(1) An agent,

(2) The individual who is the subject of the information, or

(3) A natural person acting in a personal capacity rather than in a business or professional capacity.

(k) "Insurance institution" means any corporation, association, partnership, reciprocal exchange, interinsurer, Lloyd's insurer, fraternal benefit society or other person engaged in the business of insurance, including medical service plans and hospital service plans. "Insurance institution" shall not include agents, insurance-support organizations, or group practice prepayment health care service plans regulated pursuant to the Knox-Keene Health Care Service Plan Act, Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code.

(*l*) "Insurance-support organization" means:

(1) Any person who regularly engages, in whole or in part, in the business of assembling or collecting information about natural persons for the primary purpose of providing the information to an insurance institution or agent for insurance transactions, including:

(A) The furnishing of consumer reports or investigative consumer reports to an insurance institution or agent for use in connection with an insurance transaction, or

(B) The collection of personal information from insurance institutions, agents or other insurance-support organizations for the

purpose of detecting or preventing fraud, material misrepresentation or material nondisclosure in connection with insurance underwriting or insurance claim activity.

(2) Notwithstanding paragraph (1), the following persons shall not be considered "insurance-support organizations": agents, government institutions, insurance institutions, medical care institutions, medical professionals, and peer review committees.

(m) "Insurance transaction" means any transaction involving insurance primarily for personal, family or household needs rather than business or professional needs which entails:

(1) The determination of an individual's eligibility for an insurance coverage, benefit or payment, or

(2) The servicing of an insurance application, policy, contract or certificate.

(n) "Investigative consumer report" means a consumer report or portion thereof in which information about a natural person's character, general reputation, personal characteristics or mode of living is obtained through personal interviews with the person's neighbors, friends, associates, acquaintances or others who may have knowledge concerning such items of information.

(o) "Medical care institution" means any facility or institution that is licensed to provide health care services to natural persons, including but not limited to, hospitals, skilled nursing facilities, home health agencies, medical clinics, rehabilitation agencies and public health agencies.

(p) "Medical professional" means any person licensed or certified to provide health care services to natural persons, including but not limited to, a physician, dentist, nurse, optometrist, physical or occupational therapist, psychiatric social worker, clinical dietitian, clinical psychologist, chiropractor, pharmacist, or speech therapist.

(q) "Medical record information" means personal information which:

(1) Relates to an individual's physical or mental condition, medical history or medical treatment, and

(2) Is obtained from a medical professional or medical care institution, from the individual, or from the individual's spouse, parent or legal guardian.

(r) "Person" means any natural person, corporation, association, partnership or other legal entity.

(s) "Personal information" means any individually identifiable information gathered in connection with an insurance transaction from which judgments can be made about an individual's character, habits, avocations, finances, occupation, general reputation, credit, health or any other personal characteristics "Personal information" includes an individual's name and address and "medical record information" but does not include "privileged information."

(t) "Policyholder" means any person who:

(1) In the case of individual property or casualty insurance, is a present named insured;

(2) In the case of individual life or disability insurance is a present policyowner; or

(3) In the case of group insurance which is individually underwritten, is a present group certificate holder.

(u) "Pretext interview" means an interview whereby a person, in an attempt to obtain information about a natural person, performs one or more of the following acts:

(1) Pretends to be someone he or she is not,

(2) Pretends to represent a person he or she is not in fact representing,

(3) Misrepresents the true purpose of the interview, or

(4) Refuses to identify himself or herself upon request.

(v) "Privileged information" means any individually identifiable information that both:

(1) Relates to a claim for insurance benefits or a civil or criminal proceeding involving an individual.

(2) Is collected in connection with or in reasonable anticipation of a claim for insurance benefits or civil or criminal proceeding involving an individual. However information otherwise meeting the requirements of this division shall nevertheless be considered "personal information" under this act if it is disclosed in violation of Section 791.13.

(w) "Residual market mechanism" means the California FAIR Plan Association, Chapter 10 (commencing with Section 10101) of Part 1 of Division 2, and the assigned risk plan, Chapter 1 (commencing with Section 11550) of Part 3 of Division 2.

(x) "Termination of insurance coverage" or "termination of an insurance policy" means either a cancellation or nonrenewal of an insurance policy, in whole or in part, for any reason other than the failure to pay a premium as required by the policy.

(y) "Unauthorized insurer" means an insurance institution that has not been granted a certificate of authority by the commissioner to transact the business of insurance in this state.

(z) "Commissioner" means the Insurance Commissioner; except in the case of a person or entity subject to the provisions of the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code), and except as to any person defined in subdivision (k) when engaged in providing information or evaluation to a person or entity subject to the provisions of the Knox-Keene Health Care Service Plan Act of 1975, and in such instances only, the term "commissioner" shall mean the Commissioner of Corporations.

(aa) "Insurance" includes a medical service or hospital service agreement or contract issued by a person or entity subject to the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code).

SEC. 2. Section 791.03 of the Insurance Code is amended to read:

791.03. No insurance institution, agent or insurance-support

organization shall use or authorize the use of pretext interviews to obtain information in connection with an insurance transaction; provided, however, that a pretext interview may be undertaken to obtain information from a person or institution that does not have a generally or statutorily recognized privileged relationship with the person to whom the information relates for the purpose of investigating a claim where there is a reasonable basis for suspecting criminal activity, fraud, material misrepresentation or material nondisclosure in connection with a claim.

SEC. 3. Section 791.04 of the Insurance Code is repealed.

SEC. 4. Section 791.04 is added to the Insurance Code, to read:

791.04. (a) An insurance institution or agent shall provide a notice of information practices to all applicants or policyholders in connection with insurance transactions as provided below:

(1) In the case of a written application for insurance, a notice shall be provided no later than:

(A) At the time of the delivery of the insurance policy or certificate when personal information is collected only from the applicant, an insured under the policy, or from public records; or

(B) At the time the collection of personal information is initiated when personal information is collected from a source other than the applicant, an insured under the policy, or public records.

(2) In the case of a policy renewal, a notice shall be provided no later than the policy renewal date or the date upon which policy renewal is confirmed, except that no notice shall be required in connection with a policy renewal if either of the following applies:

(A) Personal information is collected only from the policyholder, an insured under the policy, or from public records.

(B) A notice meeting the requirements of this section has been given within the previous 24 months.

(3) In the case of a policy reinstatement or change in insurance benefits, a notice shall be provided no later than the time a request for a policy reinstatement or change in insurance benefits is received by the insurance institution, except that no notice shall be required if personal information is collected only from the policyholder, an insured under the policy, or from public records or if a notice meeting the requirements of this section has been given within the previous 24 months.

(b) The notice required by subdivision (a) shall be in writing and shall state all of the following:

(1) Whether personal information may be collected from persons other than the individual or individuals proposed for coverage.

(2) The types of personal information that may be collected and the types of sources and investigative techniques that may be used to collect such information.

(3) The types of disclosures identified in subdivisions (b), (c), (d), (e), (f), (i), (k), (*l*), and (n) of Section 791.13 and the circumstances under which the disclosures may be made without prior authorization, except that only those circumstances need be

described which occur with such frequency as to indicate a general business practice.

(4) A description of the rights established under Sections 791.08 and 791.09 and the manner in which the rights may be exercised.

(5) That information obtained from a report prepared by an insurance-support organization may be retained by the insurance-support organization and disclosed to other persons.

(c) In lieu of the notice prescribed in subdivision (b), the insurance institution or agent may provide an abbreviated notice informing the applicant or policyholder of the following:

(1) Personal information may be collected from persons other than the individual or individuals proposed for coverage.

(2) Such information as well as other personal or privileged information subsequently collected by the insurance institution or agent may in certain circumstances be disclosed to third parties without authorization.

(3) A right of access and correction exists with respect to all personal information collected.

(4) The notice prescribed in subdivision (b) will be furnished to the applicant or policyholder upon request.

(d) The obligations imposed by this section upon an insurance institution or agent may be satisfied by another insurance institution or agent authorized to act on its behalf.

SEC. 5. Section 791.05 of the Insurance Code is amended to read:

791.05. An insurance institution or agent shall clearly specify those questions designed to obtain information solely for marketing or research purposes from an individual in connection with an insurance transaction.

SEC. 6. Section 791.06 of the Insurance Code is amended to read:

791.06. Notwithstanding any other provision of law, no insurance institution, agent or insurance-support organization may utilize as its disclosure authorization form in connection with insurance transactions a form or statement which authorizes the disclosure of personal or privileged information about an individual to the insurance institution, agent, or insurance-support organization unless the form or statement:

(a) Is written in plain language.

(b) Is dated.

(c) Specifies the types of persons authorized to disclose information about the individual.

(d) Specifies the nature of the information authorized to be disclosed.

(e) Names the insurance institution or agent and identifies by generic reference representatives of the insurance institution to whom the individual is authorizing information to be disclosed.

(f) Specifies the purposes for which the information is collected.

(g) Specifies the length of time the authorization shall remain valid, which shall be no longer than:

(1) In the case of authorizations signed for the purpose of

collecting information in connection with an application for an insurance policy, a policy reinstatement or a request for change in policy benefits:

(A) Thirty months from the date the authorization is signed if the application or request involves life, health or disability insurance; or

(B) One year from the date the authorization is signed if the application or request involves property or casualty insurance.

(2) In the case of authorizations signed for the purpose of collecting information in connection with a claim for benefits under an insurance policy:

(A) The term of coverage of the policy if the claim is for a health insurance benefit; or

(B) The duration of the claim if the claim is not for a health insurance benefit; or

(C) The duration of all claims processing activity performed in connection with all claims for benefits made by any person entitled to benefits under a nonprofit hospital service contract.

(h) Advises the individual or a person authorized to act on behalf of the individual that the individual or the individual's authorized representative is entitled to receive a copy of the authorization form.

(i) This section shall not be construed to require any authorization for the receipt of personal or privileged information about an individual.

SEC. 7. Section 791.07 of the Insurance Code is amended to read:

791.07. (a) No insurance institution, agent or insurance-support organization may prepare or request an investigative consumer report about an individual in connection with an insurance transaction involving an application for insurance, a policy renewal, a policy reinstatement or a change in insurance benefits unless the insurance institution or agent informs the individual of the following:

(1) That he or she may request to be interviewed in connection with the preparation of the investigative consumer report, and

(2) That upon a request pursuant to Section 791.08, he or she is entitled to receive a copy of the investigative consumer report.

(b) If an investigative consumer report is to be prepared by an insurance institution or agent, the insurance institution or agent shall institute reasonable procedures to conduct a personal interview requested by an individual.

(c) If an investigative consumer report is to be prepared by an insurance-support organization, the insurance institution or agent desiring such report shall inform the insurance-support organization whether a personal interview has been requested by the individual. The insurance-support organization shall institute reasonable procedures to conduct such interviews, if requested.

SEC. 8. Section 791.08 of the Insurance Code is amended to read:

791.08. (a) If any individual, after proper identification, submits a written request to an insurance institution, agent or insurance-support organization for access to recorded personal information about the individual which is reasonably described by

the individual and reasonably locatable and retrievable by the insurance institution, agent or insurance-support organization, the insurance institution, agent or insurance-support organization shall within 30 business days from the date such request is received:

(1) Inform the individual of the nature and substance of such recorded personal information in writing, by telephone or by other oral communication, whichever the insurance institution, agent or insurance-support organization prefers;

(2) Permit the individual to see and copy, in person, such recorded personal information pertaining to him or her or to obtain a copy of such recorded personal information by mail, whichever the individual prefers, unless such recorded personal information is in coded form, in which case an accurate translation in plain language shall be provided in writing;

(3) Disclose to the individual the identity, if recorded, of those persons to whom the insurance institution, agent or insurance-support organization has disclosed such personal information within two years prior to such request, and if the identity is not recorded, the names of those insurance institutions, agents, insurance-support organizations or other persons to whom such information is normally disclosed; and

(4) Provide the individual with a summary of the procedures by which he or she may request correction, amendment or deletion of recorded personal information.

(b) Any personal information provided pursuant to subdivision (a) above shall identify the source of the information if such source is an institutional source.

(c) Medical record information supplied by a medical care institution or medical professional and requested under subdivision (a), together with the identity of the medical professional or medical care institution which provided such information, shall be supplied either directly to the individual or to a medical professional designated by the individual and licensed to provide medical care with respect to the condition to which the information relates, whichever the insurance institution, agent or insurance-support organization prefers. If it elects to disclose the information to a medical professional designated by the individual, the insurance institution, agent or insurance-support organization shall notify the individual, at the time of the disclosure, that it has provided the information to the medical professional.

(d) Except for personal information provided under Section 791.10, an insurance institution, agent or insurance-support organization may charge a reasonable fee to cover the costs incurred in providing a copy of recorded personal information to individuals.

(e) The obligations imposed by this section upon an insurance institution or agent may be satisfied by another insurance institution or agent authorized to act on its behalf. With respect to the copying and disclosure of recorded personal information pursuant to a request under subdivision (a), an insurance institution, agent or

insurance-support organization may make arrangements with an insurance-support organization or a consumer reporting agency to copy and disclose recorded personal information on its behalf.

(f) The rights granted to individuals in this section shall extend to all natural persons to the extent information about them is collected and maintained by an insurance institution, agent or insurance-support organization in connection with an insurance transaction. The rights granted to all natural persons by this subdivision shall not extend to information about them that relates to and is collected in connection with or in reasonable anticipation of a claim or civil or criminal proceeding involving them.

(g) For purposes of this section, the term "insurance-support organization" does not include "consumer reporting agency".

SEC. 9. Section 791.09 of the Insurance Code is amended to read:

791.09. (a) Within 30 business days from the date of receipt of a written request from an individual to correct, amend or delete any recorded personal information about the individual within its possession, an insurance institution, agent or insurance-support organization shall either:

(1) Correct, amend or delete the portion of the recorded personal information in dispute; or

(2) Notify the individual of:

(A) Its refusal to make such correction, amendment or deletion.

(B) The reasons for the refusal.

(C) The individual's right to file a statement as provided in subdivision (c).

(b) If the insurance institution, agent or insurance-support organization corrects, amends or deletes recorded personal information in accordance with paragraph (1) of subdivision (a), the insurance institution, agent or insurance-support organization shall so notify the individual in writing and furnish the correction, amendment or fact of deletion to:

(1) Any person specifically designated by the individual who may have, within the preceding two years, received such recorded personal information.

(2) Any insurance-support organization whose primary source of personal information is insurance institutions if the insurance-support organization has systematically received such recorded personal information from the insurance institution within the preceding seven years; provided, however, that the correction, amendment or fact of deletion need not be furnished if the insurance-support organization no longer maintains recorded personal information about the individual.

(3) Any insurance-support organization that furnished the personal information that has been corrected, amended or deleted.

(c) Whenever an individual disagrees with an insurance institution's, agent's or insurance-support organization's refusal to correct, amend or delete recorded personal information, the individual shall be permitted to file with the insurance institution,

agent or insurance-support organization:

(1) A concise statement setting forth what the individual thinks is the correct, relevant or fair information.

(2) A concise statement of the reasons why the individual disagrees with the insurance institution's, agent's or insurance-support organization's refusal to correct, amend or delete recorded personal information.

(d) In the event an individual files either statement as described in subdivision (c), the insurance institution, agent or support organization shall:

(1) File the statement with the disputed personal information and provide a means by which anyone reviewing the disputed personal information will be made aware of the individual's statement and have access to it.

(2) In any subsequent disclosure by the insurance institution, agent or support organization of the recorded personal information that is the subject of disagreement, clearly identify the matter or matters in dispute and provide the individual's statement along with the recorded personal information being disclosed.

(3) Furnish the statement to the persons and in the manner specified in subdivision (b).

(e) The rights granted to individuals in this section shall extend to all natural persons to the extent information about them is collected and maintained by an insurance institution, agent or insurance-support organization in connection with an insurance transaction. The rights granted to all natural persons by this subdivision shall not extend to information about them that relates to and is collected in connection with or in reasonable anticipation of a claim or civil or criminal proceeding involving them.

(f) For purposes of this section, the term "insurance-support organization" does not include "consumer reporting agency".

SEC. 10. Section 791.10 of the Insurance Code is amended to read:

791.10. (a) In the event of an adverse underwriting decision the insurance institution or agent responsible for the decision shall:

(1) Either provide the applicant, policyholder or individual proposed for coverage with the specific reason or reasons for the adverse underwriting decision in writing or advise such person that upon written request he or she may receive the specific reason or reasons in writing.

(2) Provide the applicant, policyholder or individual proposed for coverage with a summary of the rights established under subdivision (b) and Sections 791.08 and 791.09.

(b) Upon receipt of a written request within 90 business days from the date of the mailing of notice or other communication of an adverse underwriting decision to an applicant, policyholder or individual proposed for coverage, the insurance institution or agent shall furnish to such person within 21 business days from the date of receipt of such written request:

(1) The specific reason or reasons for the adverse underwriting decision, in writing, if such information was not initially furnished in writing pursuant to paragraph (1) of subdivision (a).

(2) The specific items of personal and privileged information that support those reasons; provided, however:

(A) The insurance institution or agent shall not be required to furnish specific items of privileged information if it has a reasonable suspicion, based upon specific information available for review by the commissioner, that the applicant, policyholder or individual proposed for coverage has engaged in criminal activity, fraud, material misrepresentation or material nondisclosure.

(B) Specific items of medical record information supplied by a medical care institution or medical professional shall be disclosed either directly to the individual about whom the information relates or to a medical professional designated by the individual and licensed to provide medical care with respect to the condition to which the information relates, whichever the insurance institution or agent prefers.

(3) The names and addresses of the institutional sources that supplied the specific items of information given pursuant to paragraph (2) of subdivision (b); provided, however, that the identity of any medical professional or medical care institution shall be disclosed either directly to the individual or to the designated medical professional, whichever the insurance institution or agent prefers.

(c) The obligations imposed by this section upon an insurance institution or agent may be satisfied by another insurance institution or agent authorized to act on its behalf.

(d) When an adverse underwriting decision results solely from an oral request or inquiry, the explanation of reasons and summary of rights required by subdivision (a) may be given orally to the extent that such information is available.

SEC. 11. Section 791.12 of the Insurance Code is amended to read:

791.12. No insurance institution or agent may base an adverse underwriting decision in whole or in part:

(a) On the fact of a previous adverse underwriting decision or on the fact that an individual previously obtained insurance coverage through a residual market mechanism; provided, however, an insurance institution or agent may base an adverse underwriting decision on further information obtained from an insurance institution or agent responsible for a previous adverse underwriting decision. Such further information, when requested, shall create a conclusive presumption that such information is necessary to perform the requesting insurer's function in connection with an insurance transaction involving the individual and, when reasonably available, shall be furnished the requesting insurer and the individual, if applicable.

(b) On personal information received from an insurance-support

organization whose primary source of information is insurance institutions; provided, however, an insurance institution or agent may base an adverse underwriting decision on further personal information obtained as the result of information received from such insurance-support organization.

SEC. 12. Section 791.13 of the Insurance Code is repealed.

SEC. 13. Section 791.13 is added to the Insurance Code, to read:

791.13. An insurance institution, agent, or insurance-support organization shall not disclose any personal or privileged information about an individual collected or received in connection with an insurance transaction unless the disclosure is:

(a) With the written authorization of the individual, and meets either of the conditions specified in paragraph (1) or (2):

(1) If such authorization is submitted by another insurance institution, agent, or insurance-support organization, the authorization meets the requirement of Section 791.06.

(2) If such authorization is submitted by a person other than an insurance institution, agent, or insurance-support organization, the authorization is:

(A) Dated;

(B) Signed by the individual.

(C) Obtained one year or less prior to the date a disclosure is sought pursuant to this section.

(b) To a person other than an insurance institution, agent, or insurance-support organization, provided such disclosure is reasonably necessary:

(1) To enable such person to perform a business, professional or insurance function for the disclosing insurance institution, agent, or insurance-support organization or insured and such person agrees not to disclose the information further without the individual's written authorization unless the further disclosure:

(A) Would otherwise be permitted by this section if made by an insurance institution, agent, or insurance-support organization; or

(B) Is reasonably necessary for such person to perform its function for the disclosing insurance institution, agent, or insurance-support organization.

(2) To enable such person to provide information to the disclosing insurance institution, agent or insurance-support organization for the purpose of:

(A) Determining an individual's eligibility for an insurance benefit or payment; or

(B) Detecting or preventing criminal activity, fraud, material misrepresentation or material nondisclosure in connection with an insurance transaction.

(c) To an insurance institution, agent, insurance-support organization or self-insurer, provided the information disclosed is limited to that which is reasonably necessary under either paragraph (1) or (2):

(1) To detect or prevent criminal activity, fraud, material

misrepresentation or material nondisclosure in connection with insurance transactions; or

(2) For either the disclosing or receiving insurance institution, agent or insurance-support organization to perform its function in connection with an insurance transaction involving the individual.

(d) To a medical-care institution or medical professional for the purpose of any of the following:

(1) Verifying insurance coverage or benefits.

(2) Informing an individual of a medical problem of which the individual may not be aware.

(3) Conducting operations or services audit, provided only such information is disclosed as is reasonably necessary to accomplish the foregoing purposes.

(e) To an insurance regulatory authority; or

(f) To a law enforcement or other governmental authority pursuant to law.

(g) Otherwise permitted or required by law.

(h) In response to a facially valid administrative or judicial order, including a search warrant or subpoena.

(i) Made for the purpose of conducting actuarial or research studies, provided:

(1) No individual may be identified in any actuarial or research report.

(2) Materials allowing the individual to be identified are returned or destroyed as soon as they are no longer needed.

(3) The actuarial or research organization agrees not to disclose the information unless the disclosure would otherwise be permitted by this section if made by an insurance institution, agent or insurance-support organization.

(j) To a party or a representative of a party to a proposed or consummated sale, transfer, merger or consolidation of all or part of the business of the insurance institution, agent or insurance-support organization, provided:

(1) Prior to the consummation of the sale, transfer, merger, or consolidation only such information is disclosed as is reasonably necessary to enable the recipient to make business decisions about the purchase, transfer, merger, or consolidation.

(2) The recipient agrees not to disclose the information unless the disclosure would otherwise be permitted by this section if made by an insurance institution, agent or insurance-support organization.

(k) To a person whose only use of such information will be in connection with the marketing of a product or service, provided:

(1) No medical-record information, privileged information, or personal information relating to an individual's character, personal habits, mode of living, or general reputation is disclosed, and no classification derived from such information is disclosed; or

(2) The individual has been given an opportunity to indicate that he or she does not want personal information disclosed for marketing purposes and has given no indication that he or she does not want

the information disclosed; and

(3) The person receiving such information agrees not to use it except in connection with the marketing of a product or service.

(*l*) To an affiliate whose only use of the information will be in connection with an audit of the insurance institution or agent or the marketing of an insurance product or service, provided the affiliate agrees not to disclose the information for any other purpose or to unaffiliated persons.

(m) By a consumer reporting agency, provided the disclosure is to a person other than an insurance institution or agent.

(n) To a group policyholder for the purpose of reporting claims experience or conducting an audit of the insurance institution's or agent's operations or services, provided the information disclosed is reasonably necessary for the group policyholder to conduct the review or audit.

(o) To a professional peer review organization for the purpose of reviewing the service or conduct of a medical-care institution or medical professional.

(p) To a governmental authority for the purpose of determining the individual's eligibility for health benefits for which the governmental authority may be liable.

(q) To a certificate holder or policyholder for the purpose of providing information regarding the status of an insurance transaction.

(r) To a lienholder, mortgagee, assignee, lessor, or other person shown on the records of an insurance institution or agent as having a legal or beneficial interest in a policy of insurance. The information disclosed shall be limited to that which is reasonably necessary to permit the person to protect his or her interest in the policy and shall be consistent with Article 5.5 (commencing with Section 770).

SEC. 14. Section 791.15 of the Insurance Code is amended to read:

791.15. (a) Whenever the commissioner has reason to believe that an insurance institution, agent or insurance-support organization has been or is engaged in conduct in this state which violates this article, or if the commissioner believes that an insurance-support organization has been or is engaged in conduct outside this state which has an effect on a person residing in this state and which violates this article, the commissioner shall issue and serve upon such insurance institution, agent or insurance-support organization a statement of charges and notice of hearing to be held at a time and place fixed in the notice. The date for such hearing shall be not less than 30 days after the date of service.

(b) At the time and place fixed for such hearing the insurance institution, agent or insurance-support organization charged shall have an opportunity to answer the charges against it and present evidence on its behalf. Upon good cause shown, the commissioner shall permit any adversely affected person to intervene, appear and be heard at such hearing by counsel or in person.

(c) At any hearing conducted pursuant to this section the commissioner may administer oaths, examine and cross-examine witnesses and receive oral and documentary evidence. The commissioner shall have the power to subpoena witnesses, compel their attendance and require the production of books, papers, records, correspondence and other documents which are relevant to the hearing. A stenographic record of the hearing shall be made upon the request of any party or at the discretion of the commissioner. If no stenographic record is made and if judicial review is sought, the commissioner shall prepare a statement of the evidence for use on review. Hearings conducted under this section shall be governed by the same rules of evidence and procedure applicable to administrative proceedings conducted under the laws of this state.

(d) Statements of charges, notice, orders and other processes of the commissioner under this article may be served by anyone duly authorized to act on behalf of the commissioner. Service of process may be completed in the manner provided by law for service of process in civil actions or by registered mail. A copy of the statement of charges, notice, order or other process shall be provided to the person or persons whose rights under this article have been allegedly violated. A verified return setting forth the manner of service, or return postcard receipt in the case of registered mail, shall be sufficient proof of service.

SEC. 15. Section 791.17 of the Insurance Code is amended to read:

791.17. (a) If, after a hearing pursuant to Section 791.15, the commissioner determines that the insurance institution, agent or insurance-support organization charged has engaged in conduct or practices in violation of this article, the commissioner shall reduce his or her findings to writing and shall issue and cause to be served upon such insurance institution, agent or insurance-support organization a copy of such findings and an order requiring such insurance institution, agent or insurance-support organization to cease and desist from the conduct or practices constituting a violation of this article.

(b) If, after a hearing pursuant to Section 791.15, the commissioner determines that the insurance institution, agent or insurance-support organization charged has not engaged in conduct or practices in violation of this article, the commissioner shall prepare a written report which sets forth findings of fact and conclusions of law. Such report shall be served upon the insurance institution, agent or insurance-support organization charged and upon the person or persons, if any, whose rights under this article were allegedly violated.

(c) Until the expiration of the time allowed under Section 791.18 for filing a petition for review or until such petition is actually filed, whichever occurs first, the commissioner may modify or set aside any order or report issued under this section. After the expiration of the

time allowed under Section 791.18 for filing a petition for review, if no such petition has been duly filed, the commissioner may, after notice and opportunity for hearing, alter, modify or set aside, in whole or in part, any order or report issued under this section whenever conditions of fact or law warrant such action or if the public interest so requires.

SEC. 16. Section 791.20 of the Insurance Code is amended to read:

791.20. (a) If any insurance institution, agent or insurance-support organization fails to comply with Section 791.08, 791.09 or 791.10 with respect to the rights granted under those sections, any person whose rights are violated may apply to any court of competent jurisdiction, for appropriate equitable relief.

(b) An insurance institution, agent or insurance-support organization which discloses information in violation of Section 791.13 shall be liable for damages sustained by the individual about whom the information relates. However no individual shall be entitled to a monetary award which exceeds the actual damages sustained by the individual as a result of a violation of Section 791.13.

(c) In any action brought pursuant to this section, the court may award the cost of the action and reasonable attorney's fees to the prevailing party.

(d) An action under this section shall be brought within two years from the date the alleged violation is or should have been discovered.

(e) Except as specifically provided in this section, there shall be no remedy or recovery available to individuals, in law or in equity, for occurrences constituting a violation of any provision of this act.

SEC. 17. Section 791.21 of the Insurance Code is repealed.

SEC. 18. Section 791.21 is added to the Insurance Code, to read:

791.21. No cause of action in the nature of defamation, invasion of privacy or negligence shall arise against any person for disclosing personal or privileged information in accordance with this chapter, nor shall such a cause of action arise against any person for furnishing personal or privileged information to an insurance institution, agent or insurance-support organization; provided, however, this section shall provide no immunity for disclosing or furnishing false information with malice or willful intent to injure any person.

SEC. 19. Section 791.23 of the Insurance Code is amended to read:

791.23. The rights granted under Sections 791.08, 791.09 and 791.13 shall take effect on October 1, 1981, regardless of the date of the collection or receipt of the information which is the subject of such sections. Nothing contained in subdivisions (k) and (*l*) of Section 791.13, or in any other provision of this article, shall in any way affect the provisions of Section 770.1.

SEC. 20. Section 791.26 of the Insurance Code is amended to read:

791.26. Where an authorization from the individual was granted to a nonprofit hospital service plan prior to October 1, 1981, such

authorization shall be deemed to be in compliance with this article.

SEC. 21. This act shall become operative on October 1, 1981.

SEC. 22. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Chapter 1214 of the Statutes of 1980 enacted the California version of the National Association of Insurance Commissioners Model Insurance Information and Privacy Protection Act which will become operative on July 1, 1981 (or October 1, 1981, with respect to certain provisions if this bill is chaptered). The National Association of Insurance Commissioners has recently adopted amendments to its model act which are reflected in this bill. In order that the California version properly reflect the most recent changes in the model act, it is necessary that this act take effect concurrently with Chapter 1214 of the Statutes of 1980.

CHAPTER 107

An act to amend Sections 1803.2, 1804.3, and 2982 of the Civil Code, relating to regulated transactions, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1981 Filed with Secretary of State June 29, 1981]

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

SECTION 1. Section 1803.2 of the Civil Code, as amended by Section 6 of Chapter 1380 of the Statutes of 1980, is amended to read:

1803.2. Except as provided in Section 1808.3, every retail installment contract shall be contained in a single document which shall contain:

(a) The entire agreement of the parties with respect to the cost and terms of payment for the goods and services, including any promissory notes or any other evidences of indebtedness between the parties relating to the transaction.

(b) Either at the top of the contract or directly above the space reserved for the signature of the buyer, the words "Security Agreement" or "Lien Contract," as the case may be, shall appear in at least 10-point bold type where a security interest in the goods is retained or a lien on other goods or realty is obtained by the seller as security for the goods or services purchased. Either at the top of the contract or directly above the space reserved for the signature of the buyer, the words "Retail Installment Contract" shall appear in at least 10-point bold type where a security interest or lien is not obtained by the seller as security for the goods or services purchased. As used in this subdivision, the terms "security interest" and "lien"

refer to a contractual interest in property and not to a mechanic's lien or other interest in property arising by operation of law.

(c) Where the contract includes a finance charge which is determined on the precomputed basis and provides that the unearned portion of the finance charge to be refunded upon full prepayment of the contract is to be determined by a method other than actuarial, a notice as set forth in paragraph (1), (2) or (3) in at least 10-point bold type if the contract is printed.

(1) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank space. (2) You are entitled to a completely filled-in copy of this agreement. (3) Under the law, you have the right to pay off in advance the full amount due and to obtain a partial refund of the finance charge, if any, provided for herein. (4) If you desire to pay off in advance the full amount due, the amount of the refund you are entitled to, if any, will be furnished upon request."

(2) "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. Because of the way the amount of this refund will be figured, the time when you prepay could increase the ultimate cost of credit under this agreement. (4) If you desire to pay off in advance the full amount due, the amount of the refund you are entitled to, if any, will be furnished upon request."

(3) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank space. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and under certain conditions obtain a partial refund of the finance charge. Because the refund will be figured by the Rule of 78's, the time when you prepay may affect the ultimate cost of credit under this agreement. (4) If you desire to pay off in advance the full amount due, the amount of the refund you are entitled to, if any, will be furnished upon request."

(d) Where the contract includes a finance charge which is determined on the precomputed basis and provides for the actuarial method for computing the unearned portion of the finance charge upon prepayment in full, a notice as set forth in paragraph (1), (2), or (3) in at least 10-point bold type if the contract is printed.

(1) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank space. (2) You are entitled to a completely filled-in copy of this agreement. (3) Under the law, you have the right to pay off in advance the full amount due and to obtain a partial refund of the finance charge, if any, provided for herein. (4) If you desire to pay off in advance the full amount due, the amount of the refund you are entitled to, if any, will be furnished upon request."

(2) "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. (4) If you desire to pay off in advance the full amount due, the amount of the refund you are entitled to, if any, will be furnished upon request."

(3) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank space. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and under certain conditions obtain a partial refund of the finance charge. Because the refund will be figured by the Rule of 78's, the time when you prepay may affect the ultimate cost of credit under this agreement. (4) If you desire to pay off in advance the full amount due, the amount of the refund you are entitled to, if any, will be furnished upon request."

(e) Where the contract includes a finance charge which is determined on the simple-interest basis, a notice as set forth in either paragraph (1) or (2) in at least 10-point bold type if the contract is printed.

(1) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank space. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you desire to pay off in advance the full amount due, the amount of the refund you are entitled to, if any, will be furnished upon request."

(2) "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you desire to pay off in advance the full amount due, the amount which is outstanding will be furnished upon request."

(f) This section shall remain in effect only until April 1, 1982, and as of such date is repealed.

SEC. 2. Section 1803.2 of the Civil Code, as amended by Section 7 of Chapter 1380 of the Statutes of 1980, is amended to read:

1803.2. Except as provided in Section 1808.3, every retail installment contract shall be contained in a single document which shall contain:

(a) The entire agreement of the parties with respect to the cost and terms of payment for the goods and services, including any promissory notes or any other evidences of indebtedness between the parties relating to the transaction.

(b) (1) At the top of the contract the words "Security Agreement" shall appear in at least 12-point bold type where a security interest in the goods is retained or a security interest on other goods or realty is obtained by the seller as security for the goods

or services purchased.

(2) At the top of the contract the words "Retail Installment Contract" shall appear in at least 12-point bold type where a security interest is not retained or obtained by the seller as security for the goods or services purchased.

(3) Any contract for goods or services which provides for a security interest in real property shall also provide the following notices, written in the same language, e.g., Spanish, as used in the contract: (A) "WARNING TO BUYER: IF YOU SIGN THIS CONTRACT, YOU WILL BE PUTTING UP YOUR HOME AS SECURITY. THIS MEANS THAT YOUR HOME COULD BE SOLD WITHOUT YOUR PERMISSION AND WITHOUT ANY COURT ACTION IF YOU MISS ANY PAYMENT AS REQUIRED BY THIS CONTRACT." This notice shall be printed in at least 14-point boldface type, shall be set apart from the rest of the contract by a border, and shall appear directly below the title of the contract. (B) "STOP—BEFORE YOU SIGN, READ THE WARNING AT THE TOP OF THIS CONTRACT!" This notice shall be printed in at least 14-point boldface type and shall appear directly above the space reserved for the signature of the buyer. A security interest created in any contract described in this paragraph which does not provide the notices as required by this paragraph shall be void and unenforceable.

As used in this subdivision, the term "security interest" refers to a contractual interest in property and not to a mechanic's lien or other interest in property arising by operation of law.

(c) Where the contract includes a finance charge which is determined on the precomputed basis and provides that the unearned portion of the finance charge to be refunded upon full prepayment of the contract is to be determined by a method other than actuarial, a notice in at least 10-point bold type if the contract is printed reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. Because of the way the amount of this refund will be figured, the time when you prepay could increase the ultimate cost of credit under this agreement. (4) If you desire to pay off in advance the full amount due, the amount of the refund you are entitled to, if any, will be furnished upon request."

(d) Where the contract includes a finance charge which is determined on the precomputed basis and provides for the actuarial method for computing the unearned portion of the finance charge upon prepayment in full, a notice in at least 10-point bold type if the contract is printed reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due

under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. (4) If you desire to pay off in advance the full amount due, the amount of the refund you are entitled to, if any, will be furnished upon request."

(e) Where the contract includes a finance charge which is determined on the simple-interest basis, a notice in at least 10-point bold type if the contract is printed reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you desire to pay off in advance the full amount due, the amount which is outstanding will be furnished upon request."

(f) This section shall become operative April 1, 1982.

SEC. 3. Section 1804.3 of the Civil Code, as amended by Section 10 of Chapter 1380 of the Statutes of 1980, is amended to read:

1804.3. (a) No contract other than one for services shall provide for a security interest in any goods theretofore fully paid for or which have not been sold by the seller.

(b) Any contract for goods which provides for a security interest in real property where the primary goods sold are not to be attached to the real property shall be a violation of this chapter and subject to the penalties set forth in Article 12.2 (commencing with Section 1812.6).

(c) Any contract for goods or services, entered into on or after April 1, 1980, which provides for a security interest in real property shall also provide the following notices, written in the same language, e.g., Spanish, as used in the contract:

(1) Either

(A) "WARNING TO BUYER

IF YOU SIGN THIS CONTRACT, YOU WILL BE PUTTING UP YOUR HOME AS SECURITY. THIS MEANS THAT YOUR HOME COULD BE SOLD WITHOUT YOUR PERMISSION AND WITHOUT ANY COURT ACTION IF YOU MISS ANY PAYMENT AS REQUIRED BY THIS CONTRACT." or

(B) "WARNING TO BUYER: IF YOU SIGN THIS CONTRACT, YOU WILL BE PUTTING UP YOUR HOME AS SECURITY. THIS MEANS THAT YOUR HOME COULD BE SOLD WITHOUT YOUR PERMISSION AND WITHOUT ANY COURT ACTION IF YOU MISS ANY PAYMENT AS REQUIRED BY THIS CONTRACT."

One of the above notices shall be printed in at least 14-point boldface type, shall be set apart from the rest of the contract by a border, and shall appear either directly above or directly below the title of the contract.

(2) "STOP—BEFORE YOU SIGN, READ THE WARNING AT THE TOP OF THIS CONTRACT!"

This notice shall be printed in at least 14-point boldface type and shall appear directly above the space reserved for the signature of

the buyer.

(d) A security interest created in any contract described in subdivision (c) which does not provide the notices as required by this section shall be void and unenforceable.

(e) This section shall remain in effect only until April 1, 1982, and as of such date is repealed.

SEC. 4. Section 1804.3 of the Civil Code, as added by Section 11 of Chapter 1380 of the Statutes of 1980, is amended to read:

1804.3. (a) No contract other than one for services shall provide for a security interest in any goods theretofore fully paid for or which have not been sold by the seller.

(b) Any contract for goods which provides for a security interest in real property where the primary goods sold are not to be attached to the real property shall be a violation of this chapter and subject to the penalties set forth in Article 12.2 (commencing with Section 1812.6).

(c) This section shall become operative April 1, 1982.

SEC. 5. Section 2982 of the Civil Code, as amended by Section 21 of Chapter 1380 of the Statutes of 1980, is amended to read:

2982. (a) Every conditional sale contract for the sale of a motor vehicle, with or without accessories, shall be in writing and, if printed, shall be printed in type no smaller than 6-point, and shall contain in a single document all of the agreements of the buyer and seller with respect to the total cost and the terms of payment for the motor vehicle, including any promissory notes or any other evidences of indebtedness. The conditional sale contract or a purchase order shall be signed by the buyer or his authorized representative and by the seller or its authorized representative, and an exact copy thereof shall be furnished the buyer by the seller at the time the buyer and the seller have signed the contract or purchase order. No motor vehicle shall be delivered under this chapter until the seller delivers to the buyer a fully executed copy of the conditional sale contract or purchase order and any vehicle purchase proposal and any credit statement which the seller has required or requested the buyer to sign, and which he has signed, during the contract negotiations. The seller shall not obtain the signature of the buyer to a contract when it contains blank spaces to be filled in after it has been signed. Every conditional sale contract shall contain, although not necessarily in the sequence or order set forth below, the following separate items:

1. The cash price of the motor vehicle and of other items described in subdivision (e) of Section 2981 which are the subject of the conditional sale contract.

2. The amount of the buyer's downpayment, and whether made in cash or represented by the net agreed value of described property traded in, or both, together with a statement of the respective amounts credited for cash and for such property, but excluding any administrative finance charge shown in item 11.

3. The unpaid balance of cash price, which is the difference

between items 1 and 2.

4. The cost to the buyer of any insurance, the premium for which is included in the contract balance. Any such cost for credit life or disability insurance may be included in the finance charge if the amount thereof is separately stated on the face of the contract.

5. The amounts, if any, paid or to be paid to any public officer in connection with the transaction and for license, certificate of title, and registration fees imposed by law.

6. The amount of any city, county, or city and county imposed fee or tax for a mobilehome.

7. The amount of any mobilehome escrow fee.

8. The amount of the state fee for issuance of a certificate of compliance or certificate of waiver pursuant to Section 9889.56 of the Business and Professions Code.

9. The amount, if any, charged by the seller for documentary preparation. If a seller charges a buyer a documentary preparation charge, then the contract shall contain a notice advising the buyer that such charge is not a governmental fee.

10. The amount of the unpaid balance, which is the sum of items 3, 4, 5, 6, 7, 8, and 9.

11. The amount, if any, of an administrative finance charge.

12. The amount financed, which is the difference between items 10 and 11.

13. The finance charge (A) expressed as the annual percentage rate as defined in Regulation Z and (B) expressed in dollars.

14. The number, amount, and due dates or periods of payments scheduled to repay the indebtedness and the sum of such payments.

15. The names and addresses of all persons to whom the notice required under Section 2983.2 and permitted under Sections 2983.5 and 2984 of this code is to be sent.

16. (A) Where the contract includes a finance charge determined on the precomputed basis, an identification of the method of computing the unearned portion of the finance charge in the event of prepayment in full of the buyer's obligation and a statement of the amount or method of computation of any charge that may be deducted from the amount of any such unearned finance charge in computing the amount that will be credited to the obligation or refunded to the buyer. Reference to the Rule of 78's, the sum of the digits, the sum of the periodic time balances or the actuarial method shall constitute a sufficient identification of the method of computing the unearned portion of the finance charge.

(B) Where the contract includes a finance charge which is determined on the simple-interest basis but provides for a minimum finance charge in the event of prepayment in full, a statement of that fact and the amount of the minimum finance charge or its method of calculation.

17. (A) Where the contract includes a finance charge which is determined on the precomputed basis and provides that the unearned portion of the finance charge to be refunded upon full

prepayment of the contract is to be determined by a method other than actuarial, a notice as set forth in subparagraph (i), (ii) or (iii) in at least 8-point bold type if the contract is printed.

(i) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(ii) "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. Because of the way the amount of this refund will be figured, the time when you prepay could increase the ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be s ›ject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(iii) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and under certain conditions obtain a partial refund of the finance charge. Because the refund will be figured by the Rule of 78's, the time when you prepay may affect the ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(B) Where the contract includes a finance charge which is determined on the precomputed basis and provides for the actuarial method for computing the unearned portion of the finance charge upon prepayment in full, a notice as set forth in subparagraph (i), (ii), or (iii) in at least 8-point bold type if the contract is printed.

(i) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(ii) "Notice to buyer: (1) Do not sign this agreement before you

read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(iii) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and under certain conditions obtain a partial refund of the finance charge. Because the refund will be figured by the Rule of 78's, the time when you prepay may affect the ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(C) Where the contract includes a finance charge which is determined on the simple-interest basis, a notice as set forth in either subparagraph (i) or (ii) in at least 8-point bold type if the contract is printed.

(i) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(ii) "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

18. A notice to the buyer, in writing, and, if printed, in type no smaller than 8-point, that complaints concerning unfair or deceptive practices or methods by the seller shall be referred to the seller and, if the complaint is not resolved, may be referred to the Department of Motor Vehicles, Division of Compliance, 2570 24th Street, Sacramento, 95818.

Additional items may be included to explain the computations made in determining the amount to be paid by the buyer. If the finance charge or any portion thereof is calculated on the 365-day basis, the amount of the finance charge shown pursuant to item 13

shall be the amount which will be incurred by the buyer if all payments are received by the seller on their respective due dates.

(b) If any charge for insurance (other than for credit life or disability) is included in the contract balance and disbursement of any part thereof be made more than one year after the date of the conditional sale contract, any finance charge on the amount to be disbursed after one year shall be computed from the month the disbursement is to be made to the due date of the last installment under the conditional sale contract.

(c) (1) The dollar amount of the finance charge shown pursuant to item 13 of subdivision (a) shall not exceed the greater of:

(A) One percent of the unpaid balance multiplied by the number of months (computed on the basis of a full month for any fractional month period in excess of 15 days) elapsing between the date of the contract and the due date of the last installment; or

(B) If the finance charge is determined by the precomputed basis, twenty-five dollars ($25); or

(C) If the finance charge or a portion thereof is determined by the simple-interest basis:

(i) Twenty-five dollars ($25) if the unpaid balance does not exceed one thousand dollars ($1,000), (ii) fifty dollars ($50) if the unpaid balance exceeds one thousand dollars ($1,000) but does not exceed two thousand dollars ($2,000), or (iii) seventy-five dollars ($75) if the unpaid balance exceeds two thousand dollars ($2,000).

(2) The holder of the contract shall not charge, collect or receive a finance charge which exceeds the dollar amount shown pursuant to item 13 of subdivision (a), except to the extent caused by (A) the holder's receipt of one or more payments under a contract which provides for determination of the finance charge or a portion thereof on the 365-day basis at a time or times other than as originally scheduled whether or not the parties enter into an agreement pursuant to Section 2982.3, (B) the use of estimations in the providing of the disclosures required by this chapter to the extent permitted by Regulation Z, or (C) as permitted by subdivisions (a) and (c) of Section 2982.8.

(3) If the finance charge or a portion thereof is determined by the simple-interest basis and the amount of the unpaid balance exceeds five thousand dollars ($5,000), the holder of the contract may, in lieu of its right to a minimum finance charge under subparagraph (C) of paragraph (1), charge, receive or collect on the date of the contract an administrative finance charge not to exceed seventy-five dollars ($75) provided that the sum of any such administrative finance charge and the portion of the finance charge determined by the simple-interest basis shall not exceed the maximum total finance charge permitted by subparagraph (A) of paragraph (1). Any administrative finance charge which is charged, received or collected by a holder shall be deemed a finance charge earned on the date of the contract.

(d) The contract may provide that for each installment in default

for a period of not less than 10 days the buyer shall pay a delinquency charge in an amount not to exceed in the aggregate 5 percent of the installment, which amount may be collected only once on any installment regardless of the period during which it remains in default. Payments timely received by the seller under a written extension or deferral agreement shall not be subject to any delinquency charge. The contract may provide for reasonable collection costs and fees in the event of delinquency.

(e) Notwithstanding any provision of a contract to the contrary, the buyer may pay at any time before maturity the entire indebtedness evidenced by the contract without penalty. In the event of prepayment in full:

(1) If the finance charge was determined on the precomputed basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, provided, however, that the buyer shall be entitled to a refund credit in the amount of the unearned portion of the finance charge, except as provided in paragraphs (3) and (4). The amount of the unearned portion of the finance charge shall be at least as great a proportion of the finance charge, or if the contract has been extended, deferred or refinanced, of the additional charge therefor, as the sum of the periodic monthly time balances payable more than 15 days after the date of prepayment bears to the sum of all the periodic monthly time balances under the schedule of installments in the contract or, if the contract has been extended, deferred or refinanced, as so extended, deferred or refinanced. Where the amount of the refund credit is less than one dollar ($1), no refund credit need be made by the holder. Any refund credit in the amount of one dollar ($1) or more may be made in cash or credited to the outstanding obligations of the buyer under the contract.

(2) If the finance charge or a portion thereof was determined on the simple-interest basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, including any earned finance charges which are unpaid as of that date and, if applicable, the amount provided in paragraph (3), and provided further that in cases where a finance charge is determined on the 360-day basis, the payments theretofore received will be assumed to have been received on their respective due dates regardless of the actual dates on which such payments were received.

(3) Where the minimum finance charge provided by subparagraph (B) or subparagraph (C) of paragraph (1) of subdivision (c), if either is applicable, is greater than the earned finance charge as of the date of prepayment, the holder shall be additionally entitled to the difference.

(4) The provisions of this subdivision shall not impair the right of the seller or the seller's assignee to receive delinquency charges on delinquent installments and reasonable costs and fees as provided in subdivision (d) of this section or extension or deferral agreement charges as provided in Section 2982.3.

(5) Notwithstanding any provision of a contract to the contrary, whenever the indebtedness created by any contract is satisfied prior to its maturity through surrender of the motor vehicle, repossession of the motor vehicle, redemption of the motor vehicle after repossession, or any judgment, the outstanding obligation of the buyer shall be determined as provided in paragraph (1) or (2); provided further that the buyer's outstanding obligation shall be computed by the holder as of the date the holder recovers the value of the motor vehicle through disposition thereof or judgment is entered or, if the holder elects to keep the motor vehicle in satisfaction of the buyer's indebtedness, as of the date the holder takes possession of the motor vehicle.

(f) Notwithstanding any other provision of this chapter to the contrary, in the event any required downpayment on which no finance charge is imposed is to be made by the buyer to the seller on a conditional sale contract after the date of such contract but prior to the date of the second payment otherwise scheduled, the amount of such payment may be shown in such contract as a deferred portion of the cash downpayment or, if the finance charge is determined on the precomputed basis, as a deduction from the amount of the unpaid balance, and shall be included in the total of payments.

(g) Notwithstanding any other provision of this chapter to the contrary, any information required to be disclosed in a conditional sale contract under this chapter may be disclosed in any manner, method, or terminology required or permitted under Regulation Z, as in effect at the time such disclosure is made. Nothing contained in this chapter shall be deemed to prohibit the disclosure in such contract of additional information required or permitted under Regulation Z, as in effect at the time such disclosure is made.

(h) If the requirements of this section are otherwise met, the preparation and use of a separate document for agreements governing the ownership of the towbar, wheels, wheel hubs, and axles and for escrow instructions under Section 11950 of the Vehicle Code, relating to the sale of mobilehomes, shall not violate the single-document requirement of subdivision (a).

Without such an agreement governing the ownership of the towbar, wheels, wheel hubs, and axles, no dealer or transporter shall remove or cause to be removed any towbar, wheel, wheel hub, or axle from any mobilehome. Any price quoted for any mobilehome in a conditional sale contract, purchase order, or security agreement pursuant to this section shall state whether such price includes or excludes the cost of the towbar, wheels, wheel hubs, and axles. If such price does not include the towbar, wheels, wheel hubs, or axles, it shall show a deduction for the cost of such parts not included.

(i) This section shall remain in effect only until April 1, 1982, and as of such date is repealed.

SEC. 5.5. Section 2982 of the Civil Code, as amended by Section 21 of Chapter 1380 of the Statutes of 1980, is amended to read:

2982. (a) Every conditional sale contract for the sale of a motor

vehicle, with or without accessories, shall be in writing and, if printed, shall be printed in type no smaller than 6-point, and shall contain in a single document all of the agreements of the buyer and seller with respect to the total cost and the terms of payment for the motor vehicle, including any promissory notes or any other evidences of indebtedness. The conditional sale contract or a purchase order shall be signed by the buyer or his authorized representative and by the seller or its authorized representative, and an exact copy thereof shall be furnished the buyer by the seller at the time the buyer and the seller have signed the contract or purchase order. No motor vehicle shall be delivered under this chapter until the seller delivers to the buyer a fully executed copy of the conditional sale contract or purchase order and any vehicle purchase proposal and any credit statement which the seller has required or requested the buyer to sign, and which he has signed, during the contract negotiations. The seller shall not obtain the signature of the buyer to a contract when it contains blank spaces to be filled in after it has been signed. Every conditional sale contract shall contain, although not necessarily in the sequence or order set forth below, the following separate items:

1. The cash price of the motor vehicle and of other items described in subdivision (e) of Section 2981 which are the subject of the conditional sale contract.

2. The amount of the buyer's downpayment, and whether made in cash or represented by the net agreed value of described property traded in, or both, together with a statement of the respective amounts credited for cash and for such property, but excluding any administrative finance charge shown in item 9.

3. The unpaid balance of cash price, which is the difference between items 1 and 2.

4. The cost to the buyer of any insurance, the premium for which is included in the contract balance. Any such cost for credit life or disability insurance may be included in the finance charge if the amount thereof is separately stated on the face of the contract.

5. The amounts, if any, paid or to be paid to any public officer in connection with the transaction and for license, certificate of title, and registration fees imposed by law.

6. The amount of the state fee for issuance of a certificate of compliance or certificate of waiver pursuant to Section 9889.56 of the Business and Professions Code.

7. The amount, if any, charged by the seller for documentary preparation. If a seller charges a buyer a documentary preparation charge, then the contract shall contain a notice advising the buyer that such charge is not a governmental fee.

8. The amount of the unpaid balance, which is the sum of items 3, 4, 5, 6, and 7.

9. The amount, if any, of an administrative finance charge.

10. The amount financed, which is the difference between items 8 and 9.

11. The finance charge (A) expressed as the annual percentage rate as defined in Regulation Z and (B) expressed in dollars.

12. The number, amount, and due dates or periods of payments scheduled to repay the indebtedness and the sum of such payments.

13. The names and addresses of all persons to whom the notice required under Section 2983.2 and permitted under Sections 2983.5 and 2984 of this code is to be sent.

14. (A) Where the contract includes a finance charge determined on the precomputed basis, an identification of the method of computing the unearned portion of the finance charge in the event of prepayment in full of the buyer's obligation and a statement of the amount or method of computation of any charge that may be deducted from the amount of any such unearned finance charge in computing the amount that will be credited to the obligation or refunded to the buyer. Reference to the Rule of 78's, the sum of the digits, the sum of the periodic time balances or the actuarial method shall constitute a sufficient identification of the method of computing the unearned portion of the finance charge.

(B) Where the contract includes a finance charge which is determined on the simple-interest basis but provides for a minimum finance charge in the event of prepayment in full, a statement of that fact and the amount of the minimum finance charge or its method of calculation.

15. (A) Where the contract includes a finance charge which is determined on the precomputed basis and provides that the unearned portion of the finance charge to be refunded upon full prepayment of the contract is to be determined by a method other than actuarial, a notice as set forth in subparagraph (i), (ii) or (iii) in at least 8-point bold type if the contract is printed.

(i) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(ii) "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. Because of the way the amount of this refund will be figured, the time when you prepay could increase the ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(iii) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and under certain conditions obtain a partial refund of the finance charge. Because the refund will be figured by the Rule of 78's, the time when you prepay may affect the ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(B) Where the contract includes a finance charge which is determined on the precomputed basis and provides for the actuarial method for computing the unearned portion of the finance charge upon prepayment in full, a notice as set forth in subparagraph (i), (ii), or (iii) in at least 8-point bold type if the contract is printed.

(i) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(ii) "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(iii) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and under certain conditions obtain a partial refund of the finance charge. Because the refund will be figured by the Rule of 78's, the time when you prepay may affect the ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(C) Where the contract includes a finance charge which is determined on the simple-interest basis, a notice as set forth in either subparagraph (i) or (ii) in at least 8-point bold type if the contract is printed.

(i) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(ii) "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

16. A notice to the buyer, in writing, and, if printed, in type no smaller than 8-point, that complaints concerning unfair or deceptive practices or methods by the seller shall be referred to the seller and, if the complaint is not resolved, may be referred to the Department of Motor Vehicles, Division of Compliance, 2570 24th Street, Sacramento, 95818.

Additional items may be included to explain the computations made in determining the amount to be paid by the buyer. If the finance charge or any portion thereof is calculated on the 365-day basis, the amount of the finance charge shown pursuant to item 11 shall be the amount which will be incurred by the buyer if all payments are received by the seller on their respective due dates.

(b) If any charge for insurance (other than for credit life or disability) is included in the contract balance and disbursement of any part thereof be made more than one year after the date of the conditional sale contract, any finance charge on the amount to be disbursed after one year shall be computed from the month the disbursement is to be made to the due date of the last installment under the conditional sale contract.

(c) (1) The dollar amount of the finance charge shown pursuant to item 11 of subdivision (a) shall not exceed the greater of:

(A) One percent of the unpaid balance multiplied by the number of months (computed on the basis of a full month for any fractional month period in excess of 15 days) elapsing between the date of the contract and the due date of the last installment; or

(B) If the finance charge is determined by the precomputed basis, twenty-five dollars ($25); or

(C) If the finance charge or a portion thereof is determined by the simple-interest basis:

(i) Twenty-five dollars ($25) if the unpaid balance does not exceed one thousand dollars ($1,000), (ii) fifty dollars ($50) if the unpaid balance exceeds one thousand dollars ($1,000) but does not exceed two thousand dollars ($2,000), or (iii) seventy-five dollars

($75) if the unpaid balance exceeds two thousand dollars ($2,000).

(2) The holder of the contract shall not charge, collect or receive a finance charge which exceeds the dollar amount shown pursuant to item 11 of subdivision (a), except to the extent caused by (A) the holder's receipt of one or more payments under a contract which provides for determination of the finance charge or a portion thereof on the 365-day basis at a time or times other than as originally scheduled whether or not the parties enter into an agreement pursuant to Section 2982.3, (B) the use of estimations in the providing of the disclosures required by this chapter to the extent permitted by Regulation Z, or (C) as permitted by subdivisions (a) and (c) of Section 2982.8.

(3) If the finance charge or a portion thereof is determined by the simple-interest basis and the amount of the unpaid balance exceeds five thousand dollars ($5,000), the holder of the contract may, in lieu of its right to a minimum finance charge under subparagraph (C) of paragraph (1), charge, receive or collect on the date of the contract an administrative finance charge not to exceed seventy-five dollars ($75) provided that the sum of any such administrative finance charge and the portion of the finance charge determined by the simple-interest basis shall not exceed the maximum total finance charge permitted by subparagraph (A) of paragraph (1). Any administrative finance charge which is charged, received or collected by a holder shall be deemed a finance charge earned on the date of the contract.

(d) The contract may provide that for each installment in default for a period of not less than 10 days the buyer shall pay a delinquency charge in an amount not to exceed in the aggregate 5 percent of the installment, which amount may be collected only once on any installment regardless of the period during which it remains in default. Payments timely received by the seller under a written extension or deferral agreement shall not be subject to any delinquency charge. The contract may provide for reasonable collection costs and fees in the event of delinquency.

(e) Notwithstanding any provision of a contract to the contrary, the buyer may pay at any time before maturity the entire indebtedness evidenced by the contract without penalty. In the event of prepayment in full:

(1) If the finance charge was determined on the precomputed basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, provided, however, that the buyer shall be entitled to a refund credit in the amount of the unearned portion of the finance charge, except as provided in paragraphs (3) and (4). The amount of the unearned portion of the finance charge shall be at least as great a proportion of the finance charge, or if the contract has been extended, deferred or refinanced, of the additional charge therefor, as the sum of the periodic monthly time balances payable more than 15 days after the date of prepayment bears to the sum of all the periodic monthly time

balances under the schedule of installments in the contract or, if the contract has been extended, deferred or refinanced, as so extended, deferred or refinanced. Where the amount of the refund credit is less than one dollar ($1), no refund credit need be made by the holder. Any refund credit in the amount of one dollar ($1) or more may be made in cash or credited to the outstanding obligations of the buyer under the contract.

(2) If the finance charge or a portion thereof was determined on the simple-interest basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, including any earned finance charges which are unpaid as of that date and, if applicable, the amount provided in paragraph (3), and provided further that in cases where a finance charge is determined on the 360-day basis, the payments theretofore received will be assumed to have been received on their respective due dates regardless of the actual dates on which such payments were received.

(3) Where the minimum finance charge provided by subparagraph (B) or subparagraph (C) of paragraph (1) of subdivision (c), if either is applicable, is greater than the earned finance charge as of the date of prepayment, the holder shall be additionally entitled to the difference.

(4) The provisions of this subdivision shall not impair the right of the seller or the seller's assignee to receive delinquency charges on delinquent installments and reasonable costs and fees as provided in subdivision (d) of this section or extension or deferral agreement charges as provided in Section 2982.3.

(5) Notwithstanding any provision of a contract to the contrary, whenever the indebtedness created by any contract is satisfied prior to its maturity through surrender of the motor vehicle, repossession of the motor vehicle, redemption of the motor vehicle after repossession, or any judgment, the outstanding obligation of the buyer shall be determined as provided in paragraph (1) or (2); provided further that the buyer's outstanding obligation shall be computed by the holder as of the date the holder recovers the value of the motor vehicle through disposition thereof or judgment is entered or, if the holder elects to keep the motor vehicle in satisfaction of the buyer's indebtedness, as of the date the holder takes possession of the motor vehicle.

(f) Notwithstanding any other provision of this chapter to the contrary, in the event any required downpayment on which no finance charge is imposed is to be made by the buyer to the seller on a conditional sale contract after the date of such contract but prior to the date of the second payment otherwise scheduled, the amount of such payment may be shown in such contract as a deferred portion of the cash downpayment or, if the finance charge is determined on the precomputed basis, as a deduction from the amount of the unpaid balance, and shall be included in the total of payments

(g) Notwithstanding any other provision of this chapter to the contrary, any information required to be disclosed in a conditional

sale contract under this chapter may be disclosed in any manner, method, or terminology required or permitted under Regulation Z, as in effect at the time such disclosure is made. Nothing contained in this chapter shall be deemed to prohibit the disclosure in such contract of additional information required or permitted under Regulation Z, as in effect at the time such disclosure is made.

(h) This section shall remain in effect only until April 1, 1982, and as of such date is repealed.

SEC. 6. Section 2982 of the Civil Code, as amended by Section 22 of Chapter 1380 of the Statutes of 1980, is amended to read:

2982. (a) Every conditional sale contract for the sale of a motor vehicle, with or without accessories, shall be in writing and, if printed, shall be printed in type no smaller than 6-point, and shall contain in a single document all of the agreements of the buyer and seller with respect to the total cost and the terms of payment for the motor vehicle, including any promissory notes or any other evidences of indebtedness. The conditional sale contract or a purchase order shall be signed by the buyer or his authorized representative and by the seller or its authorized representative, and an exact copy thereof shall be furnished the buyer by the seller at the time the buyer and the seller have signed the contract or purchase order. No motor vehicle shall be delivered under this chapter until the seller delivers to the buyer a fully executed copy of the conditional sale contract or purchase order and any vehicle purchase proposal and any credit statement which the seller has required or requested the buyer to sign, and which he has signed, during the contract negotiations. The seller shall not obtain the signature of the buyer to a contract when it contains blank spaces to be filled in after it has been signed. Every conditional sale contract shall contain, although not necessarily in the sequence or order set forth below, the following separate items:

1. The cash price of the motor vehicle and of other items described in subdivision (e) of Section 2981 which are the subject of the conditional sale contract.

2. The amount of the buyer's downpayment, and whether made in cash or represented by the net agreed value of described property traded in, or both, together with a statement of the respective amounts credited for cash and for such property, but excluding any administrative finance charge shown in item 11

3. The unpaid balance of cash price, which is the difference between items 1 and 2.

4. The cost to the buyer of any insurance, the premium for which is included in the contract balance. Any such cost for credit life or disability insurance may be included in the finance charge if the amount thereof is separately stated on the face of the contract.

5. The amounts, if any, paid or to be paid to any public officer in connection with the transaction and for license, certificate of title, and registration fees imposed by law.

6. The amount of any city, county, or city and county imposed fee

or tax for a mobilehome.

7. The amount of any mobilehome escrow fee.

8. The amount of the state fee for issuance of a certificate of compliance or certificate of waiver pursuant to Section 9889.56 of the Business and Professions Code.

9. The amount, if any, charged by the seller for documentary preparation. If a seller charges a buyer a documentary preparation charge, then the contract shall contain a notice advising the buyer that such charge is not a governmental fee.

10. The amount of the unpaid balance, which is the sum of items 3, 4, 5, 6, 7, 8, and 9.

11. The amount, if any, of an administrative finance charge.

12. The amount financed, which is the difference between items 10 and 11.

13. The finance charge (A) expressed as the annual percentage rate as defined in Regulation Z and (B) expressed in dollars.

14. The number, amount and due dates or periods of payments scheduled to repay the indebtedness and the sum of such payments.

15. The names and addresses of all persons to whom the notice required under Section 2983.2 and permitted under Sections 2983.5 and 2984 of this code is to be sent.

16. (A) Where the contract includes a finance charge determined on the precomputed basis, an identification of the method of computing the unearned portion of the finance charge in the event of prepayment in full of the buyer's obligation and a statement of the amount or method of computation of any charge that may be deducted from the amount of any such unearned finance charge in computing the amount that will be credited to the obligation or refunded to the buyer. Reference to the Rule of 78's, the sum of the digits, the sum of the periodic time balances or the actuarial method shall constitute a sufficient identification of the method of computing the unearned portion of the finance charge.

(B) Where the contract includes a finance charge which is determined on the simple-interest basis but provides for a minimum finance charge in the event of prepayment in full, a statement of that fact and the amount of the minimum finance charge or its method of calculation.

17. (A) Where the contract includes a finance charge which is determined on the precomputed basis and provides that the unearned portion of the finance charge to be refunded upon full prepayment of the contract is to be determined by a method other than actuarial, a notice in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer. (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. Because of the way the amount of this refund will be figured, the time when you prepay could increase the

ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(B) Where the contract includes a finance charge which is determined on the precomputed basis and provides for the actuarial method for computing the unearned portion of the finance charge upon prepayment in full, a notice in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(C) Where the contract includes a finance charge which is determined on the simple-interest basis, a notice, in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

18. A notice to the buyer, in writing, and, if printed, in type no smaller than 8-point, that complaints concerning unfair or deceptive practices or methods by the seller shall be referred to the seller and, if the complaint is not resolved, may be referred to the Department of Motor Vehicles, Division of Compliance, 2570 24th Street, Sacramento, 95818.

Additional items may be included to explain the computations made in determining the amount to be paid by the buyer. If the finance charge or any portion thereof is calculated on the 365-day basis, the amount of the finance charge shown pursuant to item 13 shall be the amount which will be incurred by the buyer if all payments are received by the seller on their respective due dates.

(b) If any charge for insurance (other than for credit life or disability) is included in the contract balance and disbursement of any part thereof be made more than one year after the date of the conditional sale contract, any finance charge on the amount to be disbursed after one year shall be computed from the month the disbursement is to be made to the due date of the last installment under the conditional sale contract.

(c) (1) The dollar amount of the finance charge shown pursuant to item 13 of subdivision (a) shall not exceed the greater of:

(A) One percent of the unpaid balance multiplied by the number

of months (computed on the basis of a full month for any fractional month period in excess of 15 days) elapsing between the date of the contract and the due date of the last installment; or

(B) If the finance charge is determined by the precomputed basis, twenty-five dollars ($25); or

(C) If the finance charge or a portion thereof is determined by the simple-interest basis:

(i) Twenty-five dollars ($25) if the unpaid balance does not exceed one thousand dollars ($1,000), (ii) fifty dollars ($50) if the unpaid balance exceeds one thousand dollars ($1,000) but does not exceed two thousand dollars ($2,000), or (iii) seventy-five dollars ($75) if the unpaid balance exceeds two thousand dollars ($2,000).

(2) The holder of the contract shall not charge, collect or receive a finance charge which exceeds the dollar amount shown pursuant to item 13 of subdivision (a), except to the extent caused by (A) the holder's receipt of one or more payments under a contract which provides for determination of the finance charge or a portion thereof on the 365-day basis at a time or times other than as originally scheduled whether or not the parties enter into an agreement pursuant to Section 2982.3, (B) the use of estimations in the providing of the disclosures required by this chapter to the extent permitted by Regulation Z, or (C) as permitted by subdivisions (a) and (c) of Section 2982.8.

(3) If the finance charge or a portion thereof is determined by the simple-interest basis and the amount of the unpaid balance exceeds five thousand dollars ($5,000), the holder of the contract may, in lieu of its right to a minimum finance charge under subparagraph (C) of paragraph (1), charge, receive, or collect on the date of the contract an administrative finance charge not to exceed seventy-five dollars ($75), provided that the sum of any such administrative finance charge and the portion of the finance charge determined by the simple-interest basis shall not exceed the maximum total finance charge permitted by subparagraph (A) of paragraph (1). Any administrative finance charge which is charged, received or collected by a holder shall be deemed a finance charge earned on the date of the contract.

(d) The contract may provide that for each installment in default for a period of not less than 10 days the buyer shall pay a delinquency charge in an amount not to exceed in the aggregate 5 percent of the installment, which amount may be collected only once on any installment regardless of the period during which it remains in default. Payments timely received by the seller under an extension or deferral agreement shall not be subject to a delinquency charge. The contract may provide for reasonable collection costs and fees in the event of delinquency.

(e) Notwithstanding any provision of a contract to the contrary, the buyer may pay at any time before maturity the entire indebtedness evidenced by the contract without penalty. In the event of prepayment in full:

(1) If the finance charge was determined on the precomputed basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, provided, however, that the buyer shall be entitled to a refund credit in the amount of the unearned portion of the finance charge, except as provided in paragraphs (3) and (4). The amount of the unearned portion of the finance charge shall be at least as great a proportion of the finance charge, or if the contract has been extended, deferred or refinanced, of the additional charge therefor, as the sum of the periodic monthly time balances payable more than 15 days after the date of prepayment bears to the sum of all the periodic monthly time balances under the schedule of installments in the contract or, if the contract has been extended, deferred or refinanced, as so extended, deferred or refinanced. Where the amount of the refund credit is less than one dollar ($1), no refund credit need be made by the holder. Any refund credit in the amount of one dollar ($1) or more may be made in cash or credited to the outstanding obligations of the buyer under the contract.

(2) If the finance charge or a portion thereof was determined on the simple-interest basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, including any earned finance charges which are unpaid as of that date and, if applicable, the amount provided in paragraph (3), and provided further that in cases where a finance charge is determined on the 360-day basis, the payments theretofore received will be assumed to have been received on their respective due dates regardless of the actual dates on which such payments were received.

(3) Where the minimum finance charge provided by subparagraph (B) or subparagraph (C) of paragraph (1) of subdivision (c), if either is applicable, is greater than the earned finance charge as of the date of prepayment, the holder shall be additionally entitled to the difference.

(4) The provisions of this subdivision shall not impair the right of the seller or the seller's assignee to receive delinquency charges on delinquent installments and reasonable costs and fees as provided in subdivision (d) of this section or extension or deferral agreement charges as provided in Section 2982.3.

(5) Notwithstanding any provision of a contract to the contrary, whenever the indebtedness created by any contract is satisfied prior to its maturity through surrender of the motor vehicle, repossession of the motor vehicle, redemption of the motor vehicle after repossession, or any judgment, the outstanding obligation of the buyer shall be determined as provided in paragraph (1) or (2); provided further that the buyer's outstanding obligation shall be computed by the holder as of the date the holder recovers the value of the motor vehicle through disposition thereof or judgment is entered or, if the holder elects to keep the motor vehicle in satisfaction of the buyer's indebtedness, as of the date the holder takes possession of the motor vehicle.

(f) Notwithstanding any other provision of this chapter to the contrary, in the event any required downpayment on which no finance charge is imposed is to be made by the buyer to the seller on a conditional sale contract after the date of such contract but prior to the date of the second payment otherwise scheduled, the amount of such payment may be shown in such contract as a deferred portion of the cash downpayment or, if the finance charge is determined on the precomputed basis, as a deduction from the amount of the unpaid balance, and shall be included in the total of payments.

(g) Notwithstanding any other provision of this chapter to the contrary, any information required to be disclosed in a conditional sale contract under this chapter may be disclosed in any manner, method, or terminology required or permitted under Regulation Z, as in effect at the time such disclosure is made. Nothing contained in this chapter shall be deemed to prohibit the disclosure in such contract of additional information required or permitted under Regulation Z, as in effect at the time such disclosure is made.

(h) If the requirements of this section are otherwise met, the preparation and use of a separate document for agreements governing the ownership of the towbar, wheels, wheel hubs, and axles and for escrow instructions under Section 11950 of the Vehicle Code, relating to the sale of mobilehomes, shall not violate the single-document requirement of subdivision (a). Without such an agreement governing the ownership of the towbar, wheels, wheel hubs, and axles, no dealer or transporter shall remove or cause to be removed any towbar, wheel, wheel hub, or axle from any mobilehome. Any price quoted for any mobilehome in a conditional sale contract, purchase order, or security agreement pursuant to this section shall state whether such price includes or excludes the cost of the towbar, wheels, wheel hubs, and axles. If such price does not include the towbar, wheels, wheel hubs, or axles, it shall show a deduction for the cost of such parts not included.

(i) This section shall become operative on April 1, 1982.

SEC. 6.5. Section 2982 of the Civil Code, as amended by Section 22 of Chapter 1380 of the Statutes of 1980, is amended to read:

2982. (a) Every conditional sale contract for the sale of a motor vehicle, with or without accessories, shall be in writing and, if printed, shall be printed in type no smaller than 6-point, and shall contain in a single document all of the agreements of the buyer and seller with respect to the total cost and the terms of payment for the motor vehicle, including any promissory notes or any other evidences of indebtedness. The conditional sale contract or a purchase order shall be signed by the buyer or his authorized representative and by the seller or its authorized representative, and an exact copy thereof shall be furnished the buyer by the seller at the time the buyer and the seller have signed the contract or purchase order. No motor vehicle shall be delivered under this chapter until the seller delivers to the buyer a fully executed copy of the conditional sale contract or purchase order and any vehicle purchase

proposal and any credit statement which the seller has required or requested the buyer to sign, and which he has signed, during the contract negotiations. The seller shall not obtain the signature of the buyer to a contract when it contains blank spaces to be filled in after it has been signed. Every conditional sale contract shall contain, although not necessarily in the sequence or order set forth below, the following separate items:

1. The cash price of the motor vehicle and of other items described in subdivision (e) of Section 2981 which are the subject of the conditional sale contract.

2. The amount of the buyer's downpayment, and whether made in cash or represented by the net agreed value of described property traded in, or both, together with a statement of the respective amounts credited for cash and for such property, but excluding any administrative finance charge shown in item 9.

3. The unpaid balance of cash price, which is the difference between items 1 and 2.

4. The cost to the buyer of any insurance, the premium for which is included in the contract balance. Any such cost for credit life or disability insurance may be included in the finance charge if the amount thereof is separately stated on the face of the contract.

5. The amounts, if any, paid or to be paid to any public officer in connection with the transaction and for license, certificate of title, and registration fees imposed by law.

6. The amount of the state fee for issuance of a certificate of compliance or certificate of waiver pursuant to Section 9889.56 of the Business and Professions Code.

7. The amount, if any, charged by the seller for documentary preparation. If a seller charges a buyer a documentary preparation charge, then the contract shall contain a notice advising the buyer that such charge is not a governmental fee.

8. The amount of the unpaid balance, which is the sum of items 3, 4, 5, 6, and 7.

9. The amount, if any, of an administrative finance charge.

10. The amount financed, which is the difference between items 8 and 9.

11. The finance charge (A) expressed as the annual percentage rate as defined in Regulation Z and (B) expressed in dollars.

12. The number, amount and due dates or periods of payments scheduled to repay the indebtedness and the sum of such payments.

13. The names and addresses of all persons to whom the notice required under Section 2983 2 and permitted under Sections 2983.5 and 2984 of this code is to be sent.

14. (A) Where the contract includes a finance charge determined on the precomputed basis, an identification of the method of computing the unearned portion of the finance charge in the event of prepayment in full of the buyer's obligation and a statement of the amount or method of computation of any charge that may be deducted from the amount of any such unearned finance charge in

computing the amount that will be credited to the obligation or refunded to the buyer. Reference to the Rule of 78's, the sum of the digits, the sum of the periodic time balances or the actuarial method shall constitute a sufficient identification of the method of computing the unearned portion of the finance charge.

(B) Where the contract includes a finance charge which is determined on the simple-interest basis but provides for a minimum finance charge in the event of prepayment in full, a statement of that fact and the amount of the minimum finance charge or its method of calculation.

15. (A) Where the contract includes a finance charge which is determined on the precomputed basis and provides that the unearned portion of the finance charge to be refunded upon full prepayment of the contract is to be determined by a method other than actuarial, a notice in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. Because of the way the amount of this refund will be figured, the time when you prepay could increase the ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(B) Where the contract includes a finance charge which is determined on the precomputed basis and provides for the actuarial method for computing the unearned portion of the finance charge upon prepayment in full, a notice in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(C) Where the contract includes a finance charge which is determined on the simple-interest basis, a notice, in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

16. A notice to the buyer, in writing, and, if printed, in type no smaller than 8-point, that complaints concerning unfair or deceptive practices or methods by the seller shall be referred to the seller and, if the complaint is not resolved, may be referred to the Department of Motor Vehicles, Division of Compliance, 2570 24th Street, Sacramento, 95818.

Additional items may be included to explain the computations made in determining the amount to be paid by the buyer. If the finance charge or any portion thereof is calculated on the 365-day basis, the amount of the finance charge shown pursuant to item 11 shall be the amount which will be incurred by the buyer if all payments are received by the seller on their respective due dates.

(b) If any charge for insurance (other than for credit life or disability) is included in the contract balance and disbursement of any part thereof be made more than one year after the date of the conditional sale contract, any finance charge on the amount to be disbursed after one year shall be computed from the month the disbursement is to be made to the due date of the last installment under the conditional sale contract.

(c) (1) The dollar amount of the finance charge shown pursuant to item 11 of subdivision (a) shall not exceed the greater of:

(A) One percent of the unpaid balance multiplied by the number of months (computed on the basis of a full month for any fractional month period in excess of 15 days) elapsing between the date of the contract and the due date of the last installment; or

(B) If the finance charge is determined by the precomputed basis, twenty-five dollars ($25); or

(C) If the finance charge or a portion thereof is determined by the simple-interest basis:

(i) Twenty-five dollars ($25) if the unpaid balance does not exceed one thousand dollars ($1,000), (ii) fifty dollars ($50) if the unpaid balance exceeds one thousand dollars ($1,000) but does not exceed two thousand dollars ($2,000), or (iii) seventy-five dollars ($75) if the unpaid balance exceeds two thousand dollars ($2,000).

(2) The holder of the contract shall not charge, collect or receive a finance charge which exceeds the dollar amount shown pursuant to item 11 of subdivision (a), except to the extent caused by (A) the holder's receipt of one or more payments under a contract which provides for determination of the finance charge or a portion thereof on the 365-day basis at a time or times other than as originally scheduled whether or not the parties enter into an agreement pursuant to Section 2982.3, (B) the use of estimations in the providing of the disclosures required by this chapter to the extent permitted by Regulation Z, or (C) as permitted by subdivisions (a) and (c) of Section 2982.8.

(3) If the finance charge or a portion thereof is determined by the simple-interest basis and the amount of the unpaid balance exceeds five thousand dollars ($5,000), the holder of the contract may, in lieu of its right to a minimum finance charge under subparagraph (C) of

paragraph (1), charge, receive, or collect on the date of the contract an administrative finance charge not to exceed seventy-five dollars ($75), provided that the sum of any such administrative finance charge and the portion of the finance charge determined by the simple-interest basis shall not exceed the maximum total finance charge permitted by subparagraph (A) of paragraph (1). Any administrative finance charge which is charged, received or collected by a holder shall be deemed a finance charge earned on the date of the contract.

(d) The contract may provide that for each installment in default for a period of not less than 10 days the buyer shall pay a delinquency charge in an amount not to exceed in the aggregate 5 percent of the installment, which amount may be collected only once on any installment regardless of the period during which it remains in default. Payments timely received by the seller under an extension or deferral agreement shall not be subject to a delinquency charge. The contract may provide for reasonable collection costs and fees in the event of delinquency.

(e) Notwithstanding any provision of a contract to the contrary, the buyer may pay at any time before maturity the entire indebtedness evidenced by the contract without penalty. In the event of prepayment in full:

(1) If the finance charge was determined on the precomputed basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, provided, however, that the buyer shall be entitled to a refund credit in the amount of the unearned portion of the finance charge, except as provided in paragraphs (3) and (4). The amount of the unearned portion of the finance charge shall be at least as great a proportion of the finance charge, or if the contract has been extended, deferred or refinanced, of the additional charge therefor, as the sum of the periodic monthly time balances payable more than 15 days after the date of prepayment bears to the sum of all the periodic monthly time balances under the schedule of installments in the contract or, if the contract has been extended, deferred or refinanced, as so extended, deferred or refinanced Where the amount of the refund credit is less than one dollar ($1), no refund credit need be made by the holder. Any refund credit in the amount of one dollar ($1) or more may be made in cash or credited to the outstanding obligations of the buyer under the contract.

(2) If the finance charge or a portion thereof was determined on the simple-interest basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, including any earned finance charges which are unpaid as of that date and, if applicable, the amount provided in paragraph (3), and provided further that in cases where a finance charge is determined on the 360-day basis, the payments theretofore received will be assumed to have been received on their respective due dates regardless of the actual dates on which such payments were received.

(3) Where the minimum finance charge provided by subparagraph (B) or subparagraph (C) of paragraph (1) of subdivision (c), if either is applicable, is greater than the earned finance charge as of the date of prepayment, the holder shall be additionally entitled to the difference.

(4) The provisions of this subdivision shall not impair the right of the seller or the seller's assignee to receive delinquency charges on delinquent installments and reasonable costs and fees as provided in subdivision (d) of this section or extension or deferral agreement charges as provided in Section 2982.3.

(5) Notwithstanding any provision of a contract to the contrary, whenever the indebtedness created by any contract is satisfied prior to its maturity through surrender of the motor vehicle, repossession of the motor vehicle, redemption of the motor vehicle after repossession, or any judgment, the outstanding obligation of the buyer shall be determined as provided in paragraph (1) or (2); provided further that the buyer's outstanding obligation shall be computed by the holder as of the date the holder recovers the value of the motor vehicle through disposition thereof or judgment is entered or, if the holder elects to keep the motor vehicle in satisfaction of the buyer's indebtedness, as of the date the holder takes possession of the motor vehicle.

(f) Notwithstanding any other provision of this chapter to the contrary, in the event any required downpayment on which no finance charge is imposed is to be made by the buyer to the seller on a conditional sale contract after the date of such contract but prior to the date of the second payment otherwise scheduled, the amount of such payment may be shown in such contract as a deferred portion of the cash downpayment or, if the finance charge is determined on the precomputed basis, as a deduction from the amount of the unpaid balance, and shall be included in the total of payments.

(g) Notwithstanding any other provision of this chapter to the contrary, any information required to be disclosed in a conditional sale contract under this chapter may be disclosed in any manner, method, or terminology required or permitted under Regulation Z, as in effect at the time such disclosure is made. Nothing contained in this chapter shall be deemed to prohibit the disclosure in such contract of additional information required or permitted under Regulation Z, as in effect at the time such disclosure is made.

(h) This section shall become operative on April 1, 1982.

SEC. 7. It is the intent of the Legislature, if this bill and Senate Bill No. 1080 are both chaptered, both bills amend Section 2982 of the Civil Code, this bill becomes effective on or before July 1, 1981, and this bill is chaptered after Senate Bill No. 1080, that the amendments to Section 2982 proposed by both bills be given effect and incorporated in Section 2982 in the forms set forth in Sections 5.5 and 6.5 of this act. Therefore, Sections 5.5 and 6.5 of this act shall become operative only if this bill and Senate Bill No 1080 are both chaptered, both amend Section 2982 of the Civil Code, this bill becomes

effective on or before July 1, 1981, and this bill is chaptered after Senate Bill No. 1080, in which case Sections 5 and 6 of this act shall not become operative.

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

Chapter 1380 of the Statutes of 1980 amended several sections of the Civil Code to, among other things, make technical changes to the language of several statutory notices, such changes to become mandatory on July 1, 1981. Because of the enactment by Congress of the Truth in Lending Simplification and Reform Act in 1980, a number of changes will be required to be made in the disclosure requirements of the California Unruh and Rees-Levering Acts as of April 1, 1982, in order to ensure that compliance with both state and federal law is possible. Therefore, in order to alleviate the need for unnecessary form changes at this time under the provisions of the California acts, and to allow for a coordination with other changes which will have to be made no later than April 1, 1982, it is necessary that this act take effect immediately.

CHAPTER 108

An act to repeal Section 1153 of the Probate Code, relating to public administrators.

[Approved by Governor June 29, 1981 Filed with Secretary of State June 29, 1981]

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

SECTION 1. Section 1153 of the Probate Code is repealed.

CHAPTER 109

An act to amend Sections 26826 and 26826.1 of the Government Code, relating to courts.

[Approved by Governor June 29, 1981 Filed with Secretary of State June 29, 1981]

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

SECTION 1 Section 26826 of the Government Code is amended to read:

26826. The total fee for filing the first paper in the action on behalf of any defendant, intervenor, respondent, or adverse party,

whether separately or jointly, except for the purpose of making disclaimer shall be the sum fixed by resolution adopted pursuant to Section 68090, which shall not exceed the following maximum amounts:

(1) In any county where a fee is collected for the court reporter fund, the total fees shall not exceed fifty-five dollars ($55).

(2) In any county where a fee is not collected for the court reporter fund, the total fee shall not exceed thirty dollars ($30).

As used in this section the word "paper" does not include a stipulation for the appointment of a judge pro tempore or of a court investigator or the report made by such investigator or the declaration of a spouse filed in an order to show cause proceeding or a marital settlement agreement which is signed by a defaulted respondent and intended for incorporation in a proposed interlocutory decree of dissolution of marriage.

SEC. 2. Section 26826.1 of the Government Code is amended to read:

26826.1. In any city and county, upon filing the first paper in the action on behalf of the defendant, intervenor, respondent, correspondent, or adverse party, whether separately or jointly, except for the purpose of making disclaimer, the fee is twenty-three dollars ($23), except for actions filed pursuant to Title 2 (commencing with Section 4400) or Title 3 (commencing with Section 4500) of the Family Law Act (Part 5 (commencing with Section 4000) of Division 4 of the Civil Code) for which such fee shall be fifteen dollars ($15).

As used in this section the word "paper" does not include a stipulation for the appointment of a judge pro tempore or of a court investigator or the report made by such investigator or the declaration of a spouse filed in an order to show cause proceeding or a marital settlement agreement which is signed by a defaulted respondent and intended for incorporation in a proposed interlocutory decree of dissolution of marriage.

CHAPTER 110

An act to amend Sections 193 and 264 of the Penal Code, relating to crimes.

[Approved by Governor June 29, 1981 Filed with Secretary of State June 29, 1981]

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

SECTION 1. Section 193 of the Penal Code is amended to read:

193. (a) Voluntary manslaughter is punishable by imprisonment in the state prison for two, four, or six years.

(b) Involuntary manslaughter is punishable by imprisonment in

the state prison for two, three or four years.

(c) A violation of subsection 3 of Section 192 of this code is punishable as follows: In the case of a violation of subdivision (a) of said subsection 3 the punishment shall be either by imprisonment in the county jail for not more than one year or in the state prison; in the case of a violation of subdivision (b) of said subsection 3, the punishment shall be by imprisonment in the county jail for not more than one year.

SEC. 2. Section 264 of the Penal Code is amended to read:

264. Rape, as defined in Section 261, is punishable by imprisonment in the state prison for three, six, or eight years. Rape, as defined in Section 262, is punishable either by imprisonment in the county jail for not more than one year or in the state prison for three, six, or eight years. Unlawful sexual intercourse, as defined in Section 261.5, is punishable either by imprisonment in the county jail for not more than one year or in the state prison.

CHAPTER 111

An act to add and repeal Section 78040 of the Education Code, relating to community colleges, and declaring the urgency thereof, to take effect immediately

[Approved by Governor June 29, 1981 Filed with Secretary of State June 29, 1981.]

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

SECTION 1. Section 78040 is added to the Education Code, to read:

78040. (a) Notwithstanding the provisions of Sections 78031 and 78032, any community college district with an average daily attendance in excess of 60,000 in 1980–81 shall not restrict the admission to, or attendance of its residents at, any other community college district with an average daily attendance in excess of 10,000 in 1980–81. The provisions of this section shall apply only to those districts which had an interdistrict attendance agreement prior to January 1, 1981, stating that there would be no restriction on the admission of residents of another community college district for up to 5,000 average daily attendance.

(b) The provisions of this section shall not apply when the net average daily attendance between the districts with an interdistrict agreement as specified in subdivision (a), excluding any special session and noncredit average daily attendance, exceeds 5,000.

(c) The chancellor's office may periodically audit records of community college districts as specified in subdivision (a), pursuant to this section.

(d) This section shall remain in effect until July 1, 1986, and as of

that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1986, deletes or extends such 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 for the provisions of this act to apply for the entire 1981–82 fiscal year, and to provide the community college agencies sufficient time to plan and adopt new budgets as early as possible for the 1981–82 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 112

An act to add Section 10914.5 to the Education Code, relating to community recreation programs, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1981 Filed with Secretary of State June 29, 1981]

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

SECTION 1. Section 10914.5 is added to the Education Code, to read:

10914.5. The governing board of any school district may establish accounts for community recreation programs established in the schools of the district, in one or more banks. There shall be no more than one account established by a district for any one school in the district. If one account is established for all of the schools in the district which have community recreation programs, the account shall be known as "The Community Recreation Program Account of (insert name of district) District."

All funds for the community recreation programs, from whatever source such funds are received, shall be placed in the appropriate Community Recreation Program Account established pursuant to this section, and all authorized community recreation expenses shall be paid therefrom. The governing board of the district shall designate an employee or employees of the district to have custody of the account or accounts, who shall be responsible for the payment into the account or accounts of all moneys required to be paid into the account or accounts, and for all expenditures therefrom, subject to such regulations as the governing board prescribes.

SEC. 2. Any action by the governing board of a school district relating to community recreation programs in district schools, which would have been valid if Section 1 of this act had been in effect at the time the action was taken, is hereby validated.

SEC. 3. This act is an urgency statute necessary for the

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

In order to authorize useful accounting practices for recreation programs at the earliest possible time, it is necessary for this act to take effect immediately.

CHAPTER 113

An act to amend Sections 4002, 4005, 4008, 4010, 4230, 4330 and 4390.5 of, and to repeal Section 4008.5 of, the Business and Professions Code, and to amend Sections 11150 and 11167.5 of, and to repeal Section 11165 of, the Health and Safety Code, relating to pharmacy.

[Approved by Governor June 29, 1981. Filed with Secretary of State June 29, 1981]

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

SECTION 1. Section 4002 of the Business and Professions Code is amended to read:

4002. Members of the board shall be appointed for a term of four years. Each member shall hold office until the appointment and qualification of his or her successor or until one year shall have elapsed since the expiration of the term for which the member was appointed, whichever first occurs.

Vacancies occurring shall be filled by appointment for the unexpired term.

SEC. 2. Section 4005 of the Business and Professions Code is amended to read:

4005. The executive secretary shall maintain and update in a timely fashion records containing the names, titles, qualifications, and places of business of all persons coming under the provisions of this chapter.

SEC. 3. Section 4008 of the Business and Professions Code is amended to read:

4008. The board may make such 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 make 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 the provisions of this chapter; pertaining to establishments wherein any drug is compounded, prepared or sold; providing for standards of minimum equipment of establishments licensed under the provisions of this chapter; pertaining to the sale of drugs by or through any mechanical device.

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.

SEC. 4. Section 4008.5 of the Business and Professions Code is repealed.

SEC. 5. Section 4010 of the Business and Professions Code is amended to read:

4010. Except as provided by Section 159.5, the board may employ inspectors of pharmacy. The members of the board and inspectors of pharmacy, whether the inspectors are employed by the board or are in the department's Division of Investigation, may inspect, during business hours, all pharmacies, dispensaries, stores or places in which drugs are compounded, dispensed or sold. Inspectors of pharmacy whose principal duties are the inspection of pharmacies, and premises operated or conducted by a wholesaler, shall be registered pharmacists.

SEC. 6. Section 4230 of the Business and Professions Code is amended to read:

4230. No person shall have in possession any Schedule II, III, or IV controlled substance, as defined in Section 11007 of the Health and Safety Code, except that furnished to such person upon the prescription of a physician, dentist, podiatrist, or veterinarian, or pharmacist acting within the scope of a project authorized under Article 18 (commencing with Section 429.70) of Chapter 2 of Part 1 of Division 1 of the Health and Safety Code, or registered nurse acting within the scope of a project authorized under Article 18 (commencing with Section 429.70) of Chapter 2 of Part 1 of Division 1 of the Health and Safety Code, or physician's assistant acting within the scope of a project authorized under Article 18 (commencing with Section 429.70) of Chapter 2 of Part 1 of Division 1 of the Health and Safety Code. The provisions of this section do not apply to the possession of any controlled substance by a manufacturer or wholesaler or a pharmacy or physician or podiatrist or dentist or veterinarian or laboratory or pharmacist acting within the scope of a project authorized under Article 18 (commencing with Section 429.70) of Chapter 2 of Part 1 of Division 1 of the Health and Safety Code, or registered nurse acting within the scope of a project authorized under Article 18 (commencing with Section 429.70) of Chapter 2 of Part 1 of Division 1 of the Health and Safety Code, or physician's assistant acting within the scope of a project authorized under Article 18 (commencing with Section 429.70) of Chapter 2 of Part 1 of Division 1 of the Health and Safety Code when in stock in containers correctly labeled with the name and address of the supplier or producer.

SEC. 7. Section 4330 of the Business and Professions Code is amended to read:

4330. When called upon by an officer, a member of the board, or a duly authorized inspector, the owner or manager of any pharmacy or other store, shop, building, or premises retailing or storing drugs shall furnish the officer, member or inspector with the names of the owner or owners, manager or managers, and employees together with a brief statement of the capacity in which these persons are employed on the premises.

SEC. 8. Section 4390.5 of the Business and Professions Code is amended to read:

4390.5. Every person who, in order to obtain any drug, falsely represents himself or herself to be a physician or other person who can lawfully prescribe the drug, or falsely represents that he or she is acting on behalf of a person who can lawfully prescribe the drug, in a telephone communication with a registered pharmacist, shall be punished by imprisonment in the county jail for not more than one year.

SEC. 9. Section 11150 of the Health and Safety Code is amended to read:

11150. No person other than a physician, dentist, podiatrist, or veterinarian, or pharmacist acting within the scope of a project authorized under Article 18 (commencing with Section 429.70) of Chapter 2 of Part 1 of Division 1, or registered nurse acting within the scope of a project authorized under Article 18 (commencing with Section 429.70) of Chapter 2 of Part 1 of Division 1, or physician's assistant acting within the scope of a project authorized under Article 18 (commencing with Section 429.70) of Chapter 2 of Part 1 of Division 1 or out-of-state prescriber pursuant to Section 4008 of the Business and Professions Code shall write or issue a prescription.

SEC. 10. Section 11165 of the Health and Safety Code is repealed.

SEC. 11. Section 11167.5 of the Health and Safety Code is amended to read:

11167.5. When failure to issue a prescription for a controlled substance classified in Schedule II to a patient in a licensed skilled nursing facility or intermediate care facility would, in the opinion of the prescriber, present an immediate hazard to the patient's health and welfare or result in intense suffering to the patient, the prescription may be dispensed upon an oral prescription. Prior to filling the prescription, the pharmacist shall reduce it to writing in ink or indelible pencil in the handwriting of the pharmacist upon an official prescription form issued by the Department of Justice for that purpose. Such prescriptions shall be prepared in triplicate and shall contain the date the prescription was orally transmitted by the prescriber, the name of the person for whom the prescription was authorized, the name and address of the licensed facility in which that person is a patient, the name and quantity of the controlled substance prescribed, the directions for use, and the name, address, category of professional licensure, and federal controlled substance

registration number of the prescriber. The original shall be retained by the pharmacist, and the duplicate shall be forwarded to the prescriber by the end of the month in which the prescription was issued. The triplicate shall be endorsed with the signature of the pharmacist, the name and address of the pharmacy, and the signature of the person who received the controlled substances for the licensed facility and shall be forwarded by the pharmacist to the Department of Justice at the end of the month in which the prescription was filled. Upon request, a skilled nursing facility or intermediate care facility shall make available to the dispensing pharmacist copies of signed telephone orders, chart orders, or related documentation substantiating an oral prescription transaction under this section.

CHAPTER 114

An act to amend Section 830.4 of the Penal Code, relating to peace officers.

[Approved by Governor June 29, 1981 Filed with Secretary of State June 29, 1981]

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

SECTION 1. Section 830.4 of the Penal Code is amended to read:

830.4. The following persons are peace officers while engaged in the performance of their duties in or about the properties owned, operated, or administered by their employing agency, or when they are required by their employer to perform their duties anywhere within the political subdivision which employs them. Such officers shall also have the authority of peace officers anywhere in the state as to an offense committed, or which there is probable cause to believe has been committed, with respect to persons or property the protection of which is the duty of such officer or when making an arrest pursuant to Section 836 of the Penal Code as to any public offense with respect to which there is an immediate danger to person or property or of the escape of the perpetrator of the offense. Such peace officers may carry firearms only if authorized by and under such terms and conditions as are specified by their employing agency:

(a) Security officers of the California State Police Division

(b) The Sergeant at Arms of each house of the Legislature

(c) Bailiffs of the Supreme Court and of the courts of appeal.

(d) Guards and messengers of the Treasurer's office.

(e) Officers designated by the hospital administrator of a state hospital under the jurisdiction of the State Department of Mental Health or the State Department of Developmental Services pursuant to Section 4313 or 4493 of the Welfare and Institutions Code.

(f) Any railroad policeman commissioned by the Governor pursuant to Section 8226 of the Public Utilities Code.

(g) Persons employed as members of a security department of a school district pursuant to Section 39670 of the Education Code.

(h) Security officers of the County of Los Angeles.

(i) Housing authority patrol officers employed by the housing authority of a city, district, county, or city and county.

(j) Transit police officers of a county, city, or district.

(k) Any person regularly employed as an airport law enforcement officer by a city, county, or district operating the airport or by a joint powers agency, created pursuant to Article 1 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the Government Code, operating the airport.

SEC. 2. It is the intent of the Legislature that the changes effected by this act shall serve only to define peace officers, the extent of their jurisdiction, and the nature and scope of their authority, powers and duties, and that there be no change in the status of individual peace officers or classes of peace officers for purposes of retirement, workers' compensation or similar injury or death benefits, or other employee benefits.

CHAPTER 115

An act to repeal and add Section 1700 of the Welfare and Institutions Code, relating to the California Youth Authority.

[Approved by Governor June 29, 1981 Filed with Secretary of State June 29, 1981]

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

SECTION 1. Section 1700 of the Welfare and Institutions Code is repealed.

SEC. 2. Section 1700 is added to the Welfare and Institutions Code, to read:

1700. The purpose of this chapter is to protect society from the consequences of criminal activity and to such purpose training and treatment shall be substituted for retributive punishment and shall be directed toward the correction and rehabilitation of young persons who have committed public offenses.

CHAPTER 116

An act to amend Section 27550 of the Government Code, relating to county surveyors.

[Approved by Governor June 29, 1981 Filed with Secretary of State June 29, 1981.]

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

SECTION 1. Section 27550 of the Government Code is amended to read:

27550. The surveyor shall be a person authorized to practice land surveying in this state. The surveyor shall be elected in the same manner and for the same term as other county officers unless the board of supervisors of the county shall have provided by ordinance for his or her appointment by the board. If so appointed, the surveyor shall serve at the will of the board.

CHAPTER 117

An act to add Chapter 1.5 (commencing with Section 61605) to Part 5 of Division 3 of Title 6 of the Government Code, relating to community services districts.

[Approved by Governor June 29, 1981. Filed with Secretary of State June 29, 1981]

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

SECTION 1. Chapter 1.5 (commencing with Section 61605) is added to Part 5 of Division 3 of Title 6 of the Government Code, to read:

CHAPTER 1.5. POWER GENERATION

61605. The provisions of this chapter shall apply only to the McCloud Community Services District.

61606. Notwithstanding the provisions of Sections 61600 and 61601, the district may construct, maintain, and operate one or more plants, which plants are constructed after the effective date of this article, for the generation of hydroelectric power. The plant or plants so constructed shall be operated in a manner consistent with the district's storage, transmission, and distribution of irrigation and domestic water. Construction of such plant or plants may be financed by the issuance of revenue bonds as otherwise provided in this division.

61607. The hydroelectric plant or plants constructed pursuant to

Section 61606 may be leased for operation to, or the power generated may be sold only to, a public utility or public agency engaged in the distribution, use, or sale of electricity.

SEC. 2. The McCloud Community Services District has a potential source of hydroelectric power in its district water development facilities which can be generated as an incident to the operation of the district's storage, transmission, and distribution of irrigation and domestic water. This incidental source of hydroelectric power is not common to other community services districts. The Legislature therefore finds and declares that a special law is necessary with respect to the McCloud Community Services District, that the provisions of Section 2 of this act are needed to meet the special circumstances within the districts, and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

CHAPTER 118

An act to add Section 10170.8 to the Business and Professions Code, relating to real estate licensees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1981 Filed with Secretary of State June 29, 1981]

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

SECTION 1. Section 10170.8 is added to the Business and Professions Code, to read:

10170.8. The provisions of this article shall not apply to any real estate licensee who submits proof satisfactory to the commissioner that he or she has been a real estate licensee in good standing for 30 continuous years in this state and is 70 years of age or older.

A licensee in good standing is one who holds an active license which has not been suspended, revoked, or restricted as a result of disciplinary action.

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

This act exempts specified real estate licensees from continuing education requirements which became effective January 1, 1981. For this act to provide the relief for which it was intended, it is necessary that it go into immediate effect.

CHAPTER 119

An act to amend Sections 73952, 73953, and 73958 of, and to add Section 73959.1 to, the Government Code, relating to courts.

[Became law without Governor's signature. Filed with Secretary of State June 30, 1981]

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

SECTION 1. Section 73952 of the Government Code is amended to read:

73952. There shall be one clerk-administrative officer, who shall be appointed by, and serve at the pleasure of, the judges of the court. In no event shall the salary of the clerk-administrative officer be less than 30 percent higher than that specified for the position of assistant clerk-administrative officer. Appointment to such position shall be at step C of the salary schedule unless the appointee is entitled to a higher step under the provisions of subdivision (c) of Section 74350.

SEC. 2. Section 73953 of the Government Code is amended to read:

73953. The clerk-administrative officer shall appoint:

(a) One assistant clerk-administrative officer, at the direction of a majority of the judges of the court, who shall serve at the pleasure of the judges. In no event shall the compensation of the assistant clerk-administrative officer be more than 20 percent below that specified for the assistant clerk-administrative officer of the San Diego Judicial District.

(b) Two deputy clerks who shall be chief clerks of divisions and who shall receive a biweekly salary at a rate not less than 10 percent higher than that specified for assistant chief clerk of division.

(c) Two deputy clerks who shall be assistant chief clerks of division and who shall receive a biweekly salary at a rate not less than 10 percent higher than that specified for supervising deputy clerk.

(d) Two supervising deputy clerks who shall receive the biweekly salary at a rate not less than 10 percent higher than that specified for deputy clerk IV.

(e) Eleven deputy clerks IV, each of whom shall receive the biweekly salary at a rate equal to that specified for superior court clerks in the classified service of San Diego County.

(f) Fifty-seven deputy clerks III, II or I, as the case may be. Each deputy clerk III shall receive the biweekly salary at a rate not more than 20 percent below that specified for deputy clerk IV. Each deputy clerk II shall receive the biweekly salary at a rate not more than 20 percent below that specified for deputy clerk III. Each deputy clerk I shall receive the biweekly salary equal to that specified for the classification of intermediate clerk-typist in the classified service of San Diego County. Appointments to the deputy clerk I classification shall be at a salary range entrance step

determined by the clerk-administrative officer.

(g) Two deputy clerk data entry operators, each of whom shall receive the biweekly salary at a rate equal to that specified for data entry operators in the classified service of San Diego County.

(h) One deputy clerk stenographer who shall receive a biweekly salary at a rate equal to that specified for administrative secretary IV in the classified service of San Diego County.

(i) One deputy clerk interpreter who shall receive the biweekly salary at the rate equal to that specified for deputy clerk III.

(j) Any person occupying a position specified in subdivision (f) and performing bilingual duties as certified by the clerk-administrative officer shall be paid additional compensation at the biweekly rate specified for bilingual ability in the salary ordinance of the County of San Diego.

(k) The value in dollars of each salary provided for herein shall be at the rates indicated opposite the respective deputy clerk category in the salary schedule incorporated by Section 74343.1, and the provisions of subdivisions (a), (b), (c), (d), (e), and (f) of that section are applicable to the attachés appointed pursuant to this section. In no event shall the salary of the clerk-administrative officer, assistant clerk-administrative officer or any deputy clerk who occupied his position on the day prior to the effective date of this section be less than his salary on such day.

SEC. 3. Section 73958 of the Government Code is amended to read:

73958. (a) All persons holding positions on the effective date of any amendments to this article shall continue in their respective positions without further examination or qualification and at the added compensation provided in this article, including increments for continuous prior service in such positions in the court. Any person whose title is changed as a result of any amendments to this article shall receive credit for continued service to which he would be entitled under his previous position and shall receive compensation at the step covering such length of service. Thereafter, any increments earned by additional service in grade shall take effect upon the first day of the pay period following completion of such required service.

(b) In addition to the compensation provided in this article, the classifications of attachés of the municipal court shall receive, and they shall be entitled to the same vacations, holidays, sick leave, leaves of absence, bilingual pay, merit pay increases, retirement benefits and similar privileges and benefits as are now or may hereafter be provided for the employees of the County of San Diego in the comparable classifications specified in subdivision (e) of Section 74343.1, including the right to participate in a retirement plan, in any group health, accident or life insurance plan, and in the tuition refund and suggestion awards programs adopted by the Board of Supervisors of San Diego County. For purposes of this subdivision only, the clerk-administrative officer, and assistant

clerk-administrative officer, shall receive the same privileges and benefits as are received by the classification of chief probation officer of the classified service of the County of San Diego. Chief clerks of division, and assistant chief clerks of division shall receive the same privileges and benefits as are received by the classification of administrative assistant III of the classified service of the County of San Diego. The term "same privileges and benefits" for purposes of this section shall include, but not be limited to, any benefits which are available to comparable classifications in the classified civil service of San Diego County pursuant to the provisions of any ordinance of the County of San Diego which credit to a member of the San Diego County Employees Retirement System extra days or fractions thereof, of service for retirement purposes for each day of uncompensated sick leave. Changes and privileges and benefits shall be effective on the same date as they are for employees of the County of San Diego in comparable classifications. The majority of all the municipal court judges may adopt rules for the conduct of and personnel privileges to be afforded the attachés of the court.

(c) All attachés, except the clerk-administrative officer, the assistant clerk-administrative officer, and the judicial secretary, may be appointed, promoted, removed, suspended or discharged for cause by the appointing authority subject in such appointment, promotion, removal, suspension or discharge to civil service provisions applicable to the classified personnel of San Diego County. Whenever a person or attaché is appointed or promoted to a position, such person or attaché must serve a probationary period of at least six months.

(d) Notwithstanding the provisions of Section 71183, a person appointed by the clerk from an eligible list certified by the Civil Service Commission of the County of San Diego to fill a temporary position established pursuant to Section 72150 and employed in such temporary position immediately prior to the effective date of any amendments to this article, may be appointed by such clerk to a like permanent position in such clerk's office without further examination, qualification or certification on a civil service eligible list; provided, that the number of such positions in the clerk's office has been increased so as to make such temporary position a permanent position.

SEC. 4. Section 73959.1 is added to the Government Code, to read:

73959.1. By order entered in the minutes of this court, a majority of judges may appoint one judicial secretary who shall serve at the pleasure of the judges. The judicial secretary shall receive a biweekly salary at a rate equal to that specified for administrative secretary IV in the classified service of San Diego County. Privileges and benefits shall be equal to that of administrative secretary IV in the classified service of San Diego County.

CHAPTER 120

An act to amend Section 35780 of the Education Code, relating to school districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1981. Filed with Secretary of State June 30, 1981.]

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

SECTION 1. Section 35780 of the Education Code is amended to read:

35780. Any school district which has been organized for more than three years shall be lapsed as provided in this article if the number of registered electors in the district is less than six or if the average daily attendance of pupils in the school or schools maintained by the district is less than six in grades 1 through 8 or is less than 11 in grades 9 through 12, except that for any unified district which has established and continues to operate at least one senior high school, the board of supervisors shall defer the lapsation of the district for one year upon a written request of the governing board of the district and written concurrence of the county committee. The board of supervisors shall make no more than three such deferments. A school district may also be lapsed when there are no school facilities or sites on which to maintain any school in the district.

SEC. 2. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the Legislature finds and declares that there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs.

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

In order to save costs for maintaining the district in the 1981–82 school year, it is necessary that this act take effect immediately.

CHAPTER 121

An act to amend Sections 791.01 and 791.02 of the Insurance Code, and to repeal Section 21 of Chapter _____ of the Statutes of 1981, relating to insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1981 Filed with Secretary of State June 30, 1981]

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

SECTION 1. Section 791.01 of the Insurance Code, as amended by Chapter _____ of the Statutes of 1981 (Assembly Bill 268 of the 1981–82 Regular Session of the Legislature), is amended to read:

791.01. (a) The obligations imposed by this article shall apply to those insurance institutions, agents or insurance-support organizations which, on or after October 1, 1981:

(1) In the case of life or disability insurance:

(A) Collect, receive or maintain information in connection with insurance transactions which pertains to natural persons who are residents of this state, or

(B) Engage in insurance transactions with applicants, individuals or policyholders who are residents of this state.

(2) In the case of property or casualty insurance:

(A) Collect, receive or maintain information in connection with insurance transactions involving policies, contracts or certificates of insurance delivered, issued for delivery or renewed in this state, or

(B) Engage in insurance transactions involving policies, contracts or certificates of insurance delivered, issued for delivery or renewed in this state.

(b) The rights granted by this article shall extend to:

(1) In the case of life or disability insurance, the following persons who are residents of this state:

(A) Natural persons who are the subject of information collected, received or maintained in connection with insurance transactions.

(B) Applicants, individuals or policyholders who engage in or seek to engage in insurance transactions.

(2) In the case of property or casualty insurance, the following persons:

(A) Natural persons who are the subject of information collected, received or maintained in connection with insurance transactions involving policies, contracts or certificates of insurance delivered, issued for delivery or renewed in this state, and

(B) Applicants, individuals or policyholders who engage in or seek to engage in insurance transactions involving policies, contracts or certificates of insurance delivered, issued for delivery or renewed in this state.

(c) For purposes of this section, a person shall be considered a resident of this state if the person's last known mailing address, as shown in the records of the insurance institution, agent, or insurance-support organization, is located in this state.

(d) This article shall not apply to any person or entity engaged in the business of title insurance as defined in Section 12340.3.

(e) This article shall not apply to a person or entity engaged in the business of a home protection company, as defined in Section 12740,

which does not obtain or maintain personal information, as defined in this article, of its policyholders and applicants.

(f) Insurance institutions, agents, insurance support organizations or any insurance transaction subject to this article shall be exempt from Part 2.6 (commencing with Section 56) of Division 1 of, and Sections 1785.20 and 1786.40 of, the Civil Code.

SEC. 2. Section 791.02 of the Insurance Code, as amended by Chapter _____ of the Statutes of 1981 (Assembly Bill 268 of the 1981–82 Regular Session of the Legislature), is amended to read:

791.02. As used in this act:

(a) (1) "Adverse underwriting decision" means any of the following actions with respect to insurance transactions involving insurance coverage which is individually underwritten:

(A) A declination of insurance coverage.

(B) A termination of insurance coverage.

(C) Failure of an agent to apply for insurance coverage with a specific insurance institution which the agent represents and which is requested by an applicant.

(D) In the case of a property or casualty insurance coverage:

(i) Placement by an insurance institution or agent of a risk with a residual market mechanism, with an unauthorized insurer, or with an insurance institution which provides insurance to other than preferred or standard risks, if in fact the placement is at other than a preferred or standard rate. An adverse underwriting decision, in case of placement with an insurance institution which provides insurance to other than preferred or standard risks, shall not include such placement where the applicant or insured did not specify or apply for placement as a preferred or standard risk or placement with a particular company insuring preferred or standard risks, or

(ii) The charging of a higher rate on the basis of information which differs from that which the applicant or policyholder furnished.

(E) In the case of a life, health or disability insurance coverage, an offer to insure at higher than standard rates.

(2) Notwithstanding paragraph (1), any of the following actions shall not be considered adverse underwriting decisions but the insurance institution or agent responsible for their occurrence shall nevertheless provide the applicant or policyholder with the specific reason or reasons for their occurrence:

(A) The termination of an individual policy form on a class or statewide basis.

(B) A declination of insurance coverage solely because such coverage is not available on a class or statewide basis.

(C) The rescission of a policy.

(b) "Affiliate" or "affiliated" means a person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with another person.

(c) "Agent" means any person licensed pursuant to Chapter 5 (commencing with Section 1621), Chapter 5A (commencing with

Section 1759), Chapter 6 (commencing with Section 1760), Chapter 7 (commencing with Section 1800), or Chapter 8 (commencing with Section 1831).

(d) "Applicant" means any person who seeks to contract for insurance coverage other than a person seeking group insurance that is not individually underwritten.

(e) "Consumer report" means any written, oral or other communication of information bearing on a natural person's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics or mode of living which is used or expected to be used in connection with an insurance transaction.

(f) "Consumer reporting agency" means any person who:

(1) Regularly engages, in whole or in part, in the practice of assembling or preparing consumer reports for a monetary fee.

(2) Obtains information primarily from sources other than insurance institutions.

(3) Furnishes consumer reports to other persons.

(g) "Control," including the terms "controlled by" or "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with or corporate office held by the person.

(h) "Declination of insurance coverage" means a denial, in whole or in part, by an insurance institution or agent of requested insurance coverage.

(i) "Individual" means any natural person who:

(1) In the case of property or casualty insurance, is a past, present or proposed named insured or certificate holder;

(2) In the case of life or disability insurance, is a past, present or proposed principal insured or certificate holder;

(3) Is a past, present or proposed policyowner;

(4) Is a past or present applicant; or

(5) Is a past or present claimant; or

(6) Derived, derives or is proposed to derive insurance coverage under an insurance policy or certificate subject to this act.

(j) "Institutional source" means any person or governmental entity that provides information about an individual to an agent, insurance institution or insurance-support organization, other than:

(1) An agent,

(2) The individual who is the subject of the information, or

(3) A natural person acting in a personal capacity rather than in a business or professional capacity.

(k) "Insurance institution" means any corporation, association, partnership, reciprocal exchange, interinsurer, Lloyd's insurer, fraternal benefit society or other person engaged in the business of insurance, including medical service plans and hospital service plans.

"Insurance institution" shall not include agents, insurance-support organizations, or group practice prepayment health care service plans regulated pursuant to the Knox-Keene Health Care Service Plan Act, Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code.

(*l*) "Insurance-support organization" means:

(1) Any person who regularly engages, in whole or in part, in the business of assembling or collecting information about natural persons for the primary purpose of providing the information to an insurance institution or agent for insurance transactions, including:

(A) The furnishing of consumer reports or investigative consumer reports to an insurance institution or agent for use in connection with an insurance transaction, or

(B) The collection of personal information from insurance institutions, agents or other insurance-support organizations for the purpose of detecting or preventing fraud, material misrepresentation or material nondisclosure in connection with insurance underwriting or insurance claim activity.

(2) Notwithstanding paragraph (1), the following persons shall not be considered "insurance-support organizations": agents, government institutions, insurance institutions, medical care institutions, medical professionals, and peer review committees.

(m) "Insurance transaction" means any transaction involving insurance primarily for personal, family or household needs rather than business or professional needs which entails:

(1) The determination of an individual's eligibility for an insurance coverage, benefit or payment, or

(2) The servicing of an insurance application, policy, contract or certificate.

(n) "Investigative consumer report" means a consumer report or portion thereof in which information about a natural person's character, general reputation, personal characteristics or mode of living is obtained through personal interviews with the person's neighbors, friends, associates, acquaintances or others who may have knowledge concerning such items of information.

(o) "Medical care institution" means any facility or institution that is licensed to provide health care services to natural persons, including but not limited to, hospitals, skilled nursing facilities, home health agencies, medical clinics, rehabilitation agencies and public health agencies.

(p) "Medical professional" means any person licensed or certified to provide health care services to natural persons, including but not limited to, a physician, dentist, nurse, optometrist, physical or occupational therapist, psychiatric social worker, clinical dietitian, clinical psychologist, chiropractor, pharmacist, or speech therapist.

(q) "Medical record information" means personal information which:

(1) Relates to an individual's physical or mental condition, medical history or medical treatment, and

(2) Is obtained from a medical professional or medical care institution, from the individual, or from the individual's spouse, parent or legal guardian.

(r) "Person" means any natural person, corporation, association, partnership or other legal entity.

(s) "Personal information" means any individually identifiable information gathered in connection with an insurance transaction from which judgments can be made about an individual's character, habits, avocations, finances, occupation, general reputation, credit, health or any other personal characteristics. "Personal information" includes an individual's name and address and "medical record information" but does not include "privileged information."

(t) "Policyholder" means any person who:

(1) In the case of individual property or casualty insurance, is a present named insured;

(2) In the case of individual life or disability insurance is a present policyowner; or

(3) In the case of group insurance which is individually underwritten, is a present group certificate holder.

(u) "Pretext interview" means an interview whereby a person, in an attempt to obtain information about a natural person, performs one or more of the following acts:

(1) Pretends to be someone he or she is not,

(2) Pretends to represent a person he or she is not in fact representing,

(3) Misrepresents the true purpose of the interview, or

(4) Refuses to identify himself or herself upon request.

(v) "Privileged information" means any individually identifiable information that both:

(1) Relates to a claim for insurance benefits or a civil or criminal proceeding involving an individual.

(2) Is collected in connection with or in reasonable anticipation of a claim for insurance benefits or civil or criminal proceeding involving an individual. However information otherwise meeting the requirements of this division shall nevertheless be considered "personal information" under this act if it is disclosed in violation of Section 791.13.

(w) "Residual market mechanism" means the California FAIR Plan Association, Chapter 10 (commencing with Section 10101) of Part 1 of Division 2, and the assigned risk plan, Chapter 1 (commencing with Section 11550) of Part 3 of Division 2.

(x) "Termination of insurance coverage" or "termination of an insurance policy" means either a cancellation or nonrenewal of an insurance policy, in whole or in part, for any reason other than the failure to pay a premium as required by the policy.

(y) "Unauthorized insurer" means an insurance institution that has not been granted a certificate of authority by the commissioner to transact the business of insurance in this state.

(z) "Commissioner" means the Insurance Commissioner; except

in the case of a person or entity subject to the provisions of the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code), and except as to any person defined in subdivision (k) when engaged in providing information or evaluation to a person or entity subject to the provisions of the Knox-Keene Health Care Service Plan Act of 1975, and in such instances only, the term "commissioner" shall mean the Commissioner of Corporations.

(aa) "Insurance" includes a medical service or hospital service agreement or contract issued by a person or entity subject to the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code).

SEC. 3. Section 21 of Chapter _____ of the Statutes of 1981 (Assembly Bill 268 of the 1981–82 Regular Session of the Legislature) is repealed.

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

Chapter 1214 of the Statutes of 1980 will become operative on July 1, 1981. In order to delay the operation of Chapter 1214 until October 1, 1981, it is necessary that this act go into effect immediately.

CHAPTER 122

An act to amend Sections 396b and 473 of the Code of Civil Procedure, relating to motions and applications.

[Approved by Governor June 30, 1981 Filed with Secretary of State June 30, 1981]

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

SECTION 1. Section 396b of the Code of Civil Procedure is amended to read:

396b. Except as otherwise provided in Section 396a, if an action or proceeding is commenced in a court having jurisdiction of the subject matter thereof, other than the court designated as the proper court for the trial thereof, under the provisions of this title, the action may, notwithstanding, be tried in the court where commenced, unless the defendant, at the time he or she answers or demurs, or, at his or her option, without answering or demurring and within the time otherwise limited to plead, files with the clerk, or with the judge if there be no clerk, a notice of motion for an order transferring the action or proceeding to the proper court, together with proof of service, upon the adverse party, of a copy of such papers. Upon the hearing of such motion the court shall, if it appears that the action

or proceeding was not commenced in the proper court, order the same transferred to the proper court; and in its discretion, the court may order the payment to the prevailing party of reasonable expenses and attorney's fees incurred in making or resisting such motion whether or not such party is otherwise entitled to recover his or her costs of action. In determining whether such order for expenses and fees shall be made, the court shall take into consideration (1) whether an offer to stipulate to change of venue was reasonably made and rejected, and (2) whether such motion or selection of venue was made in good faith given the facts and law the party making the motion or selecting the venue knew or should have known. As between the party and his or her attorney, such expenses and fees shall be the personal liability of the attorney not chargeable to the party. Provided, however, that the court in a proceeding for dissolution of marriage or legal separation, may, prior to the determination of such motion, consider and determine motions for allowance of temporary alimony, support of children, counsel fees and costs, and make all necessary and proper orders in connection therewith. And further provided, that in any case, if an answer be filed, the court may consider opposition to the motions, if any, and may retain the action in the county where commenced if it appears that the convenience of the witnesses or the ends of justice will thereby be promoted.

SEC. 2. Section 473 of the Code of Civil Procedure is amended to read:

473. The court may, in furtherance of justice, and on such terms as may be proper, allow a party to amend any pleading or proceeding by adding or striking out the name of any party, or by correcting a mistake in the name of a party, or a mistake in any other respect; and may, upon like terms, enlarge the time for answer or demurrer. The court may likewise, in its discretion, after notice to the adverse party, allow, upon such terms as may be just, an amendment to any pleading or proceeding in other particulars; and may upon like terms allow an answer to be made after the time limited by this code.

When it appears to the satisfaction of the court that such amendment renders it necessary, the court may postpone the trial, and may, when such postponement will by the amendment be rendered necessary, require, as a condition to the amendment, the payment to the adverse party of such costs as may be just.

The court may, upon such terms as may be just, relieve a party or his or her legal representative from a judgment, order, or other proceeding taken against him or her through his or her mistake, inadvertence, surprise or excusable neglect. Application for such relief must be accompanied by a copy of the answer or other pleading proposed to be filed therein, otherwise the application shall not be granted, and must be made within a reasonable time, in no case exceeding six months, after such judgment, order or proceeding was taken; provided, however, that, in the case of a judgment, order or other proceeding determining the ownership or right to

possession of real or personal property, without extending said six months period, when a notice in writing is personally served within the State of California both upon the party against whom the judgment, order or other proceeding has been taken, and upon his or her attorney of record, if any, notifying said party and his or her attorney of record, if any, that such order, judgment or other proceeding was taken against him or her and that any rights said party has to apply for relief under the provisions of Section 473 of the Code of Civil Procedure shall expire 90 days after service of said notice, then such application must be made within 90 days after service of such notice upon the defaulting party or his or her attorney of record, if any, whichever service shall be later. No affidavit or declaration of merits shall be required of the moving party.

The court may, upon motion of the injured party, or its own motion, correct clerical mistakes in its judgment or orders as entered, so as to conform to the judgment or order directed, and may, on motion of either party after notice to the other party, set aside any void judgment or order.

CHAPTER 123

An act to amend Section 4550 of the Civil Code, relating to marriage.

[Approved by Governor June 30, 1981 Filed with Secretary of State June 30, 1981]

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

SECTION 1. Section 4550 of the Civil Code is amended to read:

4550. A marriage may be dissolved by the summary dissolution procedure specified in this chapter when all of the following conditions exist at the time the proceeding is commenced:

(a) Either party has met the jurisdictional requirements of Sections 4530 and 4531 with regard to dissolution of marriage.

(b) Irreconcilable differences have caused the irremediable breakdown of the marriage and the marriage should be dissolved.

(c) There are no children of the relationship of the parties born before or during the marriage or adopted by the parties during the marriage, and the wife, to her knowledge, is not pregnant.

(d) The marriage is not more than five years in duration at the time the petition is filed.

(e) Neither party has any interest in real property wheresoever situated, with the exception of the lease of a residence occupied by either party, if it does not include an option to purchase, and if it terminates within one year from the date of the filing of the petition

(f) There are no unpaid obligations in excess of three thousand dollars ($3,000) incurred by either or both of the parties after the

date of their marriage, excluding the amount of any unpaid obligation with respect to an automobile.

(g) The total fair market value of community property assets, excluding all encumbrances and automobiles, is less than ten thousand dollars ($10,000) and neither party has separate property assets, excluding all encumbrances and automobiles, in excess of ten thousand dollars ($10,000).

(h) The parties have executed an agreement setting forth the division of assets and the assumption of liabilities of the community, and have duly executed any documents, title certificates, bills of sale, or other evidence of transfer necessary to effectuate the agreement.

(i) The parties waive any rights to spousal support.

(j) The parties, upon entry of final judgment of dissolution of marriage, irrevocably waive their respective rights to appeal, their rights to request findings of fact and conclusions of law, and their rights to move for a new trial.

(k) The parties have read and understand the summary dissolution brochure provided for in Section 4556.

(*l*) The parties desire that the court dissolve the marriage.

Commencing January 1, 1983, and on January 1 of each odd-numbered year thereafter, the amounts in subdivisions (f) and (g) shall be adjusted to reflect any change in the value of the dollar. The adjustments shall be made by multiplying the base amounts by the percentage change in the California Consumer Price Index as compiled by the Department of Industrial Relations, with the result rounded to the nearest thousand dollars. The Judicial Council shall compute and publish the amounts.

CHAPTER 124

An act to amend Sections 22108, 22114, 22117, 22118, 22120, 22121, 22126, 22136, 22141, 22142, 22147, 22148, 22150, 22200, 22206, 22719, 22800, 22804, 23807, 23808, 23815, 23903, 23911, 24100, 24303, and 24605 of, to add Sections 22134.7, 22150.5, 23101.5, 23702.5, 23804.3, 23804.5, and 23804.7 to, to repeal and add Sections 23800, 23801, 23802, and 23804 of, and to repeal Sections 22008, 22010, 22105, 22507, 22508, 23803, 23810, 23811, 23916, and 24201 of, the Education Code, relating to the State Teachers' Retirement System

[Approved by Governor June 30, 1981 Filed with Secretary of State June 30, 1981]

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

SECTION 1. Section 22008 of the Education Code is repealed.

SEC. 2. Section 22010 of the Education Code is repealed.

SEC. 3. Section 22105 of the Education Code is repealed.

SEC. 4. Section 22108 of the Education Code is amended to read:

22108. "Beneficiary" means any person or entity receiving or entitled to receive allowances and payments pursuant to this part because of the death of a member, disabilitant, or retirant.

SEC. 5. Section 22114 of the Education Code is amended to read:

22114. "Compensation" and "salary" mean remuneration in cash payable by the employer to the member, and includes any amount deducted from the member's salary for payment to one other than the member for the purpose of purchasing an annuity contract for the member under an annuity plan which meets the requirements of Section 403(b) of the Internal Revenue Code of 1954 (26 U.S.C. Sec. 403(b)) and any amount deducted from a member's wages for participation in a deferred compensation plan established pursuant to Chapter 8 (commencing with Section 18310) of Part 1 of Division 5 of Title 2, or pursuant to Article 1.1 (commencing with Section 53212) of Chapter 2 of Part 1 of Division 2 of Title 5, of the Government Code.

"Compensation" and "salary" do not mean, and shall not include, any of the following:

(a) Job-related expenses.

(b) Money paid to the employee for overtime service on and after July 1, 1956.

(c) Compensatory damages and money paid to the member in excess of regular salary as a compromise settlement of a dispute arising from termination of a member's employment contract.

(d) Lump-sum payments for accumulated sick leave or accumulated vacation leave.

(e) Money paid for summer school employment.

(f) Money paid as a bonus.

(g) Tax-sheltered annuity contributions which do not result in a reduction of the earned contract salary paid to the employee.

(h) Fringe benefits paid for by the employer in lieu of salary.

(i) Money not available for payment of salaries and which is applied by an employer for the purchase of annuity contracts or for other insurance programs, including those which meet the requirements of Section 403(b) of the Internal Revenue Code of 1954.

Any moneys paid under subdivisions (a) to (i), inclusive, shall not be included as a part of the member's compensation subject to contributions reported to the system.

SEC. 6. Section 22117 of the Education Code is amended to read:

22117. "Credited service" means service for which the required contributions have been paid and shall be used in determining a member's eligibility for any allowance provided by this part.

SEC. 7. Section 22118 of the Education Code is amended to read:

22118. "Death payment" means the sum of two thousand dollars ($2,000) payable to the beneficiary in the event of the death of a member, disabilitant, or retirant.

SEC. 10. Section 22120 of the Education Code is amended to read:

22120. "Disabilitant" means a member of the system to whom a

disability allowance is payable.

SEC. 11. Section 22121 of the Education Code is amended to read:

22121. "Disability allowance" means monthly amounts payable to a disabilitant.

SEC. 12. Section 22126 of the Education Code is amended to read:

22126. "Family allowance" means monthly amounts payable to eligible survivors provided by this part after June 30, 1972.

SEC. 13. Section 22134.7 is added to the Education Code, to read:

22134.7. "Option beneficiary" means a person designated to receive an actuarially reduced retirement allowance upon a retirant's or a member's death.

SEC. 14. Section 22136 of the Education Code is amended to read:

22136. "Other public systems" means the (a) old age, survivors, disability, and health insurance program, other than the lump-sum death payment, provided by the Social Security Act, (b) the federal civil service retirement program, (c) federal military disability, (d) railroad retirement, (e) a workers' compensation program, (f) federal railroad retirement, (g) or any other public retirement system, including any disability programs financed from public funds.

SEC. 15. Section 22141 of the Education Code is amended to read:

22141. "Projected final compensation" means a 2-percent increase compounded annually applied to the final compensation or salary which was used in computing the disability or family allowance.

SEC. 16. Section 22142 of the Education Code is amended to read:

22142. "Projected service" means the credited service plus the service which would have been earned had the member or disabilitant continued to earn credited service at the same rate as the highest of any one of the three school years immediately preceding death or the date disability allowance began to accrue.

SEC. 17. Section 22147 of the Education Code is amended to read:

22147. "Return on investments" means income received or receivable from the system's investments.

SEC. 18. Section 22148 of the Education Code is amended to read:

22148. "Retirement" means withdrawal from membership with a retirement allowance.

SEC. 19. Section 22150 of the Education Code is amended to read:

22150. "Retirement allowance" means monthly amounts payable to a retirant or the option beneficiary.

SEC. 19.5. Section 22150.5 is added to the Education Code, to read:

22150.5. "Retirement fund" means the Teachers' Retirement Fund.

SEC. 20. Section 22200 of the Education Code is amended to read:

22200. The system is managed by the Teachers' Retirement Board. The members of the board are as follows:

(a) The Superintendent of Public Instruction.

(b) The Controller.

(c) The Director of Finance.

(d) One member who, at the time of appointment, is a member of the governing board of a school district or a community college district.

(e) Two members of the State Teachers' Retirement System who, at time of appointment, are classroom teachers in grades kindergarten through 14.

(f) One member or retirant of the system

(g) One official of a life insurance company appointed by the Governor for a term of four years, subject to confirmation by the Senate.

(h) One official of a bank appointed by the Governor for a term of four years, subject to confirmation by the Senate.

The members of the board provided by subdivisions (d), (e), and (f) shall be appointed by the Governor for four-year terms from a list submitted by the Superintendent of Public Instruction.

The members of the board shall annually elect a chairperson and vice chairperson.

SEC 21. Section 22206 of the Education Code is amended to read:

22206. The board may authorize the transfer and disbursement of funds from the retirement fund for the purpose of carrying into effect this part upon the signature of either or both its chairperson and vice chairperson or the chief executive officer or any employee of the system designated by the chief executive officer.

SEC. 22. Section 22507 of the Education Code is repealed.

SEC. 23. Section 22508 of the Education Code is repealed.

SEC. 24. Section 22719 of the Education Code is amended to read:

22719. A member shall be credited at retirement for each day of accumulated and unused leave of absence for illness or injury for which full salary is allowed that the member was entitled to on the final day the member performed service for the school district or other employing agency by which the member was last employed in a position requiring membership in the system.

The number of years of service credit to be granted shall be determined by dividing the number of days of accumulated and unused leave of absence for illness or injury by the number of days of service required by the member's contract of employment during the final year of service in a position requiring membership in the system.

When the member has made application for retirement under this part, the school district or other employing agency shall certify to the board, within 30 days following the effective date of the member's retirement, the number of days of accumulated and unused leave of absence for illness or injury that the employee is entitled to on the final day of employment. The board may assess a penalty on delinquent reports in accordance with the provision regarding late submission of reports.

This section shall not be applicable to any person who became a member of the system on or after July 1, 1980, whether or not the

person was ever a member prior to that date.

SEC. 25. Section 22800 of the Education Code is amended to read:

22800. Contributions made by a member shall be credited to the member's individual account by the board.

SEC. 26. Section 22804 of the Education Code is amended to read:

22804. Each member of the system shall contribute to the retirement fund an amount equivalent to 8 percent of the member's compensation.

SEC. 27. Section 23101.5 is added to the Education Code, to read:

23101.5. Deposit in the United States mail of an initial warrant drawn in favor of a member as a refund of contributions upon termination of employment, and addressed to the latest member's address on file, constitutes a return of the member contributions.

If a person to whom the warrant is mailed returns the warrant to the system's office for cancellation, within 30 days from the mailing date, the refund shall be canceled and the person shall be reinstated to membership with all the rights and privileges restored.

SEC. 28. Section 23702.5 is added to the Education Code, to read:

23702.5. A corporation, trust, eleemosynary, parochial institution, or public entity may be designated as a beneficiary. However, they may not be designated as option beneficiaries.

SEC. 29. Section 23800 of the Education Code is repealed.

SEC. 30. Section 23800 is added to the Education Code, to read:

23800. The death payment shall be paid to the beneficiary upon receipt of proof of death of any of the following:

(a) A retirant.

(b) A disabilitant.

(c) A member who had one or more years of credited service, at least one of which had been performed subsequent to the most recent refund of accumulated retirement contributions, if the member died during any one of the following periods:

(1) While in active employment.

(2) While disabled, if the disability had been continuous from the last day for which compensation had been paid.

(3) Within four months after terminating employment.

(4) Within 12 months of the last day for which compensation was paid, if the member was on an approved leave of absence without compensation for reasons other than disability or military service.

There shall be deducted from the death payment an amount equal to any death benefit provided by employer contributions and payable by a local system, the Public Employees' Retirement System, the Legislators' Retirement System, the Judges' Retirement System, or the University of California Retirement System.

SEC. 31. Section 23801 of the Education Code is repealed.

SEC. 32. Section 23801 is added to the Education Code, to read:

23801. Upon receipt of proof of a member's death who has no preretirement option in effect, or who has no eligible survivors for a family allowance, there shall be paid to the beneficiary both of the following:

(a) The accumulated retirement contributions after July 1, 1935.

(b) The accumulated annuity deposit contributions.

SEC. 33. Section 23802 of the Education Code is repealed.

SEC. 34. Section 23802 is added to the Education Code, to read:

23802. Upon receipt of proof of death of a retirant who retired after June 30, 1972, and of the retirant's option beneficiary, prior to the time the total retirement allowance paid or payable equals the accumulated retirement contributions at retirement, the difference shall be paid, in the following order of priority, to:

(a) The beneficiary if no option was elected.

(b) The estate of the option beneficiary.

SEC. 35. Section 23803 of the Education Code is repealed.

SEC. 36. Section 23804 of the Education Code is repealed.

SEC. 37. Section 23804 is added to the Education Code, to read:

23804. (a) A family allowance is payable upon the death of a member or a disabilitant who was receiving a disability allowance which began to accrue after June 30, 1972.

(b) (1) For the family allowance to be payable upon the death of a member, all of the following conditions shall be met at the time of death:

(A) Death occurred after June 30, 1972.

(B) A preretirement election of an option is not in effect.

(C) The provisions for the death payment under this part have been met.

(2) In addition to the conditions specified in paragraph (1), at least one-half year of credited service had been performed subsequent to the end of the last break, if a break in service of more than one year had occurred.

(3) In addition to the conditions specified in paragraph (1), at least one year of credited service had been performed subsequent to the last reinstatement date, if reinstated from retirement.

(c) The family allowance is in lieu of the return of the member's accumulated retirement contributions.

The family allowance may be terminated, if all eligible beneficiaries formally waive their rights in accordance with the requirements established by the system.

SEC. 38. Section 23804.3 is added to the Education Code, to read:

23804.3. A family allowance is payable in the amount and to the specified persons in the following order of priority:

(a) To the member's or disabilitant's surviving spouse who has financial responsibility for at least one child, an amount equal to 40 percent of the deceased member's final compensation or the disabilitant's projected final compensation plus 10 percent of the final compensation for each child, up to a maximum allowance of 90 percent.

(b) If there is no surviving spouse or upon the death or remarriage of the surviving spouse, to each child, an amount equal to 10 percent of the deceased member's final compensation or the disabilitant's projected final compensation, up to a maximum allowance of 50

percent. If there are more than five children, they shall share equally in the maximum allowance of 50 percent.

(c) To the unremarried surviving spouse at age 60 or over without children, an amount equal to option three as provided under this part computed on the member's or disabilitant's projected final compensation and projected service to age 60. The allowance payable under this subdivision shall be increased by application of the benefit improvement factor for time which elapses between the date the member or disabilitant would have attained age 60 and the date the family allowance under this subdivision begins to accrue.

(d) If there is no surviving spouse or children upon the member's or disabilitant's death, to the dependent parent age 60 or over, an amount equal to option three as provided under this part computed on the member's or disabilitant's projected final compensation and projected service to age 60. If there are two dependent parents, a single-family allowance shall be computed on the assumption that the younger parent is the beneficiary and the allowance shall be divided equally for as long as there are two dependent parents. Thereafter, the allowance shall be payable to the surviving dependent parent.

(e) If there are no children who qualify under Section 22112, a spouse or the dependent parent or parents may elect, prior to the receipt of the first payment under subdivision (c) or (d), to receive the accumulated contributions in a lump sum subject to a reduction for any payments made from the account for any prior qualified persons.

SEC. 39. Section 23804.5 is added to the Education Code, to read:

23804.5. The family allowance payable to the surviving spouse who has financial responsibility for at least one child, or payable to the children, shall be reduced by an amount equal to the unmodified benefits paid or payable from other public systems for the same event which qualified the member or disabilitant for the family allowance.

SEC. 40. Section 23804.7 is added to the Education Code, to read:

23804.7. If there are children who are not in the care of the surviving spouse, they shall be included in the calculation of the family allowance and their applicable portion shall be payable to them.

Allowances payable to the children, or to the children who are not in the care of the surviving spouse, shall be paid to the trustee of the estate or to the guardian of the children if no trustee is designated. In the case of a child age 18 or more, the child's share of the allowance shall be paid to the child.

SEC. 41. Section 23807 of the Education Code is amended to read:

23807. Upon termination of family allowances under this part and prior to the payment of allowances equal to the amount of the member's accumulated retirement contributions at the time of death, the balance shall be paid to the member's beneficiary.

Payments provided under this section shall include credited

interest on the unpaid balance calculated from the date family allowances were last paid or from the date of death, if no family allowance payments were made, to the date the balance is paid.

SEC. 42. Section 23808 of the Education Code is amended to read:

23808. Family allowances payable under this part shall be increased by application of the benefit improvement factor.

SEC. 43. Section 23810 of the Education Code is repealed.

SEC. 44. Section 23811 of the Education Code is repealed.

SEC. 45. Section 23815 of the Education Code is amended to read:

23815. To determine eligibility for benefits payable under family and disability allowances as a full-time student, all of the following apply:

(a) An individual shall be deemed to be a full-time student during any normal period of vacation or holiday of the institution involved, and there is sufficient evidence to satisfy the board of the intention to continue in full-time attendance at the educational institution immediately following the period of vacation or holiday.

(b) If the individual fails to return to full-time attendance following vacation or holiday, the allowance ceases as of the first of the month in which return to full-time attendance was required.

(c) An individual does not qualify as a full-time student during any period of nonattendance if the nonattendance is due to expulsion or suspension.

(d) An individual shall not qualify as a full-time student if attendance at an educational institution is paid for and provided by the employer or is in the course of on-the-job training, unless the on-the-job training is part of the regularly established school training for which credit toward a diploma, certificate, or graduation is given. An individual shall not qualify as a full-time student for any full-time course of study which is directly paid for and sponsored under the job corps of the Economic Opportunity Act or paid for or sponsored by any armed forces for this state or the United States of America.

SEC. 46. Section 23903 of the Education Code is amended to read:

23903. The board may authorize payment of a disability allowance to any member who is qualified upon application by the member, the guardian or conservator, or the employer, if the application is made during any one of the following periods:

(a) While the member is employed but not performing services in a position requiring membership in the system.

(b) While the member is physically or mentally incapacitated for performance of his or her duty and the incapacity has been continuous from the last day for which compensation was paid to the member.

(c) While the member is on a leave of absence without compensation, granted for reason other than mental or physical incapacity for performance of his or her duty, and within four months after the last day of employment for which compensation was paid to the member, or within 12 months while on an official district leave to study at an approved college or university.

(d) Within four months after the termination of the member's employment in a position requiring membership in the system, if the application was not made under subdivision (b) and was not made more than four months after the last day for which compensation was paid to the member.

(e) A member with children who becomes disabled prior to age 60, and whose sick leave will extend beyond age 60, may be awarded a disability allowance with an effective date after age 60, if application is filed prior to attaining age 60.

On receipt of an application for disability allowance, the system may order a medical examination of a member to determine whether the member is incapacitated for further service. If the applicant for disability allowance refuses to submit to the required medical examination, the application for disability allowance shall be canceled. The applicant shall either remain in this state, or return to this state at the applicant's own expense, to undergo the initial evaluations or examinations or the application shall be disallowed, unless this requirement is waived by the board.

SEC. 47. Section 23911 of the Education Code is amended to read:

23911. When a member who has been granted a disability allowance after June 30, 1972, reaches age 60, or at a later date when there are no children, the disability allowance shall be terminated and the member is eligible for service retirement. The retirement allowance shall be calculated on the projected final compensation and projected service to age 60. The allowance payable under this section, excluding annuities payable from accumulated annuity deposit contributions, shall not be greater than the terminated disability allowance.

Upon retirement, the member may elect to modify the service retirement allowance payable in accordance with any option provided under this part.

SEC. 48. Section 23916 of the Education Code is repealed.

SEC. 49. Section 24100 of the Education Code is amended to read:

24100. Upon qualification for disability, a member shall receive a disability allowance equal to 50 percent of final compensation payable in monthly installments. The allowance shall be increased by 10 percent of the final compensation for each child, to a maximum of four children.

SEC 50. Section 24201 of the Education Code is repealed.

SEC. 51. Section 24303 of the Education Code is amended to read:

24303. If less than three years of credited service are performed after termination of the disability allowance, the member shall receive a retirement allowance which is the lesser of the service retirement allowance, computed on projected service and projected final compensation to the earlier of termination date of the disability allowance or age 60, or the disability allowance the member was receiving immediately prior to termination of that allowance, exclusive of increments added for children. The member may not elect to pay for, or receive credit for, service which was not credited

on the date the disability allowance began to accrue.

If three or more years of credited service are performed after termination of the disability allowance, the member shall receive a retirement allowance computed on final compensation and projected service to the termination date of the disability allowance and on a new final compensation. The member may pay for, and receive credit for, service which was not credited to the member on the date the disability allowance began to accrue.

SEC. 52. Section 24605 of the Education Code is amended to read:

24605. Any disability allowance which has accrued and remains unpaid to a disabilitant at the time of death shall be paid to (a) the person entitled to receive a family allowance or, if none, to (b) the beneficiary entitled to receive the death payment.

CHAPTER 125

An act to amend Section 31751 of the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor June 30, 1981 Filed with Secretary of State June 30, 1981]

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

SECTION 1 Section 31751 of the Government Code is amended to read:

31751. The board of supervisors of a county of the ninth class, as defined by Section 28030, by majority vote, may make this section applicable in the county by adopting a resolution specifying the effective date of its application to officers and employees for whom it is the governing body.

The governing body of a district not governed by the board of supervisors may, also by majority vote, make this section applicable to its officers and employees if this section is applicable in the county.

This section shall apply, except as provided below, to all officers and employees who become members or return to membership on or after April 4, 1980, in the county or district.

However, this section shall not apply to any employee in active law enforcement or active fire suppression service or to any employee who otherwise may be in, or eligible for, safety membership under this chapter Neither shall this section apply to any person who is a member of the retirement system in the county or a district on the effective date of its application in the county or the district unless and until the person voluntarily in writing requests that this section apply to the member.

The board of supervisors shall adopt regulations permitting individual county and district employees who are members on the effective date this section is applicable to their agencies to elect to

make this section apply to them for future service credit. The regulations shall specify the period, not to exceed one year from the date this section applies to the county or the district, during which each employee shall have to make the election. If a member elects to have this section apply to the member, the election shall be irrevocable.

Any member who elects to make this section applicable to the member, and who becomes permanently incapacitated as defined in Section 31720.1, shall be granted a disability allowance under Section 31727.01 if the member has completed five years of service.

This section shall not apply to any member who is laid off and later returns to membership, if the member had elected not to be subject to this section.

CHAPTER 126

An act to amend Sections 73105, 73106, 73107, 73109, and 73110 of the Government Code, relating to courts.

[Approved by Governor June 30, 1981 Filed with Secretary of State June 30, 1981]

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

SECTION 1. Section 73105 of the Government Code is amended to read:

73105. The judges of the San Bernardino County Municipal Court District shall, by majority vote, elect one of the judges of the district to serve as presiding judge of the district and shall formulate rules and regulations not inconsistent with law or rules and regulations adopted and prescribed by the Judicial Council for transfer of cases, assignment of judges, scheduling of vacation of judges, and other administrative matters such as will promote uniformity of procedures and efficiency and economy in the business of the district. Such rules and regulations shall be administered by the municipal court administrator under the supervision and control of the presiding judge of the district. Any rules and regulations adopted pursuant to Section 72002.1 shall be adopted by a majority vote of the judges of the district.

SEC. 2. Section 73106 of the Government Code is amended to read:

73106. The judges of the district shall meet quarterly, and more often if necessary, upon the call in writing of the presiding judge of the district or of any two supervising judges. At the last meeting of each calendar year, the judges shall elect the presiding judge of the district for the next ensuing year commencing January 1, shall review the business of the district, and shall make such recommendations to the board of supervisors and to the Judicial Council as it deems

desirable or necessary to promote the administration of justice in the courts of the district.

SEC. 3. Section 73107 of the Government Code is amended to read:

73107. There shall be one clerk of the San Bernardino County Municipal Court District to be known as the municipal court administrator who shall be appointed by a majority vote of the judges from among applicants certified to such judges on the basis of a competitive examination pursuant to personnel rules and regulations of the County of San Bernardino. He shall receive a salary at a rate specified in range 104 of the salary schedule effective on June 28, 1980, range 104 effective on December 27, 1980, and range 107 effective on June 27, 1981. He shall be the appointing authority for those positions listed in Section 73113.

SEC. 4. Section 73109 of the Government Code is amended to read:

73109. The municipal court administrator shall be the administrative officer of the district under the control and supervision of the presiding judge of the district. The judges shall prescribe and regulate, by majority vote, the duties and authority of the municipal court administrator, among which shall be:

(a) To direct and coordinate the nonjudicial activities of the district.

(b) To coordinate the personnel practices in compliance with rules of the district and those of the County of San Bernardino.

(c) To prepare and administer the budget of the district.

(d) To coordinate with other county agencies the acquisition, utilization, maintenance, and disposition of county facilities, equipment and supplies necessary for operation of the district.

(e) To initiate studies and prepare appropriate recommendations and reports to the presiding judge of the district and the judges relating to the business of the district, including, but not limited to, such matters as standardization of forms, procedures, and of classification and compensation of officers and employees.

(f) To collect, compare, and analyze statistical data on a continuing basis concerning the status of judicial and nonjudicial business of the district and to prepare periodic reports and recommendations based on such data.

(g) To make arrangements for and attend all meetings of the judges, to assist the presiding judge of the district in the preparation of the agenda, and to prepare minutes of the meetings of the judges.

(h) To serve as liaison for the district with other persons, committees, boards, groups, and associations as directed by the presiding judge of the district or the judges.

SEC. 5. Section 73110 of the Government Code is amended to read:

73110. There shall be one marshal of the San Bernardino County Municipal Court District who shall be appointed by, and serve at the pleasure of, a majority of the judges and who shall receive a salary

at a rate specified in range 103 of the salary schedule effective June 28, 1980. The marshal shall be the appointing power for those positions listed in Section 73113 as being appointed by the marshal.

CHAPTER 127

An act to amend Section 541.5 of the Probate Code, relating to decedents' estates.

[Approved by Governor June 30, 1981 Filed with Secretary of State June 30, 1981]

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

SECTION 1. Section 541.5 of the Probate Code is amended to read:

541.5. Every executor or administrator furnishing a surety bond shall be allowed the cost of the bond for every year it remains in force, not exceeding fifty dollars ($50) for a bond in the amount of four thousand dollars ($4,000), or a fraction thereof, and not exceeding one-half of 1 percent of the amount of the bond in excess of the sum of four thousand dollars ($4,000).

CHAPTER 128

An act to amend Section 987.92 of the Military and Veterans Code, relating to veterans' farm and home purchase.

[Approved by Governor June 30, 1981 Filed with Secretary of State June 30, 1981]

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

SECTION 1. Section 987.92 of the Military and Veterans Code is amended to read:

987.92. Notwithstanding other provisions of this article relating to maximum sums to be expended by the department and maximum purchase price, the department may acquire or construct a home equipped with solar energy heating devices at a purchase price not in excess of five thousand dollars ($5,000) over the maximum amounts specified in Sections 987.60, 987.61, and 987.65. Solar energy heating devices for swimming pools, hot tubs, saunas, and spas shall not qualify for any expenditure pursuant to this section except in the case of veterans who were wounded or disabled as a result of their service and who provide medical evidence satisfactory to the department that a heated swimming pool, hot tub, sauna, or spa, is therapeutically necessary.

CHAPTER 129

An act to add Section 42237.9 to the Education Code, and to amend Item 352 of Chapter 510 of the Statutes of 1980, relating to public education, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1981 Filed with Secretary of State June 30, 1981]

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

SECTION 1. Item 352 of Chapter 510 of the Statutes of 1980 is amended to read:

352—For local assistance, Department of Education, for transfer by the State Controller during the 1980–81 fiscal year to Section A of the State School Fund, in lieu of the amount which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 1980–81 fiscal year pursuant to Sections 14002, 14004, 14007, 41301 and 41304 of the Education Code, an amount as needed, in addition to the sums accruing to Section A of the State School Fund from other sources for the purposes specified in this item, for apportionment pursuant to Article 3 (commencing with Section 2550) of Chapter 12 of Part 2, Section 14054, Section 41841.5, Article 10 (commencing with Section 41850), and Article 12 (commencing with Section 41900) of Chapter 5 of Part 24, Section 42238, and Chapter 8 (commencing with Section 52200) of Part 28 of the Education Code, during the 1980–81 fiscal year an amount not to exceed 5,819,873,470

Schedule:

(a) For the purposes of Section 42238 of the Education Code.....5,523,190,001

(b) For the purposes of Section 2558 of the Education Code..... 179,398,300

(c) For the purposes of Chapter 8 (commencing with Section 52200) of Part 28 of the Education Code..... 15,885,170

(d) For the purposes of Article 12 (commencing with Section 41900) of Chapter 5 of Part 24 of the Education Code..... 19,800,000

(e) For the purposes of Article 10

(commencing with Section 41850) of Chapter 5 of Part 24 of the Education Code..... 75,000,000

(f) For the purposes of augmenting expenditures for purposes of Section 42238 of the Education Code 6,599,999

provided, that no funds appropriated by this item shall be expended for the purposes of Section 42243.6 of the Education Code until and unless all such claims have been audited and approved by the State Controller pursuant to that section.

Provided further, that of the funds appropriated by this item, no more than $150,926,000 shall be expended for the purposes of Section 42243.6 of the Education Code. If the Superintendent of Public Instruction receives claims pursuant to Section 42243.6 which in total exceed that amount, such claims shall be referred to the Board of Control for review and possible inclusion of the excess in a subsequent claims bill.

Provided further, that no more than $142,549,001 from category (a) shall be apportioned for adult education funding pursuant to paragraph (4) of subdivision (g) of Section 42238 of the Education Code.

Provided further, that the funds appropriated in category (f) shall be apportioned for adult education pursuant to paragraph (4) of subdivision (9) of Section 42238 of the Education Code in augmentation of the funds appropriated for such purpose from category (a).

Provided further, that no more than $1,080,000 from category (a) shall be apportioned pursuant to Section 41841.5 of the Education Code.

Provided further, that the Department of Education shall allocate no funds from category (d) to any school district which, without the appropriate waiver, imposes fees upon participants in driver training programs or which, prior to the 1980–81 fiscal year, imposed fees for participation in such programs and has not refunded such fees in full to the persons from whom they were collected

Provided further, that not more than $75,000,000 of the funds appropriated by this item may be allocated for the purpose of reimbursement of home-to-school transportation

Provided further, that allocations for the purposes of Article 10 (commencing with Section

41850) of Chapter 5 of Part 24 of the Education Code shall for reimbursements of 1979–80 transportation costs, in the 1980–81 fiscal year, be based on the 1978–79 level of assessed valuation for each qualifying district.

Provided further, that all school districts, county offices of education, and community college districts shall, upon request, make facilities available, at cost (including, but not limited to, the pro rata cost of janitorial services and other maintenance activities, utilities, and security services, as well as the cost of making any special repairs directly attributable to the migrant summer school programs), for the operation of migrant summer school programs and, if the Superintendent of Public Instruction determines that requests from legitimate prospective users of such facilities were denied without due cause, the superintendent shall assess a penalty of five thousand dollars ($5,000) or four times the operation cost of the prospective user in alternative facilities, for the period of time requested, whichever is the greater. The penalty amount shall be returned to Section A of the State School Fund.

SEC. 2. Section 42237.9 is added to the Education Code, to read:

42237.9. For the 1980–81 fiscal year, the county superintendent of schools shall, for the purpose of computing district revenue limits pursuant to Section 42238, recompute the revenue limit for each district within the county for the 1979–80 fiscal year, computed pursuant to paragraph (2) of subdivision (b) of Section 42237, as follows:

(a) Multiply the amount of property taxes levied for the 1977–78 fiscal year pursuant to Section 8329 by the district's reduction factor computed pursuant to Section 2 of Chapter 292 of the Statutes of 1978 as recalculated pursuant to paragraph (1) of subdivision (a) of Section 42237.

(b) Subtract from the amount computed pursuant to subdivision (a) the amount of funds expended in the 1978–79 fiscal year for purposes of child development from funds provided pursuant to Chapter 292 of the Statutes of 1978, as amended by Chapter 332 of the Statutes of 1978.

(c) Divide the difference computed pursuant to subdivision (b) by the 1979–80 second principal apportionment units of average daily attendance in the regular school year, excluding average daily attendance in summer school, regional occupation centers and programs, and in adult education programs and classes. The resulting quotient shall be subtracted from each district's revenue limit per unit of average daily attendance for the 1979–80 fiscal year computed pursuant to paragraph (2) of subdivision (b) of Section 42337.

SEC. 3. The sum of fifteen million two hundred thousand dollars ($15,200,000) is hereby appropriated from the Reserve for Economic Uncertainties in the General Fund to Section A of the State School Fund for the purpose of funding the increased school district revenue limits provided by this act.

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

In order to provide for the orderly functioning of school districts and their fiscal management for the 1980–81 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 130

An act making an appropriation for coastal resources, and in this connection amending and supplementing the Budget Act of 1980 by adding Section 2.91A thereto, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1981 Filed with Secretary of State June 30, 1981]

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

SECTION 1. Section 2.91A is added to the Budget Act of 1980, to read:

PARKLANDS ACQUISITION AND DEVELOPMENT PROGRAM

2.91A. The following sums of money, or so much thereof as may be necessary, are hereby appropriated for expenditure during 1980–81, 1981–82, and 1982–83 fiscal years, unless otherwise provided herein, for the programs contemplated by Section 5096.151 of the Public Resources Code. All such appropriations shall be paid out of the Parklands Fund of 1980.

STATE OPERATIONS

RESOURCES

591.1A—For support, State Coastal Conser- vancy, for the purposes set forth in subdivision (a) of Section 5096.178 of the Public Resources Code, payable from the Parklands Fund of 1980 ..... Provided $92,500 of this amount shall reimburse the State Coastal Conservancy Fund for costs in-	200,000

curred in 1980–81 for administration of the local assistance grants program pursuant to Sections 5096.173 to 5096.177, inclusive, of the Public Resources Code.

Provided, further, that no funds in excess of $92,500 may be encumbered by the State Coastal Conservancy, unless authorized by the Director of Finance, and in any case, not sooner than 30 days after notification in writing of the necessity therefor to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairman of the committee, or the chairman's designee, may in each instance determine.

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

To enable the State Coastal Conservancy to administer the coastal resources grant program established under the California Parklands Act of 1980, it is necessary that this act take effect immediately.

CHAPTER 131

An act to amend Section 35555 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1981. Filed with Secretary of State June 30, 1981]

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

SECTION 1. Section 35555 of the Vehicle Code is amended to read:

35555. Notwithstanding subdivisions (a) and (b) of Section 35551 and Section 35551.5, a cotton module mover, as defined in Section 35400.5, registered in California before July 1, 1980, may carry a gross weight on each set of tandem axles in excess of 34,000 pounds while crossing any state highway, or while being operated on any county highway, unless the county board of supervisors having jurisdiction over the county highway adopts a resolution prohibiting or limiting the operation of any cotton module mover exceeding the allowable axle weight limits on that county highway or on all county highways under its jurisdiction.

This section shall be applicable only to highways within the

Counties of Fresno, Imperial, Kern, Kings, Madera, Merced, Riverside, San Benito, San Bernardino, and Tulare.

This section shall remain in effect only until July 1, 1984, and as of that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1984, deletes or extends such 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 cotton module movers be available for the timely and efficient harvesting of cotton to supply much needed fiber for this country and the world in 1981 and thereafter so that the harvesting may be completed by the time required by regulations of the Department of Food and Agriculture to prevent the spread of the pink bollworm, and to clarify an ambiguity in the provisions enacted for this purpose, it is necessary that this act take effect immediately.

CHAPTER 132

An act to add Section 20750.17 to, and to repeal and add Section 21222.7 of, the Government Code, relating to the Public Employee's Retirement System, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 1, 1981 Filed with Secretary of State July 1, 1981.]

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

SECTION 1. Section 20750.17 is added to the Government Code, to read:

20750.17. The state's contributions to the retirement fund, with respect to the following classifications, provided by any and all other provisions of this chapter is increased by a sum equal to that percentage of the compensation paid the members set forth opposite each classification in the following table:

Classification	Percentage
State miscellaneous	.31
State patrol	.55
State safety	.26
State industrial	.21

SEC. 2. Section 21222.7 of the Government Code is repealed.

SEC. 3. Section 21222.7 is added to the Government Code, to read:

21222.7. In addition to the increase in allowance authorized by and granted pursuant to Section 21222, and notwithstanding the

limitation on such increases imposed by this article, the monthly allowance paid with respect to a state member, other than a school member, who retired or died prior to January 1, 1981, shall be increased by 4 percent.

The 4 percent shall be applied to the allowance payable on July 1, 1981, less the amount of the allowance paid pursuant to Section 21231, and the allowance as so increased shall be paid for time on and after that date and until April 1, 1982. The base allowance shall be the allowance as so increased, less payments pursuant to Section 21231, for annual adjustments effective for time commencing on April 1, 1982.

SEC. 4. The sum of three hundred ninety-three thousand three hundred dollars ($393,300) is hereby appropriated to the Board of Administration of the Public Employees' Retirement System for expenses and costs incurred during the 1980–81 fiscal year as follows:

(a) From the Public Employees' Retirement Fund in augmentation of Item 143 of the Budget Act of 1980	$248,900
(b) From the Public Employees' Contingency Reserve Fund in augmentation of Item 144 of the Budget Act of 1980	44,400
(c) From the General Fund in augmentation of Item 486 of the Budget Act of 1980	100,000

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

In order that benefits provided by this act may be payable as soon as possible and to provide for deficiencies in funds available to the Public Employees' Retirement System for administrative expenses and payment of annuitant health benefits premium costs incurred during the 1980–81 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 133

An act to amend Section 41902 of the Education Code, as amended by Assembly Bill No. 251 of the 1981–82 Regular Session, to amend Section 16113 of the Government Code, as amended by Assembly Bill No. 251 of the 1981–82 Regular Session, to amend Section 16113.1 of the Government Code, as added by Senate Bill No. 102 of the 1981–82 Regular Session, to amend Sections 11005.7 and 11005.8 of the Revenue and Taxation Code, as added by Senate Bill No. 102 of the 1981–82 Regular Session, to amend Sections 5705 and 16702 of the Welfare and Institutions Code, as amended by Assembly Bill No. 251

of the 1981–82 Regular Session, to amend Section 36 of Assembly Bill No. 777 of the 1981–82 Regular Session, to amend Section 154 of, and to repeal Sections 64, 147, 148, 150, 151, 155, 156, and 158 of, Assembly Bill No. 251 of the 1981–82 Regular Session, relating to fiscal affairs, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 1, 1981. Filed with Secretary of State July 1, 1981.]

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

SECTION 1. Section 41902 of the Education Code, as amended by Assembly Bill No. 251 of the 1981–82 Regular Session, is amended to read:

41902. Allowances by the Superintendent of Public Instruction shall be made only for driver training classes maintained in accordance with the rules and regulations as set forth by the State Board of Education.

Driver training may be made available to eligible students and, if made available, no tuition shall be charged. The governing board of a district maintaining a high school or high schools, the county superintendent of schools, the California Youth Authority, and the State Department of Education may make driver training available during school hours, or at other times, or any combination thereof.

SEC. 2. Section 16113 of the Government Code, as amended by Assembly Bill No. 251 of the 1981–82 Regular Session, is amended to read:

16113. (a) Each county auditor shall file a claim with the Controller on or before the last day of August of each year for reimbursement to local governmental agencies for the tax loss attributable to property on the unsecured roll by reason of the reduced assessment ratio of commercial passenger fishing vessels provided for in subdivision (c) of Section 227 of the Revenue and Taxation Code.

(b) Each county auditor shall file a claim with the Controller on or before October 31 of each fiscal year for reimbursement to local governmental agencies for the tax loss attributable to property on the secured roll by reason of the reduced assessment ratio of commercial passenger fishing vessels provided for in subdivision (c) of Section 227 of the Revenue and Taxation Code.

(c) For the 1980–81 fiscal year, and fiscal years thereafter, the amount the state shall reimburse local governmental jurisdictions for revenue loss by reason of the exemption for business inventories provided for in Section 219 of the Revenue and Taxation Code, and for livestock as provided for in Section 5523 of that code, shall be computed as follows:

(1) For the 1980–81 fiscal year, the sum of the reimbursements for all local governmental jurisdictions within a county shall equal twice the amount of money that would have been allocated for the 1979–80

fiscal year to the jurisdictions if the inventory exemption reimbursement had been predicated on the jurisdictions' share of the proceeds from a countywide property tax rate of four dollars ($4) per one hundred dollars ($100) of assessed valuation including the amount these jurisdictions would have received if that amount had not been subtracted pursuant to the provisions of Section 16117, plus 170 percent of the livestock exemption reimbursement for the 1979–80 fiscal year, with the resulting total sum to be increased by a percentage equal to the State Reimbursement for Inventory Tax Factor.

(2) For the 1981–82 fiscal year the sum of the reimbursements for all local governmental jurisdictions within a county shall be equal to the reimbursement computed for the prior fiscal year, multiplied by 1.0292.

(3) For the 1982–83 fiscal year and each fiscal year thereafter, the sum of the reimbursements for all local governmental jurisdictions within a county shall be equal to the reimbursement computed for the prior fiscal year, multiplied by the lesser of the change in cost of living for the calendar year in which the fiscal year begins or the change in California per capita personal income for the calendar year preceding the beginning of the fiscal year for which reimbursement is to be determined, the product multiplied by the change in population of the local jurisdiction for the calendar year preceding the beginning of the fiscal year for which reimbursement is to be determined.

"Change in California per capita personal income," "change in cost of living," and "change in population" shall have the meaning provided in Division 9 (commencing with Section 7900) of Title 1.

(d) With respect to the 1980–81 fiscal year and each fiscal year thereafter, each county auditor shall file a claim with the Controller on or before October 31 of each fiscal year for reimbursement to local jurisdictions for the amount computed pursuant to subdivision (c).

Proceeds received from the Controller pursuant to these claims shall be apportioned by the auditor to local governmental jurisdictions as property tax revenues pursuant to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code.

(e) For purposes of this section, "State Reimbursement for Inventory Tax Factor" means:

(1) For cities, counties, and special districts: the percentage change in cost of living (as determined pursuant to Section 2212 of the Revenue and Taxation Code) plus the percentage change in the population of the city, county, or special district (as determined pursuant to Section 2227 or 2228 of the Revenue and Taxation Code). The percentage change in the population of a redevelopment agency shall be the percentage change in the population of the city or county in which the redevelopment agency is located.

(2) For school districts, county superintendents of schools and community college districts: the percentage change in the cost of

living (as determined pursuant to Section 2212 of the Revenue and Taxation Code) plus the percentage change in the ADA of the school district or community college district.

SEC. 3. Section 16113.1 of the Government Code, as added by Senate Bill No. 102 of the 1981–82 Regular Session, is amended to read:

16113.1. (a) For the 1981–82 fiscal year only, the subvention to local governmental agencies made pursuant to Section 16113 shall be reduced by the amount determined pursuant to subdivision (b).

(b) For each local agency, as defined in Section 95 of the Revenue and Taxation Code, the county auditor shall report to the Controller the amount which is attributable to the portion of the property tax rate levied on the unsecured roll for the 1978–79 tax year, less the rate for voter-approved debt, which is in excess of four dollars ($4) per one hundred dollars ($100) of assessed value. The Controller shall compute imputed interest earnings on these amounts by applying an annual rate of interest equal to two points below the rate earned on Pooled Money Investment Fund for the period corresponding to the time between August 31, 1978 and June 30, 1981.

(c) The amount of imputed interest computed in subdivision (b) shall be subtracted from the amount of the subvention that would have otherwise been made pursuant to Section 16113 for the 1981–82 fiscal year and shall be transferred by the Controller to the General Fund, as an offset to the cost of the cap on the subvention reductions provided pursuant to Sections 11005.7 and 11005.8 of the Revenue and Taxation Code. The Department of Finance shall perform audits as necessary to ensure that the appropriate subvention reductions are made pursuant to this section.

SEC. 4. Section 11005.7 of the Revenue and Taxation Code, as added by Senate Bill No. 102 of the 1981–82 Regular Session, is amended to read:

11005.7. (a) For the 1981–82 fiscal year, the Controller shall reduce the amounts apportioned to each city pursuant to Section 11005, by an amount determined pursuant to subdivision (b).

(b) (1) The Controller shall subtract from one hundred eighty-three million dollars ($183,000,000) an amount equal to the amount received by all cities from state subventions in the 1980–81 fiscal year pursuant to Section 25761 of the Business and Professions Code and Section 4306 of the Public Utilities Code and the amount received pursuant to subdivision (c) of Section 26483 multiplied by 0.7017543.

(2) The Controller shall determine the percentage that "state assistance payments," as defined in Section 95, for each city, bears to the total of these amounts for all cities.

(3) The Controller shall apply the percentage determined in paragraph (2) to the difference computed in paragraph (1).

(4) The Controller shall compute for each city an amount equal to its January 1, 1981, population, as determined by the Department of Finance, multiplied by ten dollars and fifty-seven cents ($10.57).

From this amount the Controller shall subtract the amount each city received from state subventions in the 1980–81 fiscal year pursuant to Section 25761 of the Business and Professions Code and Section 4306 of the Public Utilities Code and the amount received pursuant to subdivision (c) of Section 26483 multiplied by 0.7017543.

(5) The amount of reduction pursuant to subdivision (a) shall be the lesser of the amounts determined in paragraphs (3) and (4).

(c) The amount subtracted pursuant to subdivision (a) shall be deposited in the General Fund.

SEC. 5. Section 11005.8 of the Revenue and Taxation Code, as added by Senate Bill No. 102 of the 1981–82 Regular Session, is amended to read:

11005.8. (a) For the 1981–82 fiscal year, the Controller shall reduce the amounts apportioned to each county pursuant to Section 11005, by an amount determined pursuant to subdivision (b).

(b) (1) The Controller shall subtract from ninety-two million dollars ($92,000,000) an amount equal to the amount received by all counties and all cities and counties from state subventions in the 1980–81 fiscal year pursuant to Section 25761 of the Business and Professions Code and Section 4306 of the Public Utilities Code and the amount received pursuant to subdivision (c) of Section 26483 multiplied by 0.7017543.

(2) The Controller shall determine the percentage that "state assistance payments," as defined in Section 95, for each county and each city and county bears to the total of these amounts for all counties and cities and counties.

(3) The Controller shall apply the percentage determined in paragraph (2) to the difference computed in paragraph (1).

(4) The Controller shall compute for each county and city and county an amount equal to its January 1, 1981, population, as determined by the Department of Finance, multiplied by three dollars and eighty-seven cents ($3.87). From this amount the Controller shall subtract an amount equal to the amount each county and city and county received from state subventions in the 1980–81 fiscal year pursuant to Section 25761 of the Business and Professions Code and Section 4306 of the Public Utilities Code and the amount received pursuant to subdivision (c) of Section 26483 multiplied by 0.7017543.

(5) From the lesser of the amounts determined pursuant to paragraphs (3) and (4), the Controller shall subtract the net added cost, if any, imposed on the county or city and county pursuant to Chapter 69 of the Statutes of 1981 as determined by the Department of Finance.

(6) The amount determined pursuant to paragraph (5) shall be the amount to be subtracted pursuant to subdivision (a).

(c) The amount subtracted pursuant to subdivision (a) shall be deposited in the General Fund.

SEC. 6. Section 5705 of the Welfare and Institutions Code, as amended by Assembly Bill No. 251 of the 1981–82 Regular Session, is

amended to read:

5705. (a) Commencing with the 1979–80 fiscal year, the net cost of all services specified in the approved county Short-Doyle plans shall be financed on a basis of 90 percent state funds and 10 percent county funds, except for local hospital inpatient costs, which shall be financed on a basis of 85 percent state funds and 15 percent county funds, irrespective of where or by whom the services are provided, except for services to be financed from other public or private sources as indicated in the county Short-Doyle plan. The cost of the services shall be the actual cost as determined in accordance with standard accounting practices or a negotiated net amount or rate approved by the Director of Mental Health. In counties of less than 100,000 population, the cost requirement for local financial participation shall be waived for all programs except local hospital inpatient and state hospital services. The department may also approve any waiver of nonhospital inpatient share of costs requested by the board of supervisors provided that the board has held a special hearing during the formal budget deliberations at which the board considered testimony on the impact of the waiver on local mental health services and determines, based on all available information, that the county cannot meet the matching requirements provided by this section.

(b) Negotiated net amounts or rates may be used as the cost of services only in accordance with the following paragraphs:

(1) Negotiated net amounts may be used as the cost of services in a contract which provides for the delivery of all or part of the total county Short-Doyle annual plan for each fiscal year. The negotiated net amount shall be approved by the State Department of Mental Health prior to commencing services for reimbursement. Providers under this paragraph shall report to the State Department of Mental Health and the local mental health program cost accounting and any other information required by the State Department of Mental Health in accordance with procedures established by the Director of Mental Health emphasizing success in program outcome versus providers' expenditures. Contracts entered into pursuant to this paragraph shall be financed within an approved Short-Doyle plan. For the purposes of this paragraph, the cost-sharing formula of these contracts shall be 90 percent state funds, and 10 percent funding from the contracting organization which shall not include state or federal funds directly allocated to contracting organizations.

(2) Negotiated rates may be used as the cost of services in contracts by providers with counties. The negotiated rate shall be approved by the State Department of Mental Health prior to commencing services for reimbursement. Providers under this paragraph shall report to the State Department of Mental Health and the local mental health program cost accounting and any other information required by the State Department of Mental Health in accordance with procedures established by the Director of Mental Health.

During the 1979–80 and 1980–81 fiscal years, the requirement for local financial participation in the net cost of services provided under this part shall be waived except for state hospital services provided on and after January 1, 1980. The required local financial participation in the net cost of state hospital services under this part shall only be waived until January 1, 1980.

Notwithstanding any other provision of law, for the 1981–82 fiscal year, counties shall be required to submit the narrative portion of their Short-Doyle plan for mental health services only once in the first phase of the planning process. The second phase shall consist of only budget information.

During the 1981–82 fiscal year, the cost of state hospital services shall be financed on the basis of 85 percent state funds and 15 percent county funds, except that in counties with less than 100,000 population, the cost of state hospital services shall be financed on the basis of 90 percent state funds and 10 percent county funds.

The State Department of Mental Health is hereby permitted to reallocate any funds which are not matched by counties with the approval of the Joint Legislative Budget Committee using a letter as prescribed in Section 28.00 of the Budget Act of 1981, provided these reallocated funds shall not be counted into the base allocation.

This section shall remain in effect only until July 1, 1982, and on that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1982, deletes or extends that date.

SEC. 7. Section 16702 of the Welfare and Institutions Code, as amended by Assembly Bill No. 251 of the 1981–82 Regular Session, is amended to read:

16702. The net county costs of health services specified in each county health services plan and budget shall be financed in each county, the City of Berkeley, and each existing local health district with assistance from the County Health Services Fund in accordance with the following:

(a) For each county, an annual grant of three dollars ($3) per capita based upon population estimates of the Department of Finance as of January 1 of the previous fiscal year; and

(b) Fifty percent of the amount derived by subtracting paragraph (2) from paragraph (1) below:

(1) The actual net costs for the county for the 1977–78 fiscal year, as reported to the State Director of Health Services pursuant to subdivision (f) of Section 20 of Chapter 292 of the Statutes of 1978, increased by 16 percent for the 1979–80 fiscal year;

(2) The amount calculated for the county in subdivision (a).

(c) (1) The amount of assistance from the County Health Services Fund for the County of Alameda, as determined in subdivision (b), shall include an amount equal to 25 percent of the net city costs for health services of the City of Berkeley as reported to the State Director of Health Services pursuant to subdivision (f) of Section 20 of Chapter 292 of the Statutes of 1978, increased by 16 percent for the 1979–80 fiscal year;

(2) The amount of assistance from the County Health Services Fund for the City of Berkeley shall be an amount equal to 25 percent of the net city costs for health services of the City of Berkeley as reported to the State Director of Health Services pursuant to subdivision (f) of Section 20 of Chapter 292 of the Statutes of 1978, increased by 16 percent for the 1979–80 fiscal year;

(3) The amount of assistance from the County Health Services Fund for the San Joaquin Local Health District shall be that amount set forth in the Budget Act of 1981 for that purpose for the 1981–82 fiscal year.

(d) The amount of funds transferred at the request of the county pursuant to Section 1157.5 of the Health and Safety Code.

(e) On July 1, 1980, the amounts specified in subdivisions (a), (b), (c), and (d) shall be adjusted to reflect any increases or decreases in the cost of living. On July 1, 1981, the amounts specified in subdivisions (a), (b), (c), and (d) shall be adjusted to reflect the increases, if any, in the appropriations provided for in the Budget Act for the 1981–82 fiscal year. On July 1, 1982, and each July 1 thereafter, the amounts specified in subdivisions (a), (b), (c), and (d), as adjusted pursuant to this subdivision for the 1981–82 fiscal year, shall be adjusted to reflect any increases or decreases in the cost of living occurring during the 1981 calendar year and each year thereafter. The average of the separate indices of the cost of living for Los Angeles and San Francisco as published by the United States Bureau of Labor Statistics shall be used as the basis for determining the changes in the cost of living. The State Department of Health Services shall compare the average index for the December preceding the July in which the cost-of-living adjustment is effective with the average index for the month of December of the previous year. The percentage increase or decrease in the average index shall then be multiplied by the amounts specified in subdivisions (a), (b), (c), and (d) as previously adjusted pursuant to this subdivision.

SEC. 8. Section 64 of Assembly Bill No. 251 of the 1981–82 Regular Session is repealed.

SEC. 9. Section 147 of Assembly Bill No. 251 of the 1981–82 Regular Session is repealed.

SEC. 10. Section 148 of Assembly Bill No. 251 of the 1981–82 Regular Session is repealed.

SEC. 11. Section 149 of Assembly Bill No. 251 of the 1981–82 Regular Session is repealed.

SEC. 12. Section 150 of Assembly Bill No. 251 of the 1981–82 Regular Session is repealed.

SEC. 13. Section 151 of Assembly Bill No. 251 of the 1981–82 Regular Session is repealed.

SEC. 14. Section 154 of Assembly Bill No. 251 of the 1981–82 Regular Session is amended to read:

Sec. 154. On January 1, 1982, any dental care plan contracted for by an employee organization authorized for payroll deductions under Section 1156 of the Government Code or by action of the

Regents of the University of California may be eligible to receive any state contribution towards dental care coverage for employees and annuitants of the state civil service, the California State University and Colleges system, the University of California and the eligible dependents of those employees and annuitants.

SEC. 15. Section 155 of Assembly Bill No. 251 of the 1981–82 Regular Session is repealed.

SEC. 16. Section 156 of Assembly Bill No. 251 of the 1981–82 Regular Session is repealed.

SEC. 17. Section 158 of Assembly Bill No. 251 of the 1981–82 Regular Session is repealed.

SEC. 18. Section 36 of Assembly Bill No. 777 of the 1981–82 Regular Session is amended to read:

Sec. 36. There is hereby appropriated for the purposes of this act the following:

(a) From the General Fund to Section A of the State School Fund, in augmentation of Item 610-101-001 of the Budget Act of 1981, an amount as needed to provide a total cost-of-living adjustment of 6 percent in the 1981–82 fiscal year for the following programs:

(1) Economic impact aid.

(2) Special education programs for exceptional children.

(b) From the General Fund to Section A of the State School Fund, in augmentation of Item 610-101-001 of the Budget Act of 1981, an amount as needed to provide a total cost-of-living adjustment of 6 percent in the 1981–82 fiscal year for the following programs:

(1) Instructional television.

(2) Gifted and talented pupil programs.

(3) Child nutrition programs.

(4) Instructional materials.

(5) School improvement program.

(6) Miller-Unruh Basic Reading Act of 1965.

(7) Native American Indian education.

(8) Demonstration programs in intensive instruction.

(9) Indian education centers.

(10) Career guidance centers.

(11) Resource centers.

(12) Professional development centers.

(13) School site staff development.

(14) Child care programs.

(15) Preschool programs.

(16) Urban impact aid.

(17) General aid to districts pursuant to Section 54061.

SEC. 19. It is the intent of the Legislature that Sections 1 and 2, 6 to 17, inclusive, of this bill shall be operative only if this bill and Assembly Bill No. 251 of the 1981–82 Regular Session are both chaptered and this bill is chaptered last. Therefore, if Assembly Bill No. 251 is not chaptered, or if Assembly Bill No. 251 is chaptered after this bill, Sections 1 and 2, 6 to 17, inclusive, of this bill shall not become operative.

SEC. 20. It is the intent of the Legislature that Sections 3 to 5, inclusive, of this bill shall be operative only if this bill and Senate Bill No. 102 of the 1981–82 Regular Session are both chaptered and this bill is chaptered last. Therefore, if Senate Bill No. 102 is not chaptered, or if Senate Bill No. 102 is chaptered after this bill, Sections 3 to 5, inclusive, of this bill shall not become operative.

SEC. 21. Sections 1, 8, 15, and 16 of Senate Bill No. 102 of the 1981–82 Regular Session shall become operative on July 1, 1981.

SEC. 22. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that this act, which would provide necessary statutory adjustments to implement the Budget Act of 1981, may take effect during the 1981–82 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 134

An act to amend Sections 2981, 2982, 2982.8, and 2984.2 of the Civil Code, and to amend Section 9302 of the Commercial Code, relating to regulated transactions, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 1, 1981 Filed with Secretary of State July 1, 1981]

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

SECTION 1. Section 2981 of the Civil Code is amended to read:

2981. As used in this chapter, unless the context otherwise requires:

(a) "Conditional sale contract" means:

(1) Any contract for the sale of a motor vehicle between a buyer and a seller, with or without accessories, under which possession is delivered to the buyer and either (A) the title vests in the buyer thereafter only upon the payment of all or a part of the price, or the performance of any other condition, or (B) a lien on the property is to vest in the seller as security for the payment of part or all of the price, or for the performance of any other condition, or

(2) Any contract for the bailment of a motor vehicle between a buyer and a seller, with or without accessories, by which the bailee or lessee agrees to pay as compensation for use a sum substantially equivalent to or in excess of the aggregate value of the vehicle and its accessories, if any, at the time the contract is executed, and by which it is agreed that the bailee or lessee will become, or for no other or for a nominal consideration has the option of becoming, the owner of the vehicle upon full compliance with the terms of the

contract.

(b) "Seller" means a person engaged in the business of selling or leasing motor vehicles under conditional sale contracts.

(c) "Buyer" means the person who buys or hires a motor vehicle under a conditional sale contract.

(d) "Person" includes an individual, company, firm, association, partnership, trust, corporation, or other legal entity.

(e) "Cash price" means the amount for which the seller would sell and transfer to the buyer unqualified title to the motor vehicle described in the conditional sale contract, if the property were sold for cash at the seller's place of business on the date the contract is executed, and may include taxes to the extent imposed on the cash sale and the cash price of accessories or services related to the sale such as delivery, installation, alterations, modifications, and improvements, or a service contract.

(f) "Downpayment" means any payment which the buyer pays or agrees to pay to the seller in cash or property value or money's worth at or prior to delivery by the seller to the buyer of the motor vehicle described in the conditional sale contract. The term does not include any administrative finance charge charged, received or collected by the seller pursuant to paragraph (3) of subdivision (c) of Section 2982 and shown under paragraph 11 of subdivision (a) of Section 2982.

(g) "Unpaid balance" means the difference between (e) and (f), plus all insurance premiums (except for credit life or disability insurance when the amount thereof is included in the finance charge), which are included in the contract balance, and the total amount paid or to be paid (1) to any public officer in connection with the transaction, and (2) for license, certificate of title, and registration fees imposed by law, the amount of the state fee for issuance of a certificate of compliance or certificate of waiver pursuant to Section 9889.56 of the Business and Professions Code and the amount charged by the seller for documentary preparation.

(h) "Finance charge" means any amount which the buyer agrees to pay to the seller in excess of the unpaid balance. The term shall not include delinquency charges or collection costs and fees as provided by subdivision (d) of Section 2982, extension or deferral agreement charges as provided by Section 2982.3, or amounts for insurance, repairs to or preservation of the motor vehicle, or preservation of the security interest therein advanced by the holder under the terms of the contract.

(i) "Total of payments" or "contract balance" means the amount unpaid under the conditional sale contract, which the buyer agrees to pay in installments to the seller as originally provided therein, and shall not include amounts for which the buyer may later become obligated under the terms of the contract in connection with insurance, repairs to or preservation of the motor vehicle, preservation of the security interest therein, or otherwise. Either term may be used in lieu of the other in complying with this chapter.

(j) "Motor vehicle" means any vehicle required to be registered

under the Vehicle Code which is bought for use primarily for personal or family purposes, and does not mean any vehicle which is bought for use primarily for business or commercial purposes or a mobilehome, as defined in Section 18008 of the Health and Safety Code which is sold on or after July 1, 1981.

(k) "Purchase order" means a sales order, car reservation, statement of transaction or any other such instrument used in the conditional sale of a motor vehicle pending execution of a conditional sale contract. The purchase order shall conform to the disclosure requirements of paragraphs 1 to 7, inclusive, and paragraphs 10 and 11 of subdivision (a) of Section 2982 and Section 2984.1 and the provisions of subdivisions (f) and (g) of Section 2982 shall be applicable thereto.

(*l*) "Regulation Z" means any rule, regulation or interpretation promulgated by the Board of Governors of the Federal Reserve System ("Board") under the federal Truth in Lending Act, as amended (15 U.S.C. 1601, et seq.), and any interpretation or approval issued by an official or employee of the Federal Reserve System duly authorized by the board under the Truth in Lending Act, as amended, to issue such interpretations or approvals.

(m) "Simple-interest basis" means the determination of a finance charge, other than an administrative finance charge, by applying a constant rate to the unpaid balance as it changes from time to time either:

(1) Calculated on the basis of a 365-day year and actual days elapsed (although the seller may, but need not, adjust its calculations to account for leap years); reference in this chapter to the "365-day basis" shall mean this method of determining the finance charge, or

(2) For contracts entered into prior to January 1, 1988, calculated on the basis of a 360-day year consisting of 12 months of 30 days each and on the assumption that all payments will be received by the seller on their respective due dates; reference in this chapter to the "360-day basis" shall mean this method of determining the finance charge.

(n) "Precomputed basis" means the determination of a finance charge by multiplying the original unpaid balance of the contract by a rate and multiplying that product by the number of payment periods elapsing between the date of the contract and the date of the last scheduled payment

(o) "Service contract" means a contract in writing to perform, over a fixed period of time or for a specified duration, services relating to the maintenance or repair, or both, of the motor vehicle described in the conditional sale contract.

SEC. 2. Section 2982 of the Civil Code, as amended by Section 22 of Chapter 1380 of the Statutes of 1980, is amended to read:

2982. (a) Every conditional sale contract for the sale of a motor vehicle, with or without accessories, shall be in writing and, if printed, shall be printed in type no smaller than 6-point, and shall contain in a single document all of the agreements of the buyer and

seller with respect to the total cost and the terms of payment for the motor vehicle, including any promissory notes or any other evidences of indebtedness. The conditional sale contract or a purchase order shall be signed by the buyer or his authorized representative and by the seller or its authorized representative, and an exact copy thereof shall be furnished the buyer by the seller at the time the buyer and the seller have signed the contract or purchase order. No motor vehicle shall be delivered under this chapter until the seller delivers to the buyer a fully executed copy of the conditional sale contract or purchase order and any vehicle purchase proposal and any credit statement which the seller has required or requested the buyer to sign, and which he has signed, during the contract negotiations. The seller shall not obtain the signature of the buyer to a contract when it contains blank spaces to be filled in after it has been signed. Every conditional sale contract shall contain, although not necessarily in the sequence or order set forth below, the following separate items:

1. The cash price of the motor vehicle and of other items described in subdivision (e) of Section 2981 which are the subject of the conditional sale contract.

2. The amount of the buyer's downpayment, and whether made in cash or represented by the net agreed value of described property traded in, or both, together with a statement of the respective amounts credited for cash and for such property, but excluding any administrative finance charge shown in item 9.

3. The unpaid balance of cash price, which is the difference between items 1 and 2.

4. The cost to the buyer of any insurance, the premium for which is included in the contract balance. Any such cost for credit life or disability insurance may be included in the finance charge if the amount thereof is separately stated on the face of the contract.

5. The amounts, if any, paid or to be paid to any public officer in connection with the transaction and for license, certificate of title, and registration fees imposed by law.

6. The amount of the state fee for issuance of a certificate of compliance or certificate of waiver pursuant to Section 9889.56 of the Business and Professions Code.

7. The amount, if any, charged by the seller for documentary preparation. If a seller charges a buyer a documentary preparation charge, then the contract shall contain a notice advising the buyer that such charge is not a governmental fee.

8. The amount of the unpaid balance, which is the sum of items 3, 4, 5, 6, and 7.

9. The amount, if any, of an administrative finance charge.

10. The amount financed, which is the difference between items 8 and 9.

11. The finance charge (A) expressed as the annual percentage rate as defined in Regulation Z and (B) expressed in dollars.

12. The number, amount and due dates or periods of payments

scheduled to repay the indebtedness and the sum of such payments.

13. The names and addresses of all persons to whom the notice required under Section 2983.2 and permitted under Sections 2983.5 and 2984 of this code is to be sent.

14. (A) Where the contract includes a finance charge determined on the precomputed basis, an identification of the method of computing the unearned portion of the finance charge in the event of prepayment in full of the buyer's obligation and a statement of the amount or method of computation of any charge that may be deducted from the amount of any such unearned finance charge in computing the amount that will be credited to the obligation or refunded to the buyer. Reference to the Rule of 78's, the sum of the digits, the sum of the periodic time balances or the actuarial method shall constitute a sufficient identification of the method of computing the unearned portion of the finance charge.

(B) Where the contract includes a finance charge which is determined on the simple-interest basis but provides for a minimum finance charge in the event of prepayment in full, a statement of that fact and the amount of the minimum finance charge or its method of calculation.

15. (A) Where the contract includes a finance charge which is determined on the precomputed basis and provides that the unearned portion of the finance charge to be refunded upon full prepayment of the contract is to be determined by a method other than actuarial, a notice in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. Because of the way the amount of this refund will be figured, the time when you prepay could increase the ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(B) Where the contract includes a finance charge which is determined on the precomputed basis and provides for the actuarial method for computing the unearned portion of the finance charge upon prepayment in full, a notice in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(C) Where the contract includes a finance charge which is determined on the simple-interest basis, a notice, in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

16. A notice to the buyer, in writing, and, if printed, in type no smaller than 8-point, that complaints concerning unfair or deceptive practices or methods by the seller shall be referred to the seller and, if the complaint is not resolved, may be referred to the Department of Motor Vehicles, Division of Compliance, 2570 24th Street, Sacramento, 95818.

Additional items may be included to explain the computations made in determining the amount to be paid by the buyer. If the finance charge or any portion thereof is calculated on the 365-day basis, the amount of the finance charge shown pursuant to item 11 shall be the amount which will be incurred by the buyer if all payments are received by the seller on their respective due dates.

(b) If any charge for insurance (other than for credit life or disability) is included in the contract balance and disbursement of any part thereof be made more than one year after the date of the conditional sale contract, any finance charge on the amount to be disbursed after one year shall be computed from the month the disbursement is to be made to the due date of the last installment under the conditional sale contract.

(c) (1) The dollar amount of the finance charge shown pursuant to item 11 of subdivision (a) shall not exceed the greater of:

(A) One percent of the unpaid balance multiplied by the number of months (computed on the basis of a full month for any fractional month period in excess of 15 days) elapsing between the date of the contract and the due date of the last installment; or

(B) If the finance charge is determined by the precomputed basis, twenty-five dollars ($25); or

(C) If the finance charge or a portion thereof is determined by the simple-interest basis:

(i) Twenty-five dollars ($25) if the unpaid balance does not exceed one thousand dollars ($1,000), (ii) fifty dollars ($50) if the unpaid balance exceeds one thousand dollars ($1,000) but does not exceed two thousand dollars ($2,000), or (iii) seventy-five dollars ($75) if the unpaid balance exceeds two thousand dollars ($2,000).

(2) The holder of the contract shall not charge, collect or receive a finance charge which exceeds the dollar amount shown pursuant to item 11 of subdivision (a), except to the extent caused by (A) the holder's receipt of one or more payments under a contract which provides for determination of the finance charge or a portion thereof

on the 365-day basis at a time or times other than as originally scheduled whether or not the parties enter into an agreement pursuant to Section 2982.3, (B) the use of estimations in the providing of the disclosures required by this chapter to the extent permitted by Regulation Z, or (C) as permitted by subdivisions (a) and (c) of Section 2982.8.

(3) If the finance charge or a portion thereof is determined by the simple-interest basis and the amount of the unpaid balance exceeds five thousand dollars ($5,000), the holder of the contract may, in lieu of its right to a minimum finance charge under subparagraph (C) of paragraph (1), charge, receive, or collect on the date of the contract an administrative finance charge not to exceed seventy-five dollars ($75), provided that the sum of any such administrative finance charge and the portion of the finance charge determined by the simple-interest basis shall not exceed the maximum total finance charge permitted by subparagraph (A) of paragraph (1). Any administrative finance charge which is charged, received or collected by a holder shall be deemed a finance charge earned on the date of the contract.

(d) The contract may provide that for each installment in default for a period of not less than 10 days the buyer shall pay a delinquency charge in an amount not to exceed in the aggregate 5 percent of the installment, which amount may be collected only once on any installment regardless of the period during which it remains in default. Payments timely received by the seller under an extension or deferral agreement shall not be subject to a delinquency charge. The contract may provide for reasonable collection costs and fees in the event of delinquency.

(e) Notwithstanding any provision of a contract to the contrary, the buyer may pay at any time before maturity the entire indebtedness evidenced by the contract without penalty. In the event of prepayment in full:

(1) If the finance charge was determined on the precomputed basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, provided, however, that the buyer shall be entitled to a refund credit in the amount of the unearned portion of the finance charge, except as provided in paragraphs (3) and (4). The amount of the unearned portion of the finance charge shall be at least as great a proportion of the finance charge, or if the contract has been extended, deferred or refinanced, of the additional charge therefor, as the sum of the periodic monthly time balances payable more than 15 days after the date of prepayment bears to the sum of all the periodic monthly time balances under the schedule of installments in the contract or, if the contract has been extended, deferred or refinanced, as so extended, deferred or refinanced. Where the amount of the refund credit is less than one dollar ($1), no refund credit need be made by the holder. Any refund credit in the amount of one dollar ($1) or more may be made in cash or credited to the outstanding obligations of the buyer

under the contract.

(2) If the finance charge or a portion thereof was determined on the simple-interest basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, including any earned finance charges which are unpaid as of that date and, if applicable, the amount provided in paragraph (3), and provided further that in cases where a finance charge is determined on the 360-day basis, the payments theretofore received will be assumed to have been received on their respective due dates regardless of the actual dates on which such payments were received.

(3) Where the minimum finance charge provided by subparagraph (B) or subparagraph (C) of paragraph (1) of subdivision (c), if either is applicable, is greater than the earned finance charge as of the date of prepayment, the holder shall be additionally entitled to the difference.

(4) The provisions of this subdivision shall not impair the right of the seller or the seller's assignee to receive delinquency charges on delinquent installments and reasonable costs and fees as provided in subdivision (d) of this section or extension or deferral agreement charges as provided in Section 2982.3.

(5) Notwithstanding any provision of a contract to the contrary, whenever the indebtedness created by any contract is satisfied prior to its maturity through surrender of the motor vehicle, repossession of the motor vehicle, redemption of the motor vehicle after repossession, or any judgment, the outstanding obligation of the buyer shall be determined as provided in paragraph (1) or (2); provided further that the buyer's outstanding obligation shall be computed by the holder as of the date the holder recovers the value of the motor vehicle through disposition thereof or judgment is entered or, if the holder elects to keep the motor vehicle in satisfaction of the buyer's indebtedness, as of the date the holder takes possession of the motor vehicle.

(f) Notwithstanding any other provision of this chapter to the contrary, in the event any required downpayment on which no finance charge is imposed is to be made by the buyer to the seller on a conditional sale contract after the date of such contract but prior to the date of the second payment otherwise scheduled, the amount of such payment may be shown in such contract as a deferred portion of the cash downpayment or, if the finance charge is determined on the precomputed basis, as a deduction from the amount of the unpaid balance, and shall be included in the total of payments.

(g) Notwithstanding any other provision of this chapter to the contrary, any information required to be disclosed in a conditional sale contract under this chapter may be disclosed in any manner, method, or terminology required or permitted under Regulation Z, as in effect at the time such disclosure is made. Nothing contained in this chapter shall be deemed to prohibit the disclosure in such contract of additional information required or permitted under Regulation Z, as in effect at the time such disclosure is made.

(h) This section shall become operative on July 1, 1981.

SEC. 3. Section 2982 of the Civil Code, as amended by Section 21 of Chapter 1380 of the Statutes of 1980, is amended to read:

2982. (a) Every conditional sale contract for the sale of a motor vehicle, with or without accessories, shall be in writing and, if printed, shall be printed in type no smaller than 6-point, and shall contain in a single document all of the agreements of the buyer and seller with respect to the total cost and the terms of payment for the motor vehicle, including any promissory notes or any other evidences of indebtedness. The conditional sale contract or a purchase order shall be signed by the buyer or his authorized representative and by the seller or its authorized representative, and an exact copy thereof shall be furnished the buyer by the seller at the time the buyer and the seller have signed the contract or purchase order. No motor vehicle shall be delivered under this chapter until the seller delivers to the buyer a fully executed copy of the conditional sale contract or purchase order and any vehicle purchase proposal and any credit statement which the seller has required or requested the buyer to sign, and which he has signed, during the contract negotiations. The seller shall not obtain the signature of the buyer to a contract when it contains blank spaces to be filled in after it has been signed. Every conditional sale contract shall contain, although not necessarily in the sequence or order set forth below, the following separate items:

1. The cash price of the motor vehicle and of other items described in subdivision (e) of Section 2981 which are the subject of the conditional sale contract.

2. The amount of the buyer's downpayment, and whether made in cash or represented by the net agreed value of described property traded in, or both, together with a statement of the respective amounts credited for cash and for such property, but excluding any administrative finance charge shown in item 9.

3. The unpaid balance of cash price, which is the difference between items 1 and 2.

4. The cost to the buyer of any insurance, the premium for which is included in the contract balance. Any such cost for credit life or disability insurance may be included in the finance charge if the amount thereof is separately stated on the face of the contract.

5. The amounts, if any, paid or to be paid to any public officer in connection with the transaction and for license, certificate of title, and registration fees imposed by law.

6. The amount of the state fee for issuance of a certificate of compliance or certificate of waiver pursuant to Section 9889.56 of the Business and Professions Code.

7. The amount, if any, charged by the seller for documentary preparation. If a seller charges a buyer a documentary preparation charge, then the contract shall contain a notice advising the buyer that such charge is not a governmental fee.

8. The amount of the unpaid balance, which is the sum of items 3,

4, 5, 6, and 7.

9. The amount, if any, of an administrative finance charge.

10. The amount financed, which is the difference between items 8 and 9.

11. The finance charge (A) expressed as the annual percentage rate as defined in Regulation Z and (B) expressed in dollars.

12. The number, amount, and due dates or periods of payments scheduled to repay the indebtedness and the sum of such payments.

13. The names and addresses of all persons to whom the notice required under Section 2983.2 and permitted under Sections 2983.5 and 2984 of this code is to be sent.

14. (A) Where the contract includes a finance charge determined on the precomputed basis, an identification of the method of computing the unearned portion of the finance charge in the event of prepayment in full of the buyer's obligation and a statement of the amount or method of computation of any charge that may be deducted from the amount of any such unearned finance charge in computing the amount that will be credited to the obligation or refunded to the buyer. Reference to the Rule of 78's, the sum of the digits, the sum of the periodic time balances or the actuarial method shall constitute a sufficient identification of the method of computing the unearned portion of the finance charge.

(B) Where the contract includes a finance charge which is determined on the simple-interest basis but provides for a minimum finance charge in the event of prepayment in full, a statement of that fact and the amount of the minimum finance charge or its method of calculation.

15. (A) Where the contract includes a finance charge which is determined on the precomputed basis and provides that the unearned portion of the finance charge to be refunded upon full prepayment of the contract is to be determined by a method other than actuarial, a notice as set forth in subparagraph (i), (ii) or (iii) in at least 8-point bold type if the contract is printed.

(i) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(ii) "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. Because of the way the amount of this refund will be figured, the time when you prepay could increase the ultimate cost of credit

under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(iii) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and under certain conditions obtain a partial refund of the finance charge. Because the refund will be figured by the Rule of 78's, the time when you prepay may affect the ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(B) Where the contract includes a finance charge which is determined on the precomputed basis and provides for the actuarial method for computing the unearned portion of the finance charge upon prepayment in full, a notice as set forth in subparagraph (i), (ii), or (iii) in at least 8-point bold type if the contract is printed.

(i) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(ii) "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(iii) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and under certain conditions obtain a partial refund of the finance charge. Because the refund will be figured by the Rule of 78's, the time when you prepay may affect the ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(C) Where the contract includes a finance charge which is determined on the simple-interest basis, a notice as set forth in either subparagraph (i) or (ii) in at least 8-point bold type if the contract is printed.

(i) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(ii) "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

16. A notice to the buyer, in writing, and, if printed, in type no smaller than 8-point, that complaints concerning unfair or deceptive practices or methods by the seller shall be referred to the seller and, if the complaint is not resolved, may be referred to the Department of Motor Vehicles, Division of Compliance, 2570 24th Street, Sacramento, 95818.

Additional items may be included to explain the computations made in determining the amount to be paid by the buyer. If the finance charge or any portion thereof is calculated on the 365-day basis, the amount of the finance charge shown pursuant to item 11 shall be the amount which will be incurred by the buyer if all payments are received by the seller on their respective due dates.

(b) If any charge for insurance (other than for credit life or disability) is included in the contract balance and disbursement of any part thereof be made more than one year after the date of the conditional sale contract, any finance charge on the amount to be disbursed after one year shall be computed from the month the disbursement is to be made to the due date of the last installment under the conditional sale contract.

(c) (1) The dollar amount of the finance charge shown pursuant to item 11 of subdivision (a) shall not exceed the greater of:

(A) One percent of the unpaid balance multiplied by the number of months (computed on the basis of a full month for any fractional month period in excess of 15 days) elapsing between the date of the contract and the due date of the last installment; or

(B) If the finance charge is determined by the precomputed basis, twenty-five dollars ($25); or

(C) If the finance charge or a portion thereof is determined by the simple-interest basis:

(i) Twenty-five dollars ($25) if the unpaid balance does not exceed one thousand dollars ($1,000), (ii) fifty dollars ($50) if the unpaid balance exceeds one thousand dollars ($1,000) but does not exceed two thousand dollars ($2,000), or (iii) seventy-five dollars ($75) if the unpaid balance exceeds two thousand dollars ($2,000).

(2) The holder of the contract shall not charge, collect or receive a finance charge which exceeds the dollar amount shown pursuant to item 11 of subdivision (a), except to the extent caused by (A) the holder's receipt of one or more payments under a contract which provides for determination of the finance charge or a portion thereof on the 365-day basis at a time or times other than as originally scheduled whether or not the parties enter into an agreement pursuant to Section 2982.3, (B) the use of estimations in the providing of the disclosures required by this chapter to the extent permitted by Regulation Z, or (C) as permitted by subdivisions (a) and (c) of Section 2982.8.

(3) If the finance charge or a portion thereof is determined by the simple-interest basis and the amount of the unpaid balance exceeds five thousand dollars ($5,000), the holder of the contract may, in lieu of its right to a minimum finance charge under subparagraph (C) of paragraph (1), charge, receive or collect on the date of the contract an administrative finance charge not to exceed seventy-five dollars ($75) provided that the sum of any such administrative finance charge and the portion of the finance charge determined by the simple-interest basis shall not exceed the maximum total finance charge permitted by subparagraph (A) of paragraph (1). Any administrative finance charge which is charged, received or collected by a holder shall be deemed a finance charge earned on the date of the contract.

(d) The contract may provide that for each installment in default for a period of not less than 10 days the buyer shall pay a delinquency charge in an amount not to exceed in the aggregate 5 percent of the installment, which amount may be collected only once on any installment regardless of the period during which it remains in default. Payments timely received by the seller under a written extension or deferral agreement shall not be subject to any delinquency charge. The contract may provide for reasonable collection costs and fees in the event of delinquency.

(e) Notwithstanding any provision of a contract to the contrary, the buyer may pay at any time before maturity the entire indebtedness evidenced by the contract without penalty. In the event of prepayment in full:

(1) If the finance charge was determined on the precomputed basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, provided, however, that the buyer shall be entitled to a refund credit in the amount of the unearned portion of the finance charge, except as provided in paragraphs (3) and (4). The amount of the unearned portion of the finance charge shall be at least as great a proportion of the finance

charge, or if the contract has been extended, deferred or refinanced, of the additional charge therefor, as the sum of the periodic monthly time balances payable more than 15 days after the date of prepayment bears to the sum of all the periodic monthly time balances under the schedule of installments in the contract or, if the contract has been extended, deferred or refinanced, as so extended, deferred or refinanced. Where the amount of the refund credit is less than one dollar ($1), no refund credit need be made by the holder. Any refund credit in the amount of one dollar ($1) or more may be made in cash or credited to the outstanding obligations of the buyer under the contract.

(2) If the finance charge or a portion thereof was determined on the simple-interest basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, including any earned finance charges which are unpaid as of that date and, if applicable, the amount provided in paragraph (3), and provided further that in cases where a finance charge is determined on the 360-day basis, the payments theretofore received will be assumed to have been received on their respective due dates regardless of the actual dates on which such payments were received

(3) Where the minimum finance charge provided by subparagraph (B) or subparagraph (C) of paragraph (1) of subdivision (c), if either is applicable, is greater than the earned finance charge as of the date of prepayment, the holder shall be additionally entitled to the difference.

(4) The provisions of this subdivision shall not impair the right of the seller or the seller's assignee to receive delinquency charges on delinquent installments and reasonable costs and fees as provided in subdivision (d) of this section or extension or deferral agreement charges as provided in Section 2982.3.

(5) Notwithstanding any provision of a contract to the contrary, whenever the indebtedness created by any contract is satisfied prior to its maturity through surrender of the motor vehicle, repossession of the motor vehicle, redemption of the motor vehicle after repossession, or any judgment, the outstanding obligation of the buyer shall be determined as provided in paragraph (1) or (2); provided further that the buyer's outstanding obligation shall be computed by the holder as of the date the holder recovers the value of the motor vehicle through disposition thereof or judgment is entered or, if the holder elects to keep the motor vehicle in satisfaction of the buyer's indebtedness, as of the date the holder takes possession of the motor vehicle.

(f) Notwithstanding any other provision of this chapter to the contrary, in the event any required downpayment on which no finance charge is imposed is to be made by the buyer to the seller on a conditional sale contract after the date of such contract but prior to the date of the second payment otherwise scheduled, the amount of such payment may be shown in such contract as a deferred portion of the cash downpayment or, if the finance charge is determined on

the precomputed basis, as a deduction from the amount of the unpaid balance, and shall be included in the total of payments.

(g) Notwithstanding any other provision of this chapter to the contrary, any information required to be disclosed in a conditional sale contract under this chapter may be disclosed in any manner, method, or terminology required or permitted under Regulation Z, as in effect at the time such disclosure is made. Nothing contained in this chapter shall be deemed to prohibit the disclosure in such contract of additional information required or permitted under Regulation Z, as in effect at the time such disclosure is made.

(h) This section shall remain in effect only until April 1, 1982, and as of such date is repealed.

SEC. 4. Section 2982 of the Civil Code, as amended by Section 22 of Chapter 1380 of the Statutes of 1980, is amended to read:

2982. (a) Every conditional sale contract for the sale of a motor vehicle, with or without accessories, shall be in writing and, if printed, shall be printed in type no smaller than 6-point, and shall contain in a single document all of the agreements of the buyer and seller with respect to the total cost and the terms of payment for the motor vehicle, including any promissory notes or any other evidences of indebtedness. The conditional sale contract or a purchase order shall be signed by the buyer or his authorized representative and by the seller or its authorized representative, and an exact copy thereof shall be furnished the buyer by the seller at the time the buyer and the seller have signed the contract or purchase order. No motor vehicle shall be delivered under this chapter until the seller delivers to the buyer a fully executed copy of the conditional sale contract or purchase order and any vehicle purchase proposal and any credit statement which the seller has required or requested the buyer to sign, and which he has signed, during the contract negotiations. The seller shall not obtain the signature of the buyer to a contract when it contains blank spaces to be filled in after it has been signed. Every conditional sale contract shall contain, although not necessarily in the sequence or order set forth below, the following separate items:

1. The cash price of the motor vehicle and of other items described in subdivision (e) of Section 2981 which are the subject of the conditional sale contract.

2. The amount of the buyer's downpayment, and whether made in cash or represented by the net agreed value of described property traded in, or both, together with a statement of the respective amounts credited for cash and for such property, but excluding any administrative finance charge shown in item 9.

3. The unpaid balance of cash price, which is the difference between items 1 and 2.

4. The cost to the buyer of any insurance, the premium for which is included in the contract balance. Any such cost for credit life or disability insurance may be included in the finance charge if the amount thereof is separately stated on the face of the contract.

5. The amounts, if any, paid or to be paid to any public officer in connection with the transaction and for license, certificate of title, and registration fees imposed by law.

6. The amount of the state fee for issuance of a certificate of compliance or certificate of waiver pursuant to Section 9889.56 of the Business and Professions Code.

7. The amount, if any, charged by the seller for documentary preparation. If a seller charges a buyer a documentary preparation charge, then the contract shall contain a notice advising the buyer that such charge is not a governmental fee.

8. The amount of the unpaid balance, which is the sum of items 3, 4, 5, 6, and 7.

9. The amount, if any, of an administrative finance charge.

10. The amount financed, which is the difference between items 8 and 9.

11. The finance charge (A) expressed as the annual percentage rate as defined in Regulation Z and (B) expressed in dollars.

12. The number, amount and due dates or periods of payments scheduled to repay the indebtedness and the sum of such payments.

13. The names and addresses of all persons to whom the notice required under Section 2983.2 and permitted under Sections 2983.5 and 2984 of this code is to be sent.

14. (A) Where the contract includes a finance charge determined on the precomputed basis, an identification of the method of computing the unearned portion of the finance charge in the event of prepayment in full of the buyer's obligation and a statement of the amount or method of computation of any charge that may be deducted from the amount of any such unearned finance charge in computing the amount that will be credited to the obligation or refunded to the buyer. Reference to the Rule of 78's, the sum of the digits, the sum of the periodic time balances or the actuarial method shall constitute a sufficient identification of the method of computing the unearned portion of the finance charge.

(B) Where the contract includes a finance charge which is determined on the simple-interest basis but provides for a minimum finance charge in the event of prepayment in full, a statement of that fact and the amount of the minimum finance charge or its method of calculation.

15 (A) Where the contract includes a finance charge which is determined on the precomputed basis and provides that the unearned portion of the finance charge to be refunded upon full prepayment of the contract is to be determined by a method other than actuarial, a notice in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. Because of the way the amount of this

refund will be figured, the time when you prepay could increase the ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(B) Where the contract includes a finance charge which is determined on the precomputed basis and provides for the actuarial method for computing the unearned portion of the finance charge upon prepayment in full, a notice in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(C) Where the contract includes a finance charge which is determined on the simple-interest basis, a notice, in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

16. A notice to the buyer, in writing, and, if printed, in type no smaller than 8-point, that complaints concerning unfair or deceptive practices or methods by the seller shall be referred to the seller and, if the complaint is not resolved, may be referred to the Department of Motor Vehicles, Division of Compliance, 2570 24th Street, Sacramento, 95818.

Additional items may be included to explain the computations made in determining the amount to be paid by the buyer. If the finance charge or any portion thereof is calculated on the 365-day basis, the amount of the finance charge shown pursuant to item 11 shall be the amount which will be incurred by the buyer if all payments are received by the seller on their respective due dates.

(b) If any charge for insurance (other than for credit life or disability) is included in the contract balance and disbursement of any part thereof be made more than one year after the date of the conditional sale contract, any finance charge on the amount to be disbursed after one year shall be computed from the month the disbursement is to be made to the due date of the last installment under the conditional sale contract.

(c) (1) The dollar amount of the finance charge shown pursuant to item 11 of subdivision (a) shall not exceed the greater of·

(A) One percent of the unpaid balance multiplied by the number of months (computed on the basis of a full month for any fractional month period in excess of 15 days) elapsing between the date of the contract and the due date of the last installment; or

(B) If the finance charge is determined by the precomputed basis, twenty-five dollars ($25); or

(C) If the finance charge or a portion thereof is determined by the simple-interest basis:

(i) Twenty-five dollars ($25) if the unpaid balance does not exceed one thousand dollars ($1,000), (ii) fifty dollars ($50) if the unpaid balance exceeds one thousand dollars ($1,000) but does not exceed two thousand dollars ($2,000), or (iii) seventy-five dollars ($75) if the unpaid balance exceeds two thousand dollars ($2,000).

(2) The holder of the contract shall not charge, collect or receive a finance charge which exceeds the dollar amount shown pursuant to item 11 of subdivision (a), except to the extent caused by (A) the holder's receipt of one or more payments under a contract which provides for determination of the finance charge or a portion thereof on the 365-day basis at a time or times other than as originally scheduled whether or not the parties enter into an agreement pursuant to Section 2982.3, (B) the use of estimations in the providing of the disclosures required by this chapter to the extent permitted by Regulation Z, or (C) as permitted by subdivisions (a) and (c) of Section 2982.8.

(3) If the finance charge or a portion thereof is determined by the simple-interest basis and the amount of the unpaid balance exceeds five thousand dollars ($5,000), the holder of the contract may, in lieu of its right to a minimum finance charge under subparagraph (C) of paragraph (1), charge, receive, or collect on the date of the contract an administrative finance charge not to exceed seventy-five dollars ($75), provided that the sum of any such administrative finance charge and the portion of the finance charge determined by the simple-interest basis shall not exceed the maximum total finance charge permitted by subparagraph (A) of paragraph (1). Any administrative finance charge which is charged, received or collected by a holder shall be deemed a finance charge earned on the date of the contract.

(d) The contract may provide that for each installment in default for a period of not less than 10 days the buyer shall pay a delinquency charge in an amount not to exceed in the aggregate 5 percent of the installment, which amount may be collected only once on any installment regardless of the period during which it remains in default. Payments timely received by the seller under an extension or deferral agreement shall not be subject to a delinquency charge. The contract may provide for reasonable collection costs and fees in the event of delinquency.

(e) Notwithstanding any provision of a contract to the contrary, the buyer may pay at any time before maturity the entire indebtedness evidenced by the contract without penalty. In the

event of prepayment in full:

(1) If the finance charge was determined on the precomputed basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, provided, however, that the buyer shall be entitled to a refund credit in the amount of the unearned portion of the finance charge, except as provided in paragraphs (3) and (4). The amount of the unearned portion of the finance charge shall be at least as great a proportion of the finance charge, or if the contract has been extended, deferred or refinanced, of the additional charge therefor, as the sum of the periodic monthly time balances payable more than 15 days after the date of prepayment bears to the sum of all the periodic monthly time balances under the schedule of installments in the contract or, if the contract has been extended, deferred or refinanced, as so extended, deferred or refinanced. Where the amount of the refund credit is less than one dollar ($1), no refund credit need be made by the holder. Any refund credit in the amount of one dollar ($1) or more may be made in cash or credited to the outstanding obligations of the buyer under the contract.

(2) If the finance charge or a portion thereof was determined on the simple-interest basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, including any earned finance charges which are unpaid as of that date and, if applicable, the amount provided in paragraph (3), and provided further that in cases where a finance charge is determined on the 360-day basis, the payments theretofore received will be assumed to have been received on their respective due dates regardless of the actual dates on which such payments were received.

(3) Where the minimum finance charge provided by subparagraph (B) or subparagraph (C) of paragraph (1) of subdivision (c), if either is applicable, is greater than the earned finance charge as of the date of prepayment, the holder shall be additionally entitled to the difference.

(4) The provisions of this subdivision shall not impair the right of the seller or the seller's assignee to receive delinquency charges on delinquent installments and reasonable costs and fees as provided in subdivision (d) of this section or extension or deferral agreement charges as provided in Section 2982.3.

(5) Notwithstanding any provision of a contract to the contrary, whenever the indebtedness created by any contract is satisfied prior to its maturity through surrender of the motor vehicle, repossession of the motor vehicle, redemption of the motor vehicle after repossession, or any judgment, the outstanding obligation of the buyer shall be determined as provided in paragraph (1) or (2); provided further that the buyer's outstanding obligation shall be computed by the holder as of the date the holder recovers the value of the motor vehicle through disposition thereof or judgment is entered or, if the holder elects to keep the motor vehicle in satisfaction of the buyer's indebtedness, as of the date the holder

takes possession of the motor vehicle.

(f) Notwithstanding any other provision of this chapter to the contrary, in the event any required downpayment on which no finance charge is imposed is to be made by the buyer to the seller on a conditional sale contract after the date of such contract but prior to the date of the second payment otherwise scheduled, the amount of such payment may be shown in such contract as a deferred portion of the cash downpayment or, if the finance charge is determined on the precomputed basis, as a deduction from the amount of the unpaid balance, and shall be included in the total of payments.

(g) Notwithstanding any other provision of this chapter to the contrary, any information required to be disclosed in a conditional sale contract under this chapter may be disclosed in any manner, method, or terminology required or permitted under Regulation Z, as in effect at the time such disclosure is made. Nothing contained in this chapter shall be deemed to prohibit the disclosure in such contract of additional information required or permitted under Regulation Z, as in effect at the time such disclosure is made.

(h) This section shall become operative on April 1, 1982.

SEC. 5. Section 2982.8 of the Civil Code is amended to read:

2982.8. (a) If a buyer is obligated under the terms of the conditional sale contract to maintain insurance on the vehicle and subsequent to the execution of the contract the buyer either fails to maintain or requests the holder to procure such insurance, any amounts advanced by the holder to procure such insurance may be the subject of finance charges from the date of advance as provided in subdivision (d). Such amounts shall be secured as provided in the contract and permitted by Section 2984.2 if the holder notifies the buyer in writing of his or her option to repay such amounts in any one of the following ways:

(1) Full payment within 10 days from the date of giving or mailing the notice.

(2) Full amortization during the term of the insurance.

(3) Full amortization after the term of the conditional sale contract to be payable in installments which do not exceed the average payment allocable to a monthly period under the contract. The option offered under this subparagraph shall not apply to any industrial loan company licensed pursuant to Division 7 (commencing with Section 18000) of the Financial Code.

(4) If offered by the holder, any other amortization plan.

If the buyer neither pays in full the amounts advanced nor notifies the holder in writing of his or her choice regarding amortization options before the expiration of 10 days from the date of giving or mailing the notice by the holder, the holder may amortize the amounts advanced on a secured basis pursuant to either paragraph (2) or (3).

(b) The written notification described in subdivision (a) shall also set forth the amounts advanced by the holder and, with respect to each amortization plan the amount of the additional finance charge,

the sum of the amounts advanced and the additional finance charge, the number of installments required, the amount of each installment and the date for payment of the installments.

(c) If subsequent to the execution of the contract the holder advances amounts for repairs to or preservation of the motor vehicle or preservation of the holder's security interest therein and such advances are occasioned by the buyer's default under the contract, such advances may be the subject of finance charges from the date of advance as provided in subdivision (d) and shall be secured as provided in the contract and permitted by Section 2984.2.

(d) The maximum rate of finance charge which may be imposed on amounts advanced by the holder subsequent to the execution of the contract for insurance, repairs to or preservation of the motor vehicle, or preservation of the holder's security interest therein, shall not exceed the annual percentage rate disclosed pursuant to paragraph 11 of subdivision (a) of Section 2982.

SEC. 6. Section 2984.2 of the Civil Code is amended to read

2984.2. (a) No conditional sale contract, and no agreement between a seller and a buyer made in connection with a conditional sale contract, may provide for the inclusion of title to or a lien upon any property other than:

(1) The motor vehicle which is the subject matter of the sale, or accessories, accessions, replacements or proceeds thereof;

(2) The proceeds of any insurance policies covering the motor vehicle which are required by the seller or the returned premiums of any such policies if the premiums for such policies are included in the unpaid balance;

(3) The proceeds of any credit insurance policies which the buyer purchases in connection with the motor vehicle conditional sale contract or the returned premiums of any such policies if the premiums for such policies are included in the unpaid balance; or

(4) The proceeds and returned price of any service contract if the cost of such contract is included in the unpaid balance.

(b) Subdivision (a) shall not apply to any agreement which meets the requirements of subdivision (b) of Section 2982 5 and otherwise complies with this chapter, nor, with respect to a mobilehome sold prior to July 1, 1981, to any agreement whereby a security interest is taken in real property on which the mobilehome is installed on a foundation system pursuant to Section 18551 of the Health and Safety Code.

(c) A provision in violation of this section shall be void.

SEC. 7. *Section 9302 of the Commercial Code is amended to read:*

9302. (1) A financing statement must be filed to perfect all security interests except the following:

(a) A security interest in collateral in possession of the secured party under Section 9305;

(b) A security interest temporarily perfected in instruments or documents without delivery under Section 9304 or in proceeds for a 10-day period under Section 9306;

(c) A security interest created by an assignment of a beneficial interest in a trust or a decedent's estate;

(d) A purchase money security interest in consumer goods; but filing is required for a motor vehicle or boat required to be registered; and fixture filing is required for priority over conflicting interests in fixtures to the extent provided in Section 9313;

(e) A security interest of a collecting bank (Section 4208) or arising under the division on sales (see Section 9113) or covered in subdivision (3) of this section;

(f) An assignment for the benefit of all the creditors of the transferor, and subsequent transfers by the assignee thereunder;

(g) A security interest in a deposit account. Such a security interest is perfected:

(1) As to a deposit account maintained with the secured party when the security agreement is executed;

(2) As to a deposit account not described in subparagraph (1) when notice thereof is given in writing to the organization with whom the deposit account is maintained.

(h) A security interest in or claim in or under any policy of insurance including unearned premiums. Such interest shall be perfected when notice thereof is given in writing to the insurer.

(2) If a secured party assigns a perfected security interest, no filing under this division is required in order to continue the perfected status of the security interest against creditors of and transferees from the original debtor.

(3) The filing of a financing statement otherwise required by this division is not necessary or effective to perfect a security interest in property subject to any of the following:

(a) A statute or treaty of the United States which provides for a national or international registration or a national or international certificate of title or which specifies a place of filing different from that specified in this division for filing of the security interest.

(b) The provisions of the Vehicle Code which require registration of a vehicle or boat, or provisions of the Health and Safety Code which require registration of a mobilehome or commercial coach; but during any period in which collateral is inventory, the filing provisions of this division (Chapter 4) apply to a security interest in that collateral.

(c) A certificate of title statute of another jurisdiction under the law of which indication of a security interest on the certificate is required as a condition of perfection (subdivision (2) of Section 9103).

(d) The provisions of the Health and Safety Code which require registration of all interests in approved air contaminant emission reductions (Sections 40709 to 40713, inclusive, of the Health and Safety Code).

(4) Compliance with a statute or treaty described in subdivision (3) is equivalent to the filing of a financing statement under this division and a security interest in property subject to the statute or

treaty can be perfected only by compliance therewith except as provided in Section 9103 on multiple state transactions. Duration and renewal of perfection of a security interest perfected by compliance with the statute or treaty are governed by the provisions of the statute or treaty; in other respects the security interest is subject to this division.

SEC. 8. It is the intent of the Legislature, if this bill and Assembly Bill No. 1973 are both chaptered, both bills amend Section 2982 of the Civil Code, Assembly Bill No. 1973 becomes effective on or before July 1, 1981, and this bill is chaptered after Assembly Bill No. 1973, that the amendments to Section 2982 proposed by both bills be given effect and incorporated in Section 2982 in the forms set forth in Sections 3 and 4 of this act. Therefore, Sections 3 and 4 of this act shall become operative only if this bill and Assembly Bill No. 1973 are both chaptered, both amend Section 2982 of the Civil Code, Assembly Bill No. 1973 becomes effective on or before July 1, 1981, and this bill is chaptered after Assembly Bill No. 1973, in which case Section 2 of this act shall not become operative.

SEC. 9. The provisions of this act shall become operative on July 1, 1981.

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:

Chapters 285 and 1149 of the Statutes of 1980 established a comprehensive system of taxation and titling of mobilehomes, and transferred jurisdiction over mobilehome sales, financing and titling from the Department of Motor Vehicles to the Department of Housing and Community Development effective July 1, 1981, but Chapter 1380 of the Statutes of 1980 chaptered out some of the provisions of these new procedures. In order for these provisions to take effect at the time of the transfer of jurisdiction it is necessary that this act take effect immediately.

CHAPTER 135

An act to amend Section 11172 of the Penal Code, relating to child abuse reporting, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 1, 1981. Filed with Secretary of State July 1, 1981]

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

SECTION 1. Section 11172 of the Penal Code is amended to read:

11172. (a) No child care custodian, medical practitioner, nonmedical practitioner, or employee of a child protective agency

who reports a suspected instance of child abuse shall be civilly or criminally liable for any report required or authorized by this article. Any other person reporting a suspected instance of child abuse shall not incur civil or criminal liability as a result of any report authorized by this article unless it can be proven that a false report was made and the person knew or should have known that the report was false. No person required to make a report pursuant to this article, nor any person taking photographs at his or her direction, shall incur any civil or criminal liability for taking photographs of a suspected victim of child abuse, or causing photographs to be taken of a suspected victim of child abuse, without parental consent, or for disseminating the photographs with the reports required by this article. However, the provisions of this section shall not be construed to grant immunity from such liability with respect to any other use of the photographs.

(b) Any person who fails to report an instance of child abuse which he or she knows to exist or reasonably should know to exist, as required by this article, is guilty of a misdemeanor and is punishable by confinement in the county jail for a term not to exceed six months or by a fine of not more than five hundred dollars ($500) or by both.

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

In order to insure compliance with child abuse reporting laws it is imperative that this act shall take effect at the earliest possible date.

CHAPTER 136

An act to amend and renumber Sections 4081, 4082, 4083, and 4084 of, and to add Sections 4081, 4086, 4087, 4088, 4089, 4090, 4091, 4092, and 4093 to, the Elections Code, and to amend Sections 34459, 34460, and 36512.1 of, and to repeal and add Section 34461 to, the Government Code, relating to elections.

[Approved by Governor July 1, 1981. Filed with Secretary of State July 1, 1981.]

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

SECTION 1. Section 4081 of the Elections Code is amended and renumbered to read:

4082. The petition signed by voters proposing an amendment to a charter shall set forth in full the text of the proposed amendment in no less than 10-point type.

SEC. 2. Section 4081 is added to the Elections Code, to read:

4081. The proponents of a measure proposing to amend a charter shall publish or post, or both, a notice of intent to circulate the

petition in the same form and manner as prescribed in Sections 4002 and 4003. The proponents shall also file an affidavit prescribed in Section 4004 with the clerk of the legislative body of the city, and, with respect to the petition, shall be subject to the requirements contained in Section 4005.

SEC. 3. Section 4082 of the Elections Code is amended and renumbered to read:

4083. The petition may be circulated in sections but each section shall contain a correct copy of the text of the proposed amendment.

SEC. 4. Section 4083 of the Elections Code is amended and renumbered to read:

4084. Each signer of the petition shall sign it in the manner prescribed by Section 3516.

SEC. 5. Section 4084 of the Elections Code is amended and renumbered to read:

4085. The petition shall be in substantially the following form:

Petition for Submission to Voters of Proposed Amendment to the Charter of the City (or City and County) of _____

To the city council (or other legislative body) of the City (or City and County) of _____:

We, the undersigned, registered and qualified voters of the State of California, residents of the City (or City and County) of _____, pursuant to Section 3 of Article XI of the Constitution of this state and Chapter 3 of Division 2 of Title 4, commencing at Section 34450 of the Government Code, present to the city council (or other legislative body) of the city (or city and county) this petition and request that the following proposed amendment to the charter of the city (or city and county) be submitted to the registered and qualified voters of the city (or city and county) for their adoption or rejection at an election on a date to be determined by the city council (or other legislative body).

The proposed charter amendment reads as follows:

First. (setting forth the text of the amendment) _____ (etc.)

(Signed)

Name of Signer	Residence	Date
_____	_____	_____
_____	_____	_____
_____	_____	_____

SEC. 6. Section 4086 is added to the Elections Code, to read:

4086. Each section shall have attached thereto the affidavit of the person soliciting the signatures. This affidavit shall be substantially in the same form as set forth in Section 3519 and shall comply with the requirements of Section 44.

SEC. 7. Section 4087 is added to the Elections Code, to read:

4087. Each petition section shall consist of sheets of white paper

uniform in size with dimensions no smaller than 8½ by 11 inches or greater than 8½ by 14 inches.

SEC. 8. Section 4088 is added to the Elections Code, to read:

4088. The sheets comprising each petition section shall be fastened together securely and remain so during circulation and filing.

SEC. 9. Section 4089 is added to the Elections Code, to read:

4089. A voter may withdraw his or her signature from a petition in the manner prescribed in Section 5352.

SEC. 10. Section 4090 is added to the Elections Code, to read:

4090. The petition shall be filed with the clerk by the proponents, or by any person or persons authorized in writing by the proponents. All sections of the petition shall be filed at one time and no petition section submitted subsequently shall be accepted by the clerk The petition shall be filed not more than 200 days after the date on which the notice of intent to circulate was published or posted, or both.

SEC. 11. Section 4091 is added to the Elections Code, to read:

4091. After the petition has been filed, the clerk shall examine the petition in the same manner as are county petitions in accordance with Sections 3707 and 3708, except that, for the purposes of this section, references in those sections to the board of supervisors shall be treated as references to the legislative body of the city or city and county. The expenses of signature verification shall be provided by the governing body receiving the petition from the clerk.

SEC. 12. Section 4092 is added to the Elections Code, to read:

4092. The petition shall be preserved and destroyed in accordance with the provisions of Section 3756.

SEC. 13. Section 4093 is added to the Elections Code, to read:

4093. Petitions which do not substantially conform to the form requirements of this article shall not be accepted for filing by the clerk.

SEC. 14. Section 34459 of the Government Code is amended to read:

34459. The charter of any city may be amended or repealed by proposals submitted by the governing body on its own motion or by petition signed by 15 percent of the registered voters, or both.

The charter of a city and county may be amended or repealed by proposals submitted by the governing body or by a petition signed by 10 percent of the qualified electors of the city and county, computed upon the total number of votes cast in the city and county for all candidates for Governor at the last general election at which a Governor was elected, or both. Such proposals shall be submitted to the electors at either a special election called for that purpose or at any general or special election. The election on the proposed amendments or the proposal for charter repeal shall be held at a date to be fixed by the governing body of the city and county, which is not less than 40 and not more than 60, days after the completion of the advertising in the official paper.

SEC. 15. Section 34460 of the Government Code is amended to

read:

34460. Petitions for the submission of any amendment or petitions for the repeal of a charter shall be in the form and shall be circulated and processed in the manner prescribed in Article 3 (commencing with Section 4080) of Chapter 3 of Division 5 of the Elections Code.

SEC. 16. Section 34461 of the Government Code is repealed.

SEC. 17. Section 34461 is added to the Government Code, to read:

34461. If the petition is signed by not less than 15 percent of the registered voters of the city according to the county clerk's official report of registration to the Secretary of State effective at the time the notice specified in Section 4081 of the Elections Code was published or posted, or both, the legislative body shall, within 20 days after it is presented, order an election at which the proposal, without alteration, shall be submitted to a vote of the voters of the city. The election shall be held at the next regular municipal election, at which all the voters of the city are eligible to vote, occurring not less than 90 days after the order of the legislative body. Amendments proposed by the governing body and amendments proposed by petition of the voters may be submitted at the same election. The governing body of the city or city and county, shall within 15 days after issuing the order calling the election, cause the proposed charter amendments or the proposal for charter repeal, to be published once in the official newspaper of the city or city and county and in each edition thereof, during the day of publication. In case there is no official newspaper, the proposals for charter amendment or repeal shall be published in a newspaper of general circulation within the city or city and county and in all editions thereof, issued during the day of publication. If the governing body causes copies of any proposed charter amendments to be mailed to the voters, the text of the proposed charter amendments may show the difference from existing provisions of law by the use of distinguishing type styles.

SEC. 18. Section 36512.1 of the Government Code is amended to read:

36512.1. Notwithstanding the provisions of Sections 34902 and 36512, a city may enact an ordinance requiring that a special election be called immediately to fill every city council vacancy. The ordinance shall provide that the special election shall be held on the next regularly established election date not less than 90 days from the call of the special election. A city may also enact an ordinance requiring that a special election be held to fill a city council vacancy when petitions bearing a specified number of verified signatures are filed. The ordinance shall provide that the special election shall be held on the next regularly established election date not less than 90 days from the filing of the petition. However, a governing body which has enacted such an ordinance may also call a special election pursuant to Section 36512 without waiting for the filing of a petition.

For purposes of this section, a city council vacancy includes a

vacancy in an office designated as the office of mayor pursuant to Section 34902.

CHAPTER 137

An act to amend Sections 1140 and 1141 of the Probate Code, relating to decedent's estates.

[Approved by Governor July 1, 1981 Filed with Secretary of State July 1, 1981]

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

SECTION 1. Section 1140 of the Probate Code is amended to read:

1140. (a) The public administrator of each county shall take immediate charge of the property within his or her county of persons who have died, when no executor or administrator has been appointed, and in consequence thereof the property, or any part thereof, is being wasted, uncared for, or lost; and of all estates ordered into his or her hands by the court. The public administrator shall apply for letters of administration upon the estates of decedents who have no known heirs, when the superior court of his or her county has jurisdiction thereof, and may apply for such letters upon any other estate which he or she is entitled to administer.

(b) If the public administrator is entitled to administer an estate, he or she shall, with all convenient dispatch, procure any letters of administration upon the estate in like manner and on like proceedings as letters are issued to other persons. His or her official bond and oath are in lieu of the administrator's or executor's bond and oath required for the grant of letters.

SEC. 2. Section 1141 of the Probate Code is amended to read:

1141. (a) When a public administrator takes charge of an estate of a decedent which he or she may be entitled to administer, he or she may make an immediate search for assets, a will, and burial instructions of the decedent if none have theretofore been produced, and in furtherance thereof shall, upon furnishing written certification that there are reasonable grounds to believe that he or she may be entitled to administer the estate, be provided by any person, bank, corporation, or other financial institution information concerning the assets held in the sole name of the decedent and shall be granted access to any safe deposit box held in the sole name of the decedent by any bank, corporation, or other financial institution which rented the box to the decedent, for inspection and the removal of any will or burial instructions found, without letters of administration being issued, or under order of the court, as provided in this chapter. Any costs or expenses which may be incurred for drilling or forcing such safe deposit box shall be borne by the estate

of the decedent.

(b) If a will is found, the public administrator or custodian shall forthwith deliver it to the clerk of the superior court having jurisdiction of the estate or to the executor named therein in like manner as a custodian is required to do by Section 320. If burial instructions are found, he or she shall forthwith deliver the instructions to the person or persons upon whom the right to control disposition of the decedent's remains and the duty of his or her interment devolves, as established by Section 7100 of the Health and Safety Code.

(c) The receipt of the written certification provided by this section shall constitute sufficient acquittance for granting access to the decedent's financial information, or safe deposit box, and for the removal therefrom of the decedent's will and burial instructions, if any, and shall fully discharge the person, the bank, corporation, or other financial institution which rented the box to the decedent from any liability for granting such access or for any act or omission of the public administrator with reference thereto, without the necessity of inquiring into the truth of any of the facts stated in the certification.

CHAPTER 138

An act to amend Section 22430 of the Business and Professions Code, relating to identification cards, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 1, 1981 Filed with Secretary of State July 1, 1981.]

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

SECTION 1. Section 22430 of the Business and Professions Code is amended to read:

22430. (a) No deceptive identification document shall be manufactured, sold, or offered for sale unless there is diagonally across the face of the document, in not less than 14-point type and printed conspicuously on the document in permanent ink, the following statement:

NOT A GOVERNMENT DOCUMENT

and, also printed conspicuously on the document, the name of the manufacturer.

(b) As used in this section, "deceptive identification document" means any document not issued by a governmental agency of this state, another state, or the federal government, which purports to be, or which might deceive an ordinary reasonable person into believing that it is, a document issued by such an agency, including, but not

limited to, a driver's license, identification card, birth certificate, passport, or Social Security card

(c) Any person who violates or proposes to violate this section may be enjoined by any court of competent jurisdiction. Actions for injunction under this section may be prosecuted by the Attorney General or any district attorney in this state in the name of the people of the State of California upon their own complaint or upon the complaint of any person.

(d) Any person who violates the provisions of subdivision (a) who knows or reasonably should know that such deceptive identification document will be used for fraudulent purposes is guilty of a misdemeanor.

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:

It is estimated that a minimum of 1,000 false identification documents are manufactured every month which are used primarily for illegal purposes. In order to stop this proliferation of false identification documents as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 139

An act to amend Section 1250.250 of the Code of Civil Procedure, relating to eminent domain.

[Approved by Governor July 1, 1981 Filed with Secretary of State July 1, 1981]

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

SECTION 1. Section 1250.250 of the Code of Civil Procedure is amended to read:

1250.250. (a) If the only interest of the county or other taxing agency in the property described in the complaint is a lien for ad valorem taxes, the county or other taxing agency need not be named as a defendant.

(b) The holder of a lien that secures a special assessment or a bond representing the special assessment shall be named as a defendant, regardless of the nature of the special assessment and the manner of collection of the special assessment. The holder of the lien may, instead of an answer, certify to the court within 30 days after service of the summons and complaint on the holder all of the following information:

(1) A complete description of the lien.

(2) A description of the property encumbered by the lien.

(3) The amount remaining due on the lien as of the date of the

certificate.

(4) The date upon which each installment payable on the lien is due and the amount of each installment.

(c) A copy of the certification shall be sent by first-class mail to all parties to the proceeding at the time it is provided to the court. The filing of the certification or answer shall be considered as a general appearance.

SEC. 2. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the Legislature finds and declares that there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs.

CHAPTER 140

An act to amend Section 676 of the Welfare and Institutions Code, relating to juvenile court law.

[Approved by Governor July 1, 1981. Filed with Secretary of State July 1, 1981]

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

SECTION 1. Section 676 of the Welfare and Institutions Code is amended to read:

676. (a) Unless requested by the minor concerning whom the petition has been filed and any parent or guardian present, the public shall not be admitted to a juvenile court hearing. The judge or referee may nevertheless admit such persons as he deems to have a direct and legitimate interest in the particular case or the work of the court. However, except as provided in subdivision (b), members of the public shall be admitted, on the same basis as they may be admitted to trials in a court of criminal jurisdiction, to hearings concerning petitions filed pursuant to Section 602 alleging that a minor is a person described in Section 602 by reason of the violation of any one of the following offenses:

(1) Murder.

(2) Arson of an inhabited building.

(3) Robbery while armed with a dangerous or deadly weapon.

(4) Rape with force or violence or threat of great bodily harm.

(5) Sodomy by force, violence, duress, menace, or threat of great bodily harm.

(6) Oral copulation by force, violence, duress, menace, or threat of great bodily harm.

(7) Any offense specified in Section 289 of the Penal Code.

(8) Kidnapping for ransom.

(9) Kidnapping for purpose of robbery.

(10) Kidnapping with bodily harm.
(11) Assault with intent to murder or attempted murder.
(12) Assault with a firearm or destructive device.
(13) Assault by any means of force likely to produce great bodily injury.
(14) Discharge of a firearm into an inhabited or occupied building
(15) Any offense described in Section 1203.09 of the Penal Code.

(b) Where the petition filed alleges that the minor is a person described in Section 602 by reason of the commission of rape with force or violence or great bodily harm; sodomy by force, violence, duress, menace, or threat of great bodily harm; oral copulation by force, violence, duress, menace, or threat of great bodily harm; or any offense specified in Section 289 of the Penal Code, members of the public shall not be admitted to the hearing in either of the following instances:

(1) Upon a motion for a closed hearing by the district attorney, who shall make the motion if so requested by the victim.
(2) During the victim's testimony, if, at the time of the offense the victim was under 16 years of age.

CHAPTER 141

An act to amend Section 25123 of the Government Code, relating to ordinances, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 1, 1981. Filed with Secretary of State July 1, 1981.]

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

SECTION 1. Section 25123 of the Government Code is amended to read:

25123. All ordinances shall become effective 30 days from the date of final passage, except the following ordinances which shall take effect immediately:

(a) Those calling or otherwise relating to an election.
(b) Those specifically required by this code or by any other law to take immediate effect.
(c) Those fixing the amount of money to be raised by taxation, or the rate of taxes to be levied.
(d) Those for the immediate preservation of the public peace, health, or safety, which shall contain a declaration of the facts constituting the urgency, and shall be passed by a four-fifths vote of the board of supervisors.
(e) Those specifically relating to the adoption or implementation of a memorandum of understanding with an employee organization.

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 agreements between counties and employee organizations presently being negotiated or to be negotiated may be given effect this year, it is necessary that this act take effect immediately.

CHAPTER 142

An act to amend Sections 8024, 8030.6, 8030.8, and 8031 of the Business and Professions Code, relating to shorthand reporters, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 1, 1981. Filed with Secretary of State July 1, 1981]

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

SECTION 1. Section 8024 of the Business and Professions Code is amended to read:

8024. All certificates issued under this chapter shall expire at 12 midnight on April 30 of each year if not, in each instance, renewed.

To renew an unexpired certificate, the certificate holder shall, on or before each of the dates on which it would otherwise expire, apply for renewal on a form prescribed by the board, and pay the renewal fee prescribed by this chapter.

SEC. 2. 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, in accordance with the procedures set forth below, to the certified shorthand reporter designated in the application 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:

(a) The applicant shall promptly submit to the board the invoice received from the certified shorthand reporter for the original transcript and one copy, together with the appropriate documentation, that the person is indigent and the applicant is qualified under this chapter.

(b) The board shall promptly determine if the applicant is entitled to reimbursement under this chapter.

(c) If entitled, and funds are available, the board shall forthwith

disburse the appropriate sum to the certified shorthand reporter together with a notice requiring the certified shorthand reporter to file a notice with the court in which the action is pending advising that such sum has been paid pursuant to this section and that if such sum is subsequently included in any award of costs made in such action that such sum is to be ordered refunded by the applicant to the Transcript Reimbursement Fund whenever the sum is actually recovered as costs. The court shall 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 such sum has been paid to the certified shorthand reporter and shall likewise notify the applicant of the duty to refund any of such sum actually recovered as costs in the action.

(d) 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.

(e) The board shall complete its actions under this subdivision within 30 days of receipt of the invoice and accompanying documentation.

(f) Applications for reimbursements from the fund shall be filled on a first-come basis.

This section shall remain in effect only until June 30, 1986, and as of that date is repealed.

SEC. 3. 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 shall be presumed sufficient to establish entitlement for reimbursement from the Transcript Reimbursement Fund if it establishes all of the following:

(1) 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

(b) In the case of an applicant claiming to be eligible pursuant to subdivision (a), (b), or (c) of Section 8030.4, a letter from the director of such 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, shall be sufficient documentation to establish eligibility

(c) In the case of 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, shall be sufficient documentation to establish eligibility.

This section shall remain in effect only until June 30, 1986, and as of that date is repealed.

SEC. 4. Section 8031 of the Business and Professions Code is amended to read:

8031. The amount of the fees required by this chapter is that fixed by the following schedule:

(a) The fee for filing an application for each examination shall be fixed by the board at not more than forty dollars ($40).

(b) The initial certificate fee is an amount equal to the renewal fee in effect on the last regular renewal date before the date on which the certificate is issued, except that, if the certificate will expire less than 180 days after its issuance, then the fee is 50 percent of the renewal fee in effect on the last regular renewal date before the date on which the certificate is issued or fifty dollars ($50), whichever is greater. The board may, by appropriate regulation, provide for the waiver or refund of the initial certificate fee where the certificate is issued less than 45 days before the date on which it will expire.

(c) The renewal fee shall be fixed by the board in such amounts and at such times as the board may deem appropriate to meet its operational expenses and funding responsibilities established by this chapter, at not more than one hundred twenty-five dollars ($125) nor less than ten dollars ($10) annually, with the following exception:

Any person who is employed full time by the State of California as a hearing reporter and who does not otherwise render shorthand reporting services for a fee shall be exempt from licensure while in state employment and shall not be subject to the renewal fee provisions of this subdivision until 30 days after leaving state employment. The renewal fee shall, in addition to the amount fixed by this subdivision, include any unpaid fees required by this section plus any delinquency fee.

(d) The delinquency fee is twenty dollars ($20).

(e) The duplicate certificate fee is five dollars ($5).

(f) The penalty for failure to notify the board of a change of address is twenty dollars ($20).

This section shall remain in effect only until June 30, 1986, and as of that date is repealed.

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

In order to clarify the law relating to the reimbursement of court costs from the Transcript Reimbursement Fund and to provide the Certified Shorthand Reporters Board with the increased revenue provided by this act as soon as possible in order to resolve the

financial problems of the board in administering the law relating to shorthand reporters, it is necessary that this act take effect immediately.

CHAPTER 143

An act to amend Section 56.10 of the Civil Code, and to amend Section 1 of Chapter 363 of the Statutes of 1980, relating to medical information, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 2, 1981 Filed with Secretary of State July 2, 1981]

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

SECTION 1. Section 56.10 of the Civil Code is amended to read:

56.10. An authorization for the release of medical information granted on or after January 1, 1980, shall not be valid unless it:

(a) Is in writing.

The typeface of the authorization shall be at least eight-point type.

(b) Is clearly separate from any associated claim or application language, or any other language, present on the same page.

(c) Is signed by the patient.

The authorization may be signed by the patient's spouse or by the parent, conservator or guardian of a patient who is a minor or an enrolled dependent for the sole purpose of processing an application for health insurance or enrollment in a nonprofit hospital or health care service plan, and the processing of claims thereunder.

The authorization may be signed by a parent, conservator, or guardian for the sole purposes of making a claim for benefits or damages provided the claimant is a minor, or of underwriting a life insurance policy provided the person to be insured is a minor, or of authorizing the disclosure to or acquisition by an employer or prospective employer of medical information derived from a preemployment physical examination of a minor.

The authorization may be signed by a minor who can lawfully consent to the provision of medical services under Part 1 (commencing with Section 25) or Part 2.7 (commencing with Section 60) of Division 1.

(d) States the types of medical information the patient is authorizing to be disclosed.

(e) States the names or functional activities of the persons, partnerships, corporations or other private or public entities from whom the patient is authorizing the medical information to be acquired.

(f) States the names or functional activities of the persons, partnerships, corporations or other private or public entities to

whom the patient is authorizing medical information to be disclosed.

Any person, partnership, corporation or other private or public entity, to whom the patient authorizes medical information to be disclosed pursuant to this subdivision shall be considered a requester for the purposes of this part.

(g) States the purposes for which the medical information may be used by any of the parties named in subdivision (f).

(h) States the length of time the authorization shall remain valid.

(i) Advises the patient of the right to receive a copy of the authorization.

Upon demand by the patient, the requester shall furnish a true copy of the signed authorization and its receipt by the patient shall be noted on the original copy of the authorization.

SEC. 1.5. Section 1 of Chapter 363 of the Statutes of 1980 is amended to read:

Section 1. It is the intent of this act to maintain the confidentiality of medical information in accordance with the spirit of the provisions of Part 2.6 (commencing with Section 56) of Division 1 of the Civil Code, as added by Chapter 773 of the Statutes of 1979. The provisions of Part 2.6 (commencing with Section 56) of Division 1 of the Civil Code which affect any private person, partnership, corporation, or other private entity shall not become operative and shall have no effect until January 1, 1982. Such provisions shall not be deemed to have applied to any act done prior to January 1, 1982, and no person shall be liable for a violation of any such provisions, or for any acquisition or disclosure of medical information or any other act not in compliance with such provisions, which occurred prior to January 1, 1982. However, this act shall not relieve any person of any liabilities arising under any law other than Part 2.6 (commencing with Section 56) of Division 1 of the Civil Code, and all civil and criminal penalties and liabilities arising under any law other than Part 2.6 (commencing with Section 56) of Division 1 of the Civil Code, including laws in existence prior to the effective date of Part 2.6, shall not be abrogated by this act but shall be available between the effective date of this act and January 1, 1982.

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

The Confidentiality of Medical Information Act will become operative on July 1, 1981. This bill corrects an oversight in that act by allowing a parent or guardian to authorize release to a prospective employer of information garnered from a preemployment physical examination of a minor. In order to correct this oversight simultaneously with the operative date of the Confidentiality of Medical Information Act, it is necessary that this act take effect immediately.

SEC. 3. This act shall become operative on July 1, 1981.

CHAPTER 144

An act to amend Sections 22011, 22208, 22210, 22211, 22401, 22403, 22414, 22452, 22454, 22455, 22458, 22458.1, 22458.2, 22458.3, 22458.4, 22458.5, 22459, 22460, 22461, 22473, 22474, 22475, 22480, 22602, 22608, 22613, 22614, 22615, 22615.7, and 22617 of, to add Sections 22407.5 and 22482 to, and to repeal Section 22615.5 of, the Financial Code, relating to personal property brokers.

[Approved by Governor July 5, 1981 Filed with Secretary of State July 6, 1981]

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

SECTION 1. Section 22011 of the Financial Code is amended to read:

22011. "Commercial loan" means any loan in which:

(a) The borrower is a corporation, a general or limited partnership, or a joint venture; or

(b) A substantial part of the security for the loan consists of property used primarily for other than personal, family, or household purposes; or

(c) The borrower is self-employed, on a full- or part-time basis and represents in writing to the lender that a substantial portion of the proceeds of the loan will be used for the purpose of carrying on his business or businesses or acquiring a business or businesses. The lender shall not be required to ascertain that the proceeds of the loan are used in accordance with such representation; or

(d) The loan is made by a broker-dealer licensed under the Corporate Securities Law of 1968 and the loan is made in accordance with applicable provisions of the Corporate Securities Law of 1968, the Securities Act of 1933, the Securities Exchange Act of 1934 and Regulation T of the Federal Reserve Board, Code of Federal Regulations, Part 220 of Title 12

A loan which otherwise qualifies as a commercial loan is not affected by the fact that any person other than the borrower may become or be personally obligated to repay the loan as either a comaker, endorser, or guarantor.

SEC. 2. Section 22208 of the Financial Code is amended to read:

22208. (a) Each licensee shall pay to the commissioner its pro rata share of all costs and expenses, reasonably incurred in the administration of this division, as estimated by the commissioner for the ensuing year and any deficit actually incurred or anticipated in the administration of the program in the year in which such assessment is made. The pro rata share shall be the proportion which a licensee's gross income bears to the aggregate gross income of all licensees as shown by the annual financial reports to the commissioner.

(b) On or before the 30th day of May in each year, the

commissioner shall notify each licensee by mail of the amount assessed and levied against it and that amount shall be paid within 20 days thereafter. If payment is not made within 20 days, the commissioner shall assess and collect a penalty in addition to the assessment, of 1 percent of the assessment for each month or part of a month that the payment is delayed or withheld.

(c) In the levying and collection of the assessment, a licensee shall neither be assessed for nor be permitted to pay less than one hundred fifty dollars ($150) per year.

(d) If a licensee fails to pay the assessment on or before the 30th day of June following the day upon which payment is due, the commissioner may by order summarily suspend or revoke the certificate issued to the licensee. If, after an order is made, a request for hearing is filed in writing and a hearing is not held within 60 days thereafter, the order is deemed rescinded as of its effective date. During any period when its certificate is revoked or suspended, a licensee shall not conduct business pursuant to this division except as may be permitted by order of the commissioner. However, the revocation, suspension or surrender of a certificate shall not affect the powers of the commissioner as provided in this division.

SEC. 3. Section 22210 of the Financial Code is amended to read:

22210. (a) Upon reasonable notice and opportunity to be heard, the commissioner may deny the application for any of the following reasons: (1) a false statement of a material fact has been made in the application; (2) any officer, director, or member of the applicant has, within the last 10 years, (i) been convicted of or pleaded nolo contendere to a crime, or (ii) committed any act involving dishonesty, fraud, or deceit, which crime or act is substantially related to the qualifications, functions, or duties of a person engaged in business in accordance with the provisions of this division; (3) the applicant or any officer, director, or member of the applicant has violated any provision of this division or the rules thereunder or any similar regulatory scheme of a foreign jurisdiction.

(b) The application shall be considered withdrawn within the meaning of this section if the applicant fails to respond to a written notification of a deficiency in the application within 90 days of the date of the notification.

(c) The commissioner shall within 60 days from the filing of a full and complete application for a license with the fees, either issue a license or file a statement of issues prepared in accordance with the provisions of Chapter 5 (commencing with Section 11500), Part 1, Division 3, Title 2, of the Government Code.

SEC. 4. Section 22211 of the Financial Code is amended to read:

22211. The proceedings for a denial of a license shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the commissioner has all the powers granted therein.

SEC. 5. Section 22401 of the Financial Code is amended to read:

22401. (a) A license shall be conspicuously posted in the place of

business authorized by the license.

(b) A license is not transferable or assignable. A license issued to a partnership or a limited partnership is not transferred or assigned within the meaning of this section by the death, withdrawal, or admission of a partner, general partner, or limited partner, unless the death, withdrawal, or admission dissolves the partnership to which the license was issued.

SEC. 6. Section 22403 of the Financial Code is amended to read:

22403. (a) If a licensee desires to change its place of business to a street address other than that designated in its license, such person shall give written notice to the commissioner at least 10 days prior to the change. The commissioner shall then attach a written approval of the change and the date of the approval.

(b) If notice is not given at least 10 days prior to such change as required by subdivision (a), the commissioner may assess a civil penalty on the licensee of not to exceed five hundred dollars ($500).

SEC. 7. Section 22407.5 is added to the Financial Code, to read:

22407.5. Nothing contained in Sections 22406 and 22407 shall require the maintenance or preservation of original records, provided that any information requested by the commissioner can be furnished within 48 hours excluding Saturdays, Sundays, and holidays as defined in Sections 6700 and 6701 of the Government Code.

SEC. 8. Section 22414 of the Financial Code is amended to read:

22414. No advertising copy shall be used after its use has been disapproved by the commissioner and the licensee is notified in writing of the disapproval.

SEC. 9. Section 22452 of the Financial Code is amended to read:

22452. (a) As used in this division, "open end loan" means a loan or loans made by a licensee pursuant to a loan agreement which expressly states that it is made pursuant to this section and pursuant to which:

(1) The licensee may permit the borrower to obtain advances of money from the licensee from time to time or the licensee may advance money on behalf of the borrower from time to time as directed by the borrower.

(2) The amount of each advance and the charges and other permitted costs are debited to an account.

(3) The charges are computed from time to time on the unpaid balances of the borrower's account, excluding from the computation any unpaid charges other than permitted fees, costs and expenses.

(4) The borrower has the privilege of paying the account in full at any time or in monthly installments.

(b) Subject to the written approval of the commissioner of the licensee's plan of business for making open end loans as not being misleading or deceptive and subject to regulations the commissioner may promulgate with respect to open end loans under Section 22400, a licensee may make open end loans pursuant to this section and may contract for and receive thereon charges as set forth in Sections

22451, 22451.1, 22451.5 and 22454.1. These charges may be calculated on an amount not exceeding the greater of:

(1) The actual daily unpaid balances of the open end account in the billing cycle for which the charge is made, in which case one-thirtieth of the monthly rate may be charged for each day the unpaid balance is outstanding.

(2) The average daily unpaid balance of the open end account in the billing cycle for which the charge is made, which is the sum of the amount unpaid each day during that cycle divided by the number of days in that cycle. The amount unpaid on a day is determined by adding to any balance unpaid as of the beginning of that day all advances and other debits and deducting all payments and other credits made or received as of that day.

The billing cycle shall be monthly. A billing cycle is monthly if the closing date of the cycle is the same date each month or does not vary by more than four days from the regular date.

(c) No licensee shall enter into any agreement for an open end consumer loan that provides for a minimum monthly payment that would result in the full repayment of principal over more than the maximum periods set forth below opposite the respective size of loans.

Principal amount of loan	Maximum period
Less than $1,500	24 months and 15 days
$1,500 but less than $2,500	36 months and 15 days
$2,500 but less than $4,000	48 months and 15 days
$4,000 but less than $6,000	60 months and 15 days
$6,000 but less than $10,000	84 months and 15 days

The minimum payment shall be determined by the amount of the initial loan advance and shall continue at that amount until a subsequent loan advance is made, at which time the minimum payment shall be determined by the amount of the unpaid balance of the loan after the advance and including the advance. Minimum payments after each advance shall be determined in the same manner.

(d) On open end loans the licensee may contract for and receive the fees, costs and expenses permitted on other loans, including those permitted by subdivisions (a), (b), (c), and (d) of Section 22458 and subdivision (d) of Section 22458.1, except that the charge for credit life insurance under Section 22458.1 shall be on a monthly basis and shall be actuarially consistent with the single premium rate for the same coverage approved or fixed by the Insurance Commissioner under Section 22458.1, or in accordance with a schedule of monthly rates filed with and not disapproved by the Commissioner of Insurance.

(e) A licensee may not take real property as security, in whole or in part, for an open end loan under this section.

(f) Sections 22454 and 22455 shall apply to open end loans with the

following variations:

(1) To comply with Section 22454, the loan contract shall provide for payment of minimum payments complying with subdivision (c).

(2) To comply with Section 22455, the licensee shall deliver to or at the direction of the borrower at the time of each loan advance an amount equal to the face value of the advance.

(g) In lieu of subdivision (a) of Section 22458.1, Section 22468, and subdivision (a) of Section 22473, the following provisions shall apply to open end loans:

(1) A licensee may provide insurance on the life of one or more borrowers, with his or her consent, the form to be approved by the Insurance Commissioner, and in an amount not in excess of the amount of the indebtedness. If life insurance is provided, and if the insured dies when there is an outstanding open end loan indebtedness, the insurance shall be sufficient to pay the total amount due on the loan outstanding on the date of his or her death without any exception, reservation or limitation. Any such life insurance as is provided shall be in force as soon as the loan is made or coverage is agreed upon, whichever is later. No credit life insurance written in connection with an open end loan shall be canceled by the lender because of delinquency of the borrower in the making of the minimum payments thereon unless one or more of such payments is past due for a period of 90 days or more, and the lender shall advance to the insurer the amounts required to keep the insurance in force during such period, which amounts may be debited to the borrower's account.

(2) The open end loan agreement shall contain the name, address and license number of the personal property broker and shall disclose the nature of the security taken, the method of determining the minimum payments which will be required to repay the initial advance and any subsequent advances on the loan, and the agreed rate of charge.

(3) Except in the case of an account which the licensee deems to be uncollectible, or with respect to which delinquency collection procedures have been instituted, the licensee shall deliver or cause to be delivered to the borrower, or any one thereof, for each billing cycle at the end of which there is an outstanding balance in the account or with respect to which a finance charge is imposed, a statement setting forth the outstanding balance in the account at the beginning of the billing cycle, the date and amount of any subsequent loan advance during the period, the amounts and dates of crediting to the account during the billing cycle for payments, the amount of any finance charge debited to the account during the billing cycle, the annual percentage rate of finance charge determined under Regulation Z promulgated by the Board of Governors of the Federal Reserve System under the Federal Consumer Credit Protection Act, the balance on which the finance charge was computed, the closing date of the billing cycle, the outstanding balance on that date, and the minimum monthly

payment required in the absence of any additional advance. If there has been any change in the nature of the security for the loan since the next preceding advance, the statement shall contain or be accompanied by a statement of the nature of the security for the loan after such change.

(h) Subdivision (e) of Section 22473 shall not apply to an open end loan with respect to which there is no balance outstanding if the open end loan agreement continues in effect.

(i) Section 22480 shall not apply to open end loans.

(j) Nothing in this section may be construed to limit the authority of the commissioner to disapprove advertising with respect to open end loans pursuant to Section 22414.

(k) This section shall not apply to loans other than open end loans.

SEC. 10. Section 22454 of the Financial Code is amended to read:

22454. Except as provided in Article 3 (commencing with Section 22480), all charges on loans made under this division shall be computed and paid only as a percentage per month of the unpaid principal balance or portions thereof, and shall be so expressed in every obligation signed by the borrower. The charges on loans shall be computed on the basis of the number of days actually elapsed, for the purpose of which computations a month is any period of 30 consecutive days. The loan contract shall provide for payment of the aggregate amount contracted to be paid in substantially equal periodical installments, the first of which shall be due not less than 15 days nor more than 1 month and 15 days from the date the loan is made.

SEC. 11. Section 22455 of the Financial Code is amended to read:

22455. Except as provided in Article 3 (commencing with Section 22480) no charges on loans made pursuant to this division shall be paid, deducted, or received in advance, or compounded. The licensee shall deliver to or at the direction of the borrower at the time of making the loan an amount equal to the face value of the loan and the note evidencing the loan.

SEC. 12. Section 22458 of the Financial Code is amended to read:

22458. Insurance on tangible personal or real property offered as security shall not be deemed to be a collateral sale, purchase, or agreement within the terms of Section 22004, 22456, or 22457, when all the following are met:

(a) The insurance is sold at standard rates through licensed insurance brokers or agents.

(b) The policy is written to cover the property offered as security for a loan.

(c) The property is reasonably insured against loss for a reasonable term considering the circumstances of the loan.

(d) The policy relating to personal property is made payable to the borrower or any member of his family even though the customary mortgagee clause is attached or the mortgagee is a coassured.

(e) Except in the case of purchase money encumbrances the

amount of title insurance shall not exceed the principal amount of the loan which is secured by a deed of trust, mortgage or lien on real property which is the subject of the policy of title insurance.

(f) The policy of title insurance insures the lender or is made payable jointly to the lender and the borrower as their interests may appear.

(g) Title insurance is placed through a title insurance company, duly authorized to do business in the state in which the real property is located, at rates comparable to rates being used by other title insurance companies duly authorized to do business in that state.

(h) Title insurance is placed in connection with the renewal or extension of a loan only when the additional cash advance is at least one thousand dollars ($1,000).

SEC. 13. Section 22458.1 of the Financial Code is amended to read·

22458.1. Credit life insurance on the life of a borrower and credit disability insurance shall not be deemed to be a collateral sale, purchase, or agreement within the terms of Section 22004, 22456 or 22457 when such insurance is provided in accordance with the provisions of the Insurance Code and this section.

(a) A licensee may provide insurance on the life of one or more borrowers and credit disability insurance to provide indemnity for payments becoming due on the indebtedness, with his or her consent, the form to be approved by the Insurance Commissioner and in an amount not in excess of the amount of the indebtedness and may collect from the borrower an amount not in excess of that permitted by subdivision (d) of this section. If the loan is prepaid in full by cash, a new loan, refinancing or otherwise (except by said insurance) before the final installment date the borrower shall receive a rebate of said amount computed in accordance with the formula approved by the Insurance Commissioner pursuant to Section 779.14 of the Insurance Code. When charges for the loan are precomputed in accordance with Section 22480, any permitted deferment charge may be computed on the combined total of the precomputed charge and the life or credit disability insurance charge. Only one such amount may be collected in connection with any loan contract irrespective of the number of borrowers, and only one borrower need be insured. Such amount may be deducted from the principal of the loan If life or disability insurance is provided, and if the insured borrower dies or becomes disabled during the term of the loan contract, the insurance shall be sufficient to pay the total amount due on the loan (excluding unearned charges) outstanding on the date of his death, or all amounts which become due on the loan thereafter during the period of disability, as the case may be, without any exception, reservation or limitation, subject, however, to the provisions of Section 22458.2. Any life or disability insurance provided shall be in force as soon as the loan is made.

(b) No licensee shall decline new or existing insurance which meets or exceeds the standards set forth in this section, nor prevent

any borrower from obtaining such insurance coverage from other sources. A licensee shall not require credit life or disability insurance as a condition of making a loan.

(c) If a borrower procures such insurance by or through a licensee, the statement required by Section 22473 shall disclose the cost thereof to the borrower, and the licensee shall deliver or cause to be delivered to the borrower a copy of the policy, certificate, or other evidence thereof, within a reasonable time. In the event a licensee provides credit disability insurance pursuant to this division, the licensee shall also deliver an understandable written statement to the borrower detailing the conditions when the borrower will be entitled to make a claim under the insurance policy and the procedure to be followed in making the claim. This statement shall be first approved by the commissioner.

(d) The amount charged to the borrower for such insurance shall not exceed in the case of credit life insurance the amount provided in paragraph (1) or paragraph (2), whichever is less, or, in the case of credit disability insurance, unless a regulation has been promulgated and established pursuant to subdivision (e), in which case the amount charged shall not exceed the amount prescribed by the regulation, the amount provided in paragraph (1):

(1) The premium rate filed with the Insurance Commissioner for the coverage provided pursuant to Article 5.9 (commencing with Section 779.1) of Chapter 1 of Part 2 of Division 1 of the Insurance Code and which has not been disapproved by him, or

(2) Fifty cents ($0.50) per year per one hundred dollars ($100) of indebtedness (and in the same proportion for longer or shorter maturities and larger or smaller amounts) or such different maximum as shall have been fixed by the Insurance Commissioner by a valid and effective regulation adopted on or after December 31, 1961, and applicable to all licensees under this division.

(e) The Insurance Commissioner shall study data available to him concerning California credit life and disability insurance experience and shall promulgate and establish a general regulation fixing the maximum which may be charged for insurance by licensees hereunder having due regard to the relation of the total amount of death and disability claims paid to the amounts at risk during the same period, and a reasonable margin for contingencies and cost and compensation to licensees for providing and servicing the insurance, plus the premium taxes payable on the probable premiums to be charged by insurers, plus the probable, but not unreasonable, markup to be added by insurers to the risk cost. Any such changed maximum rate of premium or identifiable charge shall not affect any insurance then in force on borrowers. Any regulation under this section shall be adopted after a hearing and in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 14. Section 22458.2 of the Financial Code is amended to read:

22458.2. Credit disability insurance written pursuant to Section 22458.1 shall not provide indemnity against the risk of a borrower becoming disabled for a period of less than 14 days. The insurance may provide indemnity for any single period of continuous disability of 14 days or longer, after which the risk may become compensable. In no event shall any credit disability insurance provide for retroactive coverage to an earlier date based upon the disability having continued for a period stated in the policy, or for any other reason. Credit disability insurance, if made available by a licensee, shall be available on a monthly or annual premium basis, and the premium by the month shall not exceed a pro rata relationship to the annual premium. Credit disability insurance need not be offered for a period less than the term of the loan to which it is applicable and no credit disability insurance shall be written for a period in excess of the term of the loan to which it is applicable.

SEC. 15. Section 22458.3 of the Financial Code is amended to read:

22458.3. A licensee may collect the cost of a lot book report purchased in lieu of title insurance provided for in Section 22458. The cost is not included in charges as defined in this article or in determining the maximum charges which may be made under this article.

SEC. 16. Section 22458.4 of the Financial Code is amended to read:

22458.4. On any loan made which is secured in part by real property, an appraisal fee not to exceed the actual cost of the appraisal or 1 percent of the face amount of the loan whichever is the lesser may be charged by the licensee, if a written appraisal is rendered to the licensee by a qualified appraiser. However, if the appraiser is an employee of the licensee or of an affiliate, the fee shall not exceed an amount established by rule of the commissioner adopted pursuant to Section 22400. Only one fee for appraising the same real property may be collected unless the borrower has obtained a new or additional loan and more than one year has elapsed since the prior appraisal. The fee is not included in charges as defined in this article or in determining the maximum charges which may be made under this article.

SEC. 17. Section 22458.5 of the Financial Code is amended to read:

22458.5. On any loan made which is secured in part by real property, an escrow fee of a reasonable amount may be charged. The fee shall be considered reasonable when paid to a company licensed to do business under the Escrow Law, Division 6 (commencing with Section 17000), or any person exempted by the Escrow Law, provided that the fees are comparable to fees being charged by escrow companies authorized to do business in this state. The fee is not included in charges as defined in this article or in determining the maximum charges which may be made under this article.

SEC. 18. Section 22459 of the Financial Code is amended to read:

22459. A loan lawfully made outside the state may be enforced in this state as to the unpaid principal balance of the loan together with the interest, consideration, brokerage, and all other charges, to the extent of but not to exceed the unpaid principal balance and the aggregate amount of interest, consideration, brokerage, and all other charges permitted by this division in connection with a loan of the same amount made within this state.

SEC. 19. Section 22460 of the Financial Code is amended to read:

22460. Any person who collects or attempts to collect in this state the unpaid principal balance of a loan made outside the state, and a greater aggregate amount of interest, consideration, brokerage, and all other charges in connection with such loan than is permitted by this division in connection with a loan of the same amount made within this state, is subject to the provisions of this division.

SEC. 20. Section 22461 of the Financial Code is amended to read:

22461. Any person who contracts for or negotiates in this state a loan to be made outside the state for the purpose of evading or avoiding this division is subject to the provisions of this division.

SEC. 21. Section 22473 of the Financial Code is amended to read:

22473. Each licensed personal property broker shall:

(a) Deliver or cause to be delivered to the borrower, or any one thereof, at the time the loan is made, a statement showing in clear and distinct terms the name, address, and license number of the personal property broker and the broker, if any. The statement shall show the date, amount, and maturity of the loan contract, how and when repayable, the nature of the security for the loan, and the agreed rate of charge.

(b) Obtain from the borrower a signed statement as to whether any person has performed any act as a broker in connection with the making of the loan. If the statement discloses that a broker or other person has participated, then the personal property broker shall obtain a full statement of all sums paid or payable to the broker or other person. The personal property broker shall keep these statements for a period of two years from and after the date the loan has been paid in full, or has matured according to its terms, or has been charged off.

(c) Permit payment to be made in advance in any amount on any contract of loan at any time. The licensee may apply the payment first to all charges due at the agreed rate up to the date of payment, not to exceed the maximum rate permitted by this article.

(d) Deliver or cause to be delivered to the person making any cash payment, or to the person who requests a receipt at the time of making any payment, at the time payment is made on account of any loan, a plain and complete receipt showing the total amount received and identifying the loan contract upon which the payment is applied.

(e) Upon repayment of any loan in full, release all security for the loan, endorse and return any certificate of ownership, cancel or plainly mark "paid" and return to the borrower or person making final payment, any note, mortgage, security agreement, trust deed,

assignment, or order signed by the borrower, except such as are a part of the court record in any action, or such as have been delivered to a third person for the purpose of carrying out their terms, or a security agreement which secures any other indebtedness of a borrower to the licensee. When a trust deed on real property has been taken, as security for a loan that has been subsequently paid in full, a duly executed request for reconveyance shall be delivered to the trustor. A termination statement, furnished to the borrower as provided for in Section 9404 of the Commercial Code, shall be deemed a release of the security when a financing statement has been filed pursuant to Section 9401 of the Commercial Code.

SEC. 22. Section 22474 of the Financial Code is amended to read:

22474. Each licensed broker shall:

(a) Deliver to the borrower, or any one thereof, at the time the final negotiation or arrangement is made, a statement showing in clear and distinct terms the name, address, and license number of the broker and the personal property broker. The statement shall show the date, amount, and terms of the agreement with the broker, and all amounts paid or to be paid to the broker and to any person other than the personal property broker.

(b) Deliver to the personal property broker making the loan a copy of the statement referred to and described in subdivision (a).

(c) Deliver to the person making any payment to the broker to be retained by the broker, a plain and complete receipt for each payment made, at the time it is made, showing the total amount received, identifying the brokerage agreement and the loan contract upon which the payment is applied, and showing the application thereof. If the payment is made by a person other than the personal property broker, a copy of the receipt shall be delivered to the personal property broker.

(d) When the borrower pays the loan in full, see that the personal property broker fully complies with subdivision (e) of Section 22473.

SEC. 23. Section 22475 of the Financial Code is amended to read.

22475. Nothing contained in this article shall be construed to deny to any licensee hereunder the right of taking and using a security agreement which, in addition to securing an original obligation, may secure the repayment of sums that may be advanced to, or expenditures that may be made at the direction of, the borrower subsequent to the execution of the security agreement and prior to the satisfaction thereof.

SEC. 24. Section 22480 of the Financial Code is amended to read:

22480. This article applies only to loan contracts payable in substantially equal and consecutive monthly installments of principal and charges combined, the first of which is due not less than 15 days nor more than one month and 15 days from the date the loan is made. In lieu of computing charges and applying payments as provided in Section 22454, a licensee may precompute charges and apply payments as follows:

(a) The total charges which would be earned if the contract were

repaid exactly according to its terms, at the monthly rate stated in the contract, may be precomputed when the loan is made and added to the principal of the loan. For the purpose of computation a month shall be that period of time from any date in one month to the corresponding date in the next month and if there is no corresponding date, then to the last day of the next month. The principal amount of the loan shall be its face value as referred to in Section 22455. Every payment may be applied to the combined total of principal and precomputed charges until the contract is fully paid. The acceptance of payment of charges on loans made under the provisions of this article shall not be deemed to constitute payment, deduction or receipt thereof in advance nor compounding under Section 22455. Precomputed charges shall be subject to the following adjustments:

(1) The portion of the precomputed charge applicable to any particular monthly installment period shall bear the same ratio to the total precomputed charge, excluding any adjustment made for a first period of more than one month, as the balance scheduled to be outstanding during that monthly period bears to the sum of all monthly balances scheduled originally by the contract of loan.

(2) If the loan contract is paid in full by cash, a new loan, refinancing or otherwise, the borrower shall receive a rebate of that portion of the precomputed charge which is the difference between the total precomputed charge and the charges at the contract rate computed in accordance with the provisions of Section 22454 or 22454.1. The tender, by the borrower or at his request, of an amount equal to the unpaid balance less the required rebate must be accepted by the licensee in full payment of the contract.

(3) If three or more, but not all, installments are prepaid in full at any one time all of the prior charges for the loan shall be recalculated and all subsequent charges for the remaining term of the loan shall be recalculated by applying each payment first to charges and the remainder to principal in accordance with the provisions of Section 22454 or 22454.1.

(4) If the payment date of all wholly unpaid installments on which no default charge has been collected is deferred one or more full months and the contract so provides, the licensee may charge and collect a deferment charge. The deferment charge shall not exceed the portion of precomputed charge applicable, prior to deferment, to the first deferred monthly installment period multiplied by the number of months the maturity of the contract is deferred. Such number of months shall not exceed the number of full installments which are in default on the date of deferment or which may become due within 15 days of such date. When a deferment charge is made, no portion of the precomputed charge shall apply to the installment periods in which no installment payment is required by reason of the deferment. In computing any default charge or required rebate, the portion of the precomputed charge applicable to each deferred balance and installment period following the deferment period and

prior to the deferred maturity shall remain the same as that applicable to such balances and periods under the original contract of loan. Such charge may be collected at the time of deferment or at any time thereafter. Any payment received at the time of deferment may be applied first to the deferment charge and the remainder, if any, applied to the unpaid balance of the contract. However, if the payment is sufficient to pay, in addition to the appropriate deferment charge, any installment which is in default and the applicable default charge, it shall be first so applied and any such installment shall not be deferred nor subject to the deferment charge.

(5) In the event of default of more than 10 days in the payment of one-half or more of any scheduled installment, the licensee may charge and collect a default charge not exceeding an amount equal to the portion of the precomputed charge applicable to the final installment period. The charge may not be collected more than once for the same default and may be collected at the time of such default or at any time thereafter. If the default charge is deducted from any payment received after default occurs, and the deduction results in the default of a subsequent installment, no charge may be made for the resulting default.

(6) A borrower and licensee may agree that the first installment due date may be not more than 15 days more than one month and the amount of the installment may be increased by one-thirtieth of the portion of the precomputed charge applicable to a first installment of one month for each extra day.

(b) The statement to be given to the borrower as provided in subdivision (a) of Section 22473 and the contract shall disclose in addition to other required information the principal amount of the loan exclusive of charges and the basis for computing the refund of precomputed charges in case of prepayment in full or acceleration of maturity and for computing default and deferment charges. The delivery of a receipt for each payment showing the total amount of each payment complies with subdivision (d) of Section 22473.

(c) If the maturity of the contract when the charges are precomputed is accelerated for any reason, the licensee shall make the same refund or credit as would be required if the contract was paid in full on the date of acceleration and the unpaid balance shall be treated as the unpaid principal balance and thereafter the unpaid balance of the contract shall bear charges at the agreed rate of charge if the loan contract so provides.

SEC. 25. Section 22482 is added to the Financial Code, to read:

22482. When charges on a noncommercial loan of an original bona fide principal amount of ten thousand dollars ($10,000) or more have been precomputed in a manner similar to that provided in Section 22480, and the loan is prepaid in full by cash, a new loan, refinancing or otherwise, or the maturity of the loan contract is accelerated for any reason, the borrower shall receive a rebate or credit of that portion of the precomputed charge which is the

difference between the total precomputed charge and the charges at the contract rate computed in accordance with the provisions of Section 22454 or 22454.1 (or on the basis of 12 equal months of 30 days each) on the assumption that all payments were received by the licensee on their respective due dates. This section does not apply to charges paid by the borrower to the lender or others, such as charges which are computed as a percentage of the loan and which are fully earned upon making the loan. This section does not apply to a commercial loan as defined in Section 22011.

SEC. 26. Section 22602 of the Financial Code is amended to read:

22602. In making any examination or investigation the commissioner may, for a reasonable time, not exceeding 30 days, take possession of the books, records, accounts, and other papers pertaining to the business and place a keeper in exclusive charge and custody of the books, records, accounts, and other papers in the office or place where they are usually kept. During possession no person shall remove or attempt to remove any of the books, accounts, papers, records, files, safes, and vaults, or any part thereof, except in compliance with a court order or written consent of the commissioner.

SEC. 27. Section 22608 of the Financial Code is amended to read:

22608. The actual cost of each examination of a licensee or a person subject to this division shall be paid to the commissioner by the licensee or person examined, and the commissioner may maintain an action for the recovery of the cost in any court of competent jurisdiction. For the purpose of this section only, no person other than a licensee shall be deemed to be a person subject to this division unless and until the person is determined to be a person subject to this division by an administrative hearing in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code or by a judicial hearing in any court of competent jurisdiction.

SEC. 28. Section 22613 of the Financial Code is amended to read:

22613. Whenever in the opinion of the commissioner any person is engaged in business as a broker, or personal property broker as defined in this division without a license from the commissioner, or any licensee is violating any provision of this division, the commissioner may order that person or licensee to desist and to refrain from engaging in the business or further violating this division. If, after the order is made, a written request for a hearing is filed and no hearing is held within 30 days thereafter, the order is rescinded.

SEC. 29. Section 22614 of the Financial Code is amended to read:

22614. Whenever the commissioner believes from evidence satisfactory to the commissioner that any person has violated or is about to violate any provision of this division, or any provision of any order, license, decision, demand, or requirement, the commissioner may bring an action, or the commissioner may request the Attorney General to bring an action in the name of the people, against that

person, to enjoin that person from continuing such violation or engaging therein or doing any act in furtherance thereof. In the action the court may enter an order or judgment awarding such preliminary or final injunction as is proper.

SEC. 30. Section 22615 of the Financial Code is amended to read:

22615. (a) The commissioner shall suspend or revoke any license, upon notice and reasonable opportunity to be heard, if the commissioner finds any of the following:

(1) That the licensee has failed to comply with any demand, ruling, or requirement of the commissioner made pursuant to and within the authority of this division.

(2) That the licensee has violated any provision of this division or any rule or regulation made by the commissioner under and within the authority of this division.

(3) That any fact or condition exists which, if it had existed at the time of the original application for the license, reasonably would have warranted the commissioner in refusing originally to issue the license.

(b) A master license may not be suspended or revoked pursuant to this section as a result of any action or failure to act by a subsidiary licensee unless grounds exist for the suspension or revocation of the master license pursuant to this section. An order suspending or revoking a license or imposing sanctions against a licensee shall not affect other licensed locations unless expressly so stated in the order.

SEC. 31. Section 22615.5 of the Financial Code is repealed.

SEC. 32. Section 22615.7 of the Financial Code is amended to read:

22615.7. The commissioner may by order summarily suspend or revoke the license of any licensee if that person fails to file the report required by Section 22408 within 10 days after notice by the commissioner that such report is due and not filed. If, after an order is made, a request for hearing is filed in writing within 30 days and the hearing is not held within 60 days thereafter, the order is deemed rescinded as of its effective date.

SEC. 33. Section 22617 of the Financial Code is amended to read:

22617. Except in cases in which the time for setting the hearing is shortened as provided in this division, the proceedings under this article shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and in all cases the commissioner has all the powers granted therein.

CHAPTER 145

An act to add Section 21969 to the Vehicle Code, relating to rules of the road.

[Approved by Governor July 5, 1981 Filed with Secretary of State July 6, 1981]

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

SECTION 1 Section 21969 is added to the Vehicle Code, to read:

21969. A local authority may adopt rules and regulations by ordinance regulating persons engaged in roller skating on a highway, sidewalk, or roadway.

CHAPTER 146

An act to amend Section 12942 of the Government Code, relating to employment.

[Approved by Governor July 5, 1981 Filed with Secretary of State July 6, 1981]

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

SECTION 1 Section 12942 of the Government Code is amended to read:

12942. Every employer in this state, except a public agency, 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 employment beyond the normal retirement date contained in any private pension or retirement plan.

Such employment shall continue so long as the employee demonstrates his ability to perform the functions of the job adequately and the employer is satisfied with the quality of work performed.

This section shall not be construed to require any change in funding, benefit levels, or formulas of any existing retirement plan, or to require any employer to increase such employer's payments for the provision of insurance benefits contained in any existing employee benefit or insurance plan, by reason of such employee's continuation of employment beyond the normal retirement date, or to require any changes in any bona fide retirement or pension programs or existing collective-bargaining agreements during the life of the contract, or until January 1, 1980, whichever occurs first.

Any employee indicating such desire and continuing such employment shall give the employer written notice in reasonable time, of intent to retire or terminate when such retirement or

termination occurs after the employee's normal retirement date.

Nothing in this section or Section 12941 shall be construed to prohibit compulsory retirement of the following:

(a) Prior to July 1, 1982, any employee who has attained 65 years of age and is serving under a contract of unlimited tenure, or similar arrangement providing for unlimited tenure at an institution of higher education as defined by Section 1201(a) of the Federal Higher Education Act of 1965.

On and after July 1, 1982, this subdivision shall only apply to an employee who has attained 70 years of age.

(b) Any employee who has attained 65 years of age and who for the two-year period immediately before retirement, is employed in a bona fide executive or a high policymaking position, if such employee is entitled to an immediate nonforfeitable annual retirement benefit from a pension, profit-sharing, savings, or deferred compensation plan, or any combination of such plans, of the employer of such employee, which equals, in the aggregate, at least twenty-seven thousand dollars ($27,000).

(c) 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.

CHAPTER 147

An act to add Section 42301.5 to the Health and Safety Code, relating to air pollution.

[Approved by Governor July 5, 1981 Filed with Secretary of State July 6, 1981]

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

SECTION 1. Section 42301.5 is added to the Health and Safety Code, to read:

42301.5. Any district regulation which requires a reduction in emissions from any article, machine, equipment, or contrivance for which an authority to construct has been issued prior to the date of adoption of the regulation shall become effective for that article, machine, equipment, or contrivance five years after issuance of the permit to operate. This section shall apply to authorities to construct issued on or after January 1, 1981, and for which either construction has commenced within two years of the date of issuance of the authority to construct or the applicant has, in good faith reliance upon the permit issued, performed substantial work or incurred substantial liability.

CHAPTER 148

An act to amend Sections 9402 and 9403 of the Commercial Code, relating to secured transactions, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1981 Filed with Secretary of State July 8, 1981.]

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

SECTION 1. Section 9402 of the Commercial Code is amended to read:

9402. (1) A financing statement is sufficient if it gives the names of the debtor and the secured party, is signed by the debtor, gives an address of the secured party from which information concerning the security interest may be obtained, gives a mailing address of the debtor and contains a statement indicating the types, or describing the items, of collateral. A financing statement should include the debtor's trade name or style, if any, if known to the secured party, but a failure to include such trade name or style shall not under any circumstances affect the validity of the financing statement. A financing statement may be filed before a security agreement is made or a security interest otherwise attaches. When the financing statement covers crops growing or to be grown, the statement must also contain a description of the real estate concerned. When the financing statement covers timber to be cut or covers minerals or the like (including oil and gas) or accounts subject to subdivision (5) of Section 9103, or when the financing statement is filed as a fixture filing (Section 9313) and the collateral is goods which are or are to become fixtures, the statement must also comply with subdivision (5). A copy of the security agreement is sufficient as a financing statement if it contains the above information and is signed by the debtor. A certified copy of a financing statement or security agreement is sufficient as a financing statement if the original thereof was filed in this state.

(2) A financing statement which otherwise complies with subdivision (1) is sufficient when it is signed by the secured party instead of the debtor if it is filed to perfect a security interest in or as a fixture filing covering:

(a) Collateral already subject to a security interest in another jurisdiction when it is brought into this state or when the debtor's location is changed to this state. Such a financing statement must state that the collateral was brought into this state or that the debtor's location was changed to this state under such circumstances; or

(b) Proceeds under Section 9306, if the security interest in the original collateral was perfected. Such a financing statement must describe the original collateral and give the date of filing and the file number of the prior financing statement, or

(c) Collateral as to which the filing has lapsed. Such a financing statement must include a statement to the effect that the prior financing statement has lapsed and give the date of filing and the file number of the prior financing statement; or

(d) Collateral acquired after a change of name, identity or corporate structure of the debtor (subdivision (7)). Such a financing statement must include a statement that the name, identity or corporate structure of the debtor has been changed and give the date of filing and the file number of the prior financing statement and the name of the debtor as shown in the prior financing statement.

(3) A form substantially as follows is sufficient to comply with subdivision (1):

Name of debtor (or assigner) _____
Address _____
Name of secured party (or assignee) _____
Address _____
Debtor's trade name or style, if any _____
1. This financing statement covers the following types (or items) of property: (Describe) _____
2. (If collateral is crops) The above-described crops are growing or are to be grown on: (Describe real estate) _____
_____
3. (If applicable) The above goods are or are to become fixtures on* (Describe real estate) _____
_____
and this financing statement is to be recorded in the real estate records. (If the debtor does not have an interest of record) The name of a record owner is _____
4. (If products of collateral are claimed) Products of the collateral are also covered.

(Use whichever is applicable)

_____
Signature of debtor (or assigner)

_____
Signature of secured party (or assignee)

*Where appropriate substitute either "The above timber is standing on " or "The above mineral or the like (including oil and gas) or accounts will be financed at the wellhead or minehead of the well or mine located on . "

(4) A financing statement may be amended by filing a writing signed by both the debtor and the secured party, or by the secured party alone in the case of an amendment pursuant to subdivision (7). An amendment does not extend the period of effectiveness of a financing statement. If any amendment adds collateral, it is effective as to the added collateral only from the filing date of the amendment. In this division, unless the context otherwise requires, the term "financing statement" means the original financing statement and any amendments.

(5) A financing statement covering timber to be cut or covering minerals or the like (including oil and gas) or accounts subject to subdivision (5) of Section 9103, or a financing statement filed as a fixture filing (Section 9313) where the debtor is not a transmitting utility, must show that it covers this type of collateral substantially in the applicable form set forth in item (3) of the form prescribed in subdivision (3) of this section, must recite that it is to be recorded in the real estate records, and the financing statement must contain a description of the real estate sufficient if it were contained in a mortgage of the real estate to give constructive notice of the mortgage under the law of this state. If the debtor does not have an interest of record in the real estate, the financing statement must show the name of a record owner.

(6) A mortgage is effective as a financing statement filed as a fixture filing from the date of its recording if

(a) The goods are described in the mortgage by item or type; and

(b) The goods are or are to become fixtures related to the real estate described in the mortgage; and

(c) The mortgage complies with the requirements for a financing statement in this section other than a recital that it is to be filed in the real estate records; and

(d) The mortgage is duly recorded.

No fee with reference to the financing statement is required other than the regular recording and satisfaction fees with respect to the mortgage.

(7) A financing statement sufficiently shows the name of the debtor if it gives the individual, partnership or corporate name of the debtor, whether or not it adds other trade names or names of partners. Where the debtor so changes his name or in the case of an organization its name, identity or corporate structure that a filed financing statement becomes seriously misleading, the filing is not effective to perfect a security interest in collateral acquired by the debtor more than four months after the change, unless a new appropriate financing statement or an appropriate amendment to the filed financing statement is filed before the acquisition of the collateral by the debtor. A filed financing statement remains effective with respect to collateral transferred by the debtor even though the secured party knows of or consents to the transfer.

(8) A financing statement substantially complying with the requirements of this section is effective even though it contains minor errors which are not seriously misleading. However, a financing statement subject to subdivision (5) shall contain the recital required therein in order to be effective.

SEC. 2. Section 9403 of the Commercial Code is amended to read:

9403. (1) Presentation for filing of a financing statement, tender of the filing fee and acceptance of the statement by the filing officer constitutes filing under this division.

(2) Except as provided in subdivision (6), a filed financing

statement is effective for a period of five years from the date of filing. The effectiveness of a filed financing statement lapses on the expiration of such five-year period unless a continuation statement is filed prior to the lapse. If a security interest perfected by filing exists at the time insolvency proceedings are commenced by or against the debtor, the security interest remains perfected until termination of the insolvency proceedings and thereafter for a period of 60 days or until expiration of the five-year period, whichever occurs later. Upon such lapse the security interest becomes unperfected unless it is perfected without filing. If the security interest becomes unperfected upon lapse, it is deemed to have been unperfected as against a person who became a purchaser or lien creditor before lapse. If a fixture filing is effective at the time insolvency proceedings are commenced by or against the debtor, the fixture filing remains effective until termination of the insolvency proceedings and thereafter for a period of 60 days or until expiration of the five-year period or termination pursuant to subdivision (6), whichever occurs later. Upon lapse of a fixture filing, it is deemed to have been ineffective as against a person who became a purchaser or lien creditor before lapse.

(3) A continuation statement may be filed by the secured party of record within six months prior to the expiration of the five-year period specified in subdivision (2). Any such continuation statement must be signed by the secured party of record, identify the original statement by giving the date and the names of the parties thereto and the file number thereof and state that the original statement is continued. If the original statement covered goods of a nature subject to subdivision (5) of Section 9402, the continuation statement must contain the provisions required thereunder regarding the showing of the type of collateral and the recital and must contain the name of the record owner of the real estate at the time of the initial statement when required by this subdivision to be set forth in the original statement. Upon timely filing of the continuation statement, the effectiveness of the original statement is continued for five years after the last date to which the filing was effective whereupon it lapses in the same manner as provided in subdivision (2) unless another continuation statement is filed prior to such lapse. Succeeding continuation statements may be filed in the same manner to continue the effectiveness of the original statement. The filing officer may remove a lapsed financing statement and related filings from the files and destroy them immediately if he has retained a microfilm or other photographic record, or in other cases after one year after the lapse. The filing officer shall so arrange matters by physical annexation of financing statements to continuation statements or other related filings, or by other means, that if he physically destroys the financing statements of a period more than five years past, those which have been continued by a continuation statement or which are still effective under subdivision (6) shall be retained. The filing officer shall not destroy a financing statement

and related filings as to which he has received written notice that there is an action pending relative thereto or that insolvency proceedings have been commenced by or against the debtor.

(4) Except as provided in subdivision (7) a filing officer shall mark each financing statement with a consecutive file number and with the date and time of filing and shall hold the statement or a microfilm or other photographic copy thereof for public inspection. In addition the filing officer shall index the statement according to the name of the debtor and shall note in the index the file number and the address of the debtor given in this statement. The filing officer shall mark each continuation statement with the date and time of filing and shall index the same under the file number of the original financing statement.

(5) The uniform fee for filing, indexing and furnishing filing data (subdivision (1) of Section 9407) for an original financing statement, an amendment or a continuation statement shall be three dollars ($3) if the statement is in the standard form prescribed by the Secretary of State and otherwise shall be four dollars ($4).

(6) If the debtor is a transmitting utility (subdivision (5) of Section 9401) and a filed financing statement so states, it is effective until a termination statement is filed. A real estate mortgage which is effective as a fixture filing under subdivision (6) of Section 9402 remains effective as a fixture filing until the mortgage is released or satisfied of record or its effectiveness otherwise terminates as to the real estate.

(7) A financing or continuation statement covering collateral described in paragraph (b) of subdivision (1) of Section 9401 or filed as a fixture filing shall be recorded and indexed by the filing officer in the real property index of grantors under the name of the debtor and any owner of record shown on the financing statement. A financing or continuation statement so recorded and indexed and containing a description of real property affected thereby shall constitute constructive notice from the time of its acceptance for recording to any purchaser or encumbrancer of the real property of the security interest in such collateral.

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:

Transactions for the purchase and sale of real property will be placed in jeopardy where the parties must expend considerable time and effort to determine whether a financing statement constitutes a fixture filing representing a security interest in real property. In order to resolve this matter and thereby facilitate the orderly transfer of title to real property, and to clarify financing and continuation statements, it is necessary that this act take effect immediately.

CHAPTER 149

An act to amend Sections 56503 and 56505 of the Education Code, relating to special education.

[Approved by Governor July 8, 1981 Filed with Secretary of State July 8, 1981.]

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

SECTION 1. Section 56503 of the Education Code is amended to read:

56503. (a) It is the intent of the Legislature that the mediation conference be an intervening, informal process conducted in a nonadversarial atmosphere.

(b) The mediation conference shall be conducted prior to holding the administrative due process hearing pursuant to Section 56505, unless either party waives the mediation conference. The conference shall be completed within 15 days of receipt by the superintendent of the request for the hearing. Either party to the mediation conference may request the superintendent or his or her designee to grant a continuance. Such a continuance shall be granted upon a showing of good cause. Any continuance shall not extend the 45-day maximum for completion of the due process hearing and rendering of the final administrative decision, unless the party initiating the request for the hearing is agreeable to such an extension. Such continuance shall extend the time for rendering a final administrative decision for a period only equal to the length of the continuance.

(c) The parent shall have the right, pursuant to Section 56504, to examine and receive copies of any documents contained in the child's file, maintained by the public education agency, prior to the date set for the mediation conference. The parent may be accompanied by a representative or representatives that he or she has chosen.

(d) Based upon the mediation conference, the district superintendent, the county superintendent, or the director of the public education agency, or his or her designee, may resolve the issue or issues. However, such resolution shall not conflict with state or federal law and shall be to the satisfaction of both parties. A copy of the written resolution shall be mailed to each party within 10 days following the mediation conference. A copy shall also be filed with the Advisory Commission on Special Education.

(e) If the mediation conference fails to resolve the issues to the satisfaction of both parties, a state-level hearing pursuant to Section 56505 shall be held.

(f) If the mediation conference fails to resolve the issues to the satisfaction of both parties, the mediator shall list any unresolved issues A list of unresolved issues shall be reviewed and approved by

the party initiating the hearing. These unresolved issues shall be the basis for the state-level hearing, prescribed by Section 56505.

(g) The mediation conference shall be conducted in accordance with regulations adopted by the board and shall be conducted by a mediator knowledgeable in the laws governing special education under contract with the department.

(h) Any mediation conference held pursuant to this section shall be held at a time and place reasonably convenient to the parent and pupil.

(i) Notwithstanding the intent of the Legislature that the mediation conference be informal and nonadversarial, if the public education agency uses an attorney as its representative during any part of the conference, such use shall be governed by Section 56507.

SEC. 2. Section 56505 of the Education Code is amended to read:

56505. (a) The state hearing shall be conducted in accordance with regulations adopted by the board. Such hearing shall be conducted by a person knowledgeable in administrative hearings under contract with the department.

(b) Such hearing shall be held at a time and place reasonably convenient to the parent and the pupil.

(c) Such hearing shall be conducted by a person knowledgeable in the laws governing special education and administrative hearings under contract with the department.

(d) During the pendency of the hearing proceedings, including the actual state-level hearing, the pupil shall remain in his or her present placement unless the public agency and the parent agree otherwise.

(e) Any party to the hearing held pursuant to this section shall be afforded the following rights consistent with state and federal statutes and regulations:

(1) The right to be accompanied and advised by counsel and by individuals with special knowledge or training relating to the problems of handicapped children.

(2) The right to present evidence, written arguments, and oral arguments.

(3) The right to confront, cross-examine, and compel the attendance of witnesses.

(4) The right to a written or electronic verbatim record of the hearing.

(5) The right to written findings of fact and the decision.

(6) The right to prohibit the introduction of any evidence at the hearing that has not been disclosed to the party at least five days before the hearing.

(f) The use of an attorney as a representative of the public education agency during any part of the hearing shall be governed by Section 56507.

(g) The hearing conducted pursuant to this section shall be completed and a written, reasoned decision mailed to all parties to the hearing within 30 days following completion of the mediation

conference or within 45 days from the receipt by the superintendent of the request for a hearing, if the mediation conference is waived. Either party to the hearing may request the superintendent or his or her designee to grant a continuance. Such continuance shall be granted upon a showing of good cause. Any continuance shall extend the time for rendering a final administrative decision for a period only equal to the length of the continuance.

(h) The hearing conducted pursuant to this section shall be the final administrative determination and binding on all parties.

(i) Nothing in this chapter shall preclude a party from exercising the right to appeal the decision to a court of competent jurisdiction. Any appeal to court by a public education agency or parent shall not operate as an automatic stay of enforcement of the final administrative determination. However, nothing in this section shall be construed to preclude either party to the hearing from seeking a stay of enforcement from any court of competent jurisdiction, and nothing in this section shall be construed to remove the requirement for parental consent for placement pursuant to subdivision (f) of Section 56506.

CHAPTER 150

An act to amend Section 1793.1 of the Civil Code, relating to warranties, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1981 Filed with Secretary of State July 8, 1981]

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

SECTION 1. Section 1793.1 of the Civil Code is amended to read:

1793.1. (a) (1) Every manufacturer, distributor, or retailer making express warranties with respect to consumer goods shall fully set forth such warranties in readily understood language and clearly identify the party making such express warranties.

(2) Every work order or repair invoice for warranty repairs or service shall clearly and conspicuously incorporate in 10-point boldface type the following statement either on the face of such work order or repair invoice, or on the reverse side thereof, or on an attachment to the work order or repair invoice: A buyer of this product in California has the right to have this product serviced or repaired during the warranty period. The warranty period will be extended for the number of whole days that the product has been out of the buyer's hands for warranty repairs. If a defect exists within the warranty period, the warranty will not expire until the defect has been fixed. The warranty period will also be extended if the warranty repairs have not been performed due to delays caused by

circumstances beyond the control of the buyer, or if the warranty repairs did not remedy the defect and the buyer notifies the manufacturer or seller of the failure of the repairs within 60 days after they were completed. If, after a reasonable number of attempts, the defect has not been fixed, the buyer may return this product for a replacement or a refund subject, in either case, to deduction of a reasonable charge for usage. This time extension does not affect the protections or remedies the buyer has under other laws.

If the required notice is placed on the reverse side of the work order or repair invoice, the face of the work order or repair invoice shall include the following notice in 10-point boldface type: Notice to Consumer: Please read important information on back.

A copy of the work order or repair invoice and any attachment thereto shall be presented to the buyer at the time that warranty service or repairs are made.

(b) Every manufacturer, distributor, or retailer making express warranties and who elects to maintain service and repair facilities within this state pursuant to the provisions of this chapter shall:

(1) At the time of sale, provide the buyer with the name and address of each such service and repair facility within this state; or

(2) At the time of the sale, provide the buyer with the name and address and telephone number of a service and repair facility central directory within this state, or the toll-free telephone number of a service and repair facility central directory outside this state. It shall be the duty of the central directory to provide, upon inquiry, the name and address of the authorized service and repair facility nearest the buyer; or

(3) Maintain at the premises of retail sellers of the warrantor's consumer goods a current listing of such warrantor's authorized service and repair facilities, or retail sellers to whom the consumer goods are to be returned for service and repair, whichever is applicable, within this state. It shall be the duty of every retail seller provided with such a listing to provide, on inquiry, the name, address, and telephone number of the nearest authorized service and repair facility, or the retail seller to whom the consumer goods are to be returned for service and repair, whichever is applicable.

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

The requirement of providing a written statement on the face of a work order or repair invoice or an attachment thereto concerning the extension of the warranty period for the period of warranty repairs has created confusion and inability on the part of many manufacturers, distributors, or retailers to effectively comply. Such compliance can be more speedily obtained if the required statement can be printed on the reverse side of a work order or repair invoice or if, alternatively, a sign can be posted at the repair or service facilities, and to this end, it is necessary for this act to take effect

immediately.

CHAPTER 151

An act to amend Sections 45259 and 88079 of the Education Code, relating to school employees.

[Approved by Governor July 8, 1981 Filed with Secretary of State July 8, 1981]

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

SECTION 1. Section 45259 of the Education Code is amended to read:

45259. If the governing board of any school district establishes positions and restricts initial appointment of new employees to mentally, physically, or developmentally disabled persons, then such positions shall, in addition to the regular class title, be classified as "restricted." The positions shall be part of the classified service and persons so employed shall be classified employees for all purposes except they shall not be subject to the provisions of Section 45272 or 45273, and that they shall not acquire permanent status or seniority credit and shall not be eligible for promotion into the regular classified service until they have complied with the provisions of subdivision (c) of Section 45105.

SEC. 2. Section 88079 of the Education Code is amended to read:

88079. If the governing board of any community college district establishes positions and restricts initial appointment of new employees to mentally, physically, or developmentally disabled persons, then such positions shall, in addition to the regular class title, be classified as "restricted." The positions shall be part of the classified service and persons so employed shall be classified employees for all purposes except that they shall not be subject to the provisions of Section 88091 or 88092, and that they shall not acquire permanent status or seniority credit and shall not be eligible for promotion into the regular classified service until they have complied with the provisions of subdivision (c) of Section 88003.

CHAPTER 152

An act to add and repeal Section 24303.1 of the Education Code, and to amend Sections 20750.86 and 21382.2 of the Government Code, relating to public retirement systems, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 10, 1981 Filed with Secretary of State July 10, 1981]

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

SECTION 1. Section 24303.1 is added to the Education Code, to read:

24303.1. Notwithstanding Section 24303, if three or more years of service credit is earned in state service as a member of the Public Employees' Retirement System after termination of a State Teachers' Retirement System disability allowance, a member with an effective date of retirement on or after March 1, 1981, shall receive a retirement allowance under subdivision (a) of Section 24000 based on actual and projected service and a final compensation determined as a member of the Public Employees' Retirement System. The member may pay for, and receive credit for, service which was not credited on the effective date of the member's disability allowance.

This section shall remain in effect only until December 31, 1981, and as of that date is repealed, unless a later enacted statute, which becomes operative prior to December 31, 1981, deletes or extends that date.

SEC. 3. Section 20750.86 of the Government Code is amended to read:

20750.86. Each employer included in a contract under Chapter 4.5 (commencing with Section 20580) of this part and each school district which is a contracting agency shall make contribution on account of liability for benefits under Section 20862.5 in addition to those otherwise specified in this chapter in a sum equal to 0.072 percent of compensation paid such members by such employer on and after July 1, 1981.

SEC. 4. Section 21382.2 of the Government Code is amended to read:

21382.2. In lieu of benefits provided in Section 21382, if the death benefit provided by Section 21361 is payable on account of a state member's death which occurs under circumstances other than those described in subdivision (a) (5) of Section 21360, or if an allowance under Section 21365.5 is payable, (a) the surviving wife or surviving husband of the member, who has the care of unmarried children, including stepchildren, of the member who are under 18 years of age, or are incapacitated because of disability which began before and has continued without interruption after attainment of such age, or if there is no such spouse, then (b) the guardian of surviving unmarried children, including stepchildren, of the member who are under 18 years of age or are so incapacitated, if any, or (c) the surviving wife or surviving husband of the member, who does not qualify under (a) of this subdivision, if any, or if no such children under (b) or such spouse under (c), then (d) each surviving parent of the member, shall be paid regardless of the benefit provided by Section 21361, and of the beneficiary designated by the member

under that section, or regardless of the allowance provided under Section 21365.5, the following applicable 1959 survivor allowance, under the conditions stated and from contributions of the state:

(1) A widow or a widower who was married to such member prior to the occurrence of the injury or onset of the illness which resulted in death, and has the care of unmarried children, including stepchildren, of the deceased member who are under 18 years of age or are so incapacitated, shall be paid four hundred fifty dollars ($450) if there is one such child, or five hundred thirty-eight dollars ($538) per month if there are two or more such children. If there also are such children who are not in the care of the surviving spouse, the portion of the allowance payable under this paragraph, assuming that these children were in the care of the surviving spouse, which is in excess of two hundred twenty-five dollars ($225) per month, shall be divided equally among all such children and payments made to the spouse and other children, as the case may be.

(2) If there is no such surviving spouse, or if such surviving spouse dies or remarries, and if there are unmarried children, including stepchildren, of the deceased member who are under 18 years of age or are so incapacitated, or if there are such children not in the care of such spouse, such children shall be paid an allowance as follows:

(a) If there is only one such child, such child shall be paid two hundred twenty-five dollars ($225) per month;

(b) If there are two such children, such children shall be paid four hundred fifty dollars ($450) per month divided equally between them; and

(c) If there are three or more such children, such children shall be paid five hundred thirty-eight dollars ($538) per month divided equally among them.

(3) A widow or a widower who has attained or attains the age of 62 years, and, with respect to both widow and widower, who was married to such member prior to the occurrence of the injury or onset of the illness which resulted in death, and has not remarried subsequent to the member's death, shall be paid two hundred twenty-five dollars ($225) per month. No allowance shall be paid under this subdivision, while the surviving spouse is receiving an allowance under subdivision (1) of this section, or while an allowance is being paid under subdivision (2) (c) of this section. The allowance paid under this subdivision shall be eighty-eight dollars ($88) per month while an allowance is being paid under subdivision (2) (b) of this section.

(4) If there is no surviving spouse or surviving child who qualifies for a 1959 survivor allowance, or if such surviving spouse dies or remarries and there is no such surviving child, or if such surviving spouse dies or remarries and such children die or marry or, if not incapacitated, reach age 18 each of the member's dependent parents who has attained or attains the age of 62, and who received at least one-half of his support from the member at the time of the member's death, shall be paid two hundred twenty-five dollars ($225) per

month.

"Stepchildren," for purposes of this section, shall include only stepchildren of the member living with him in a regular parent-child relationship at the time of his death.

This section, shall apply to beneficiaries receiving 1959 survivor allowances on July 1, 1975, as well as to beneficiaries with respect to the death of a state member occurring on or after July 1. 1975.

This section shall apply, with respect to benefits payable on and after July 1, 1981, to all school members, except that it shall not apply, without contract amendment, with respect to safety members who became members after July 1, 1981. All assets and liabilities of all school employers, and their employees, on account of benefits provided under this article shall be pooled into a single account, and a single employer rate shall be established to provide benefits under this section on account of all miscellaneous members employed by a school employer and all safety members who are members on July 1, 1981.

A contracting agency may, by amending its contract, elect to make this section applicable to local members employed by the agency.

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

In order for the benefits of this act to be implemented on the commencement of the 1981–82 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 153

An act to amend Sections 5503, 8371, and 8373 of the Fish and Game Code, relating to fish.

[Approved by Governor July 10, 1981 Filed with Secretary of State July 10, 1981]

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

SECTION 1. Section 5503 of the Fish and Game Code is amended to read:

5503. It is unlawful to take any fish for the sole purpose of removing its eggs except for the purpose of developing a domesticated brood stock pursuant to regulations promulgated by the Fish and Game Commission.

The commission shall also determine ownership and regulate distribution of progeny taken from wild brood stock. It is the intent of the Legislature that the commission adopt as part of the regulations a definition of the term "domesticated" as used in this section.

SEC. 2. Section 8371 of the Fish and Game Code is amended to read:

8371. (a) Except as otherwise provided in subdivision (b), it is unlawful to buy or sell striped bass or sturgeon or parts thereof, or to possess striped bass or sturgeon or parts thereof in any place where fish are bought, possessed for sale, or sold, or where food is offered for sale, or in any truck or other conveyance operated by or for a place so selling or possessing fish.

(b) The provisions of subdivision (a) shall not apply to any of the following:

(1) Artificially propagated striped bass or sturgeon.

(2) Striped bass or sturgeon raised for sale for scientific study by either a domestic fish breeder licensed pursuant to Article 3 (commencing with Section 6450) of Chapter 5 of Part 1 of this division, or a person who is licensed to engage in cultivating marine life.

(3) Striped bass or sturgeon imported pursuant to Article 4 (commencing with Section 2301) of Chapter 3 of Division 3.

(4) Sturgeon imported pursuant to Section 2363.

SEC. 3. Section 8373 of the Fish and Game Code is amended to read:

8373. No yellowfin croaker, spotfin croaker, or California corbina may be sold or purchased.

SEC. 4. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction

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CHAPTER 154

An act to amend Section 3467 of the Public Resources Code, relating to recycling of oil.

[Approved by Governor July 10, 1981 Filed with Secretary of State July 10, 1981]

The people of the State of California do enact as follows

SECTION 1. Section 3467 of the Public Resources Code is amended to read:

3467. (a) No person, except a person collecting solely from sources owned and operated by the person, shall transport more than 500 gallons of used oil annually over public highways or maintain any storage facility that receives more than 15,000 gallons of used oil

annually without first registering as a used oil collector with the board.

(b) A registered used oil collector shall transfer used oil only to another registered used oil collector, a recycler registered under Section 3468, or a person outside the state.

(c) A registered used oil collector shall provide a receipt to any person from whom used oil is received; maintain a complete record of all such transactions, documented by reproducible receipts, for two years; and make available to the board, upon request, all records and copies of receipts for the purpose of review and audit.

(d) A registered used oil collector shall submit an annual report to the board on its activities during the calendar year based on the records kept in accordance with subdivision (c). The report shall state the quantities of used oil possessed at the beginning and end of the reporting period, the total amount collected, and the amounts transferred during the reporting period. The amounts transferred shall be itemized as to used oil collectors, used oil recyclers, and by the state or foreign country for those persons outside the state.

CHAPTER 155

An act to amend and repeal Sections 23103 and 23104 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 10, 1981 Filed with Secretary of State July 10, 1981]

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

SECTION 1. Section 23103 of the Vehicle Code, as amended by Section 9 of Chapter 661 of the Statutes of 1980, is amended to read:

23103. Any person who drives any vehicle upon a highway in willful or wanton disregard for the safety of persons or property is guilty of reckless driving and, upon conviction thereof, shall be punished by imprisonment in the county jail for not less than five days nor more than 90 days or by a fine of not less than one hundred thirty dollars ($130) nor more than five hundred dollars ($500), or by both fine and imprisonment, except as provided in Section 23104.

SEC. 2 Section 23103 of the Vehicle Code, as amended by Section 10 of Chapter 661 of the Statutes of 1980, is repealed.

SEC. 3. Section 23104 of the Vehicle Code, as amended by Section 12 of Chapter 661 of the Statutes of 1980, is amended to read:

23104. Whenever reckless driving of a vehicle proximately causes bodily injury to any person, the person driving the vehicle shall, upon conviction thereof, be punished by imprisonment in the county jail for not less than 30 days nor more than six months or by a fine of not less than two hundred five dollars ($205) nor more than five hundred dollars ($500), or by both fine and imprisonment.

SEC. 4. Section 23104 of the Vehicle Code, as amended by Section 13 of Chapter 661 of the Statutes of 1980, is repealed.

CHAPTER 156

An act to add Section 6346.6 to the Business and Professions Code, relating to law libraries.

[Approved by Governor July 10, 1981 Filed with Secretary of State July 10, 1981]

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

SECTION 1. Section 6346.6 is added to the Business and Professions Code, to read:

6346.6. As an alternative to Section 6346.5, a board of law library trustees may, with the consent of the board of administration of the applicable retirement system, elect to make all or any of the officers or employees of the law library members of the retirement system which covers the officers and employees of the county in which the law library is established and to have the law library officers and employees deemed to be county employees for purposes of that retirement system. In the event of such an election, the employer contributions on behalf of the covered law library officers and employees shall be made from law library funds.

CHAPTER 157

An act to amend Section 4417 of the Public Resources Code, relating to forests, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 10, 1981 Filed with Secretary of State July 10, 1981]

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

SECTION 1. Section 4417 of the Public Resources Code is amended to read.

4417 A reward of five thousand dollars ($5,000) shall be paid out of any state funds which are made available to the department for fire protection to any person, other than a regularly paid fireman, peace officer, or agent or employee of the department, whose information leads to the arrest and conviction, or commitment to a public facility, of any person who willfully and maliciously sets fire to, or who attempts to willfully and maliciously set fire to, any property which is included within any state responsibility area as

established under Article 3 (commencing with Section 4125) of Chapter 1.

Any such reward may be paid on the initiative of the department or upon application by any person qualifying therefor. The department may establish a program to preserve the anonymity of an informant and may pay a reward under that program.

Rewards paid under this section shall be considered an emergency fire suppression and detection expenditure for budgeting purposes.

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:

There have recently been several large brush land fires in the Napa Valley region which were caused by arson and which resulted in a number of personal injuries, the destruction of at least 120 structures, and more than 36 million dollars in damage. In order to encourage persons to supply information leading to the apprehension of arsonists at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 158

An act to add Section 31470.11 to the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor July 10, 1981 Filed with Secretary of State July 10, 1981.]

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

SECTION 1. Section 31470.11 is added to the Government Code, to read:

31470.11. Notwithstanding Section 31470.2, all welfare fraud and child support investigators and administrators in counties of the 16th class are ineligible for safety membership.

CHAPTER 159

An act to add Section 31823 to the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor July 10, 1981 Filed with Secretary of State July 10, 1981]

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

SECTION 1. Section 31823 is added to the Government Code, to read:

31823. Actions brought by the board under this article shall be commenced within three years after the liability of the retirement system to pay benefits is fixed. Liability of the retirement system is fixed at the time the board approves the payment of benefits under this chapter.

CHAPTER 160

An act to repeal Chapter 1 (commencing with Section 11500) of Division 9 of, and to amend and renumber the headings of Chapter 2 (commencing with Section 11700) and Chapter 2.5 (commencing with Section 11800) of Division 9 of, the Elections Code, and to repeal Division 4.5 (commencing with Section 3600) of Title 1 of the Government Code, relating to public officers.

[Approved by Governor July 12, 1981. Filed with Secretary of State July 12, 1981]

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

SECTION 1. Chapter 1 (commencing with Section 11500) of Division 9 of the Elections Code is repealed.

SEC. 2. The heading of Chapter 2 (commencing with Section 11700) of Division 9 of the Elections Code is amended and renumbered to read:

CHAPTER 1. ENDORSEMENTS OF CANDIDATES

SEC. 3. The heading of Chapter 2.5 (commencing with Section 11800) of Division 9 of the Elections Code is amended and renumbered to read:

CHAPTER 2. MASS MAILING

SEC. 4. Division 4.5 (commencing with Section 3600) of Title 1 of the Government Code is repealed

CHAPTER 161

An act to amend Section 25466 of the Government Code, relating to counties.

[Approved by Governor July 12, 1981 Filed with Secretary of State July 12, 1981]

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

SECTION 1. Section 25466 of the Government Code is amended to read:

25466. The board of supervisors may, by board order, authorize the county engineer, or other county officer, to order changes or additions in the work being performed under construction contracts. When so authorized, any change or addition in the work shall be ordered in writing by the county engineer, or other designated officer, and the extra cost to the county for any change or addition to the work so ordered shall not exceed five thousand dollars ($5,000) when the total amount of the original contract does not exceed fifty thousand dollars ($50,000), nor 10 percent of the amount of any original contract which exceeds fifty thousand dollars ($50,000). In no event shall any such change or alteration exceed twenty-five thousand dollars ($25,000).

CHAPTER 162

An act to amend Section 11892 of the Public Utilities Code, relating to municipal utility districts.

[Approved by Governor July 12, 1981 Filed with Secretary of State July 12, 1981]

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

SECTION 1 Section 11892 of the Public Utilities Code is amended to read:

11892. To facilitate the business of the district, the board may provide for the creation and administration of revolving funds as the needs of the district may require. The aggregate amount of the revolving funds shall not exceed one hundred thousand dollars ($100,000). The revolving funds shall be disbursed in accordance with rules established by the board, and all payments from any revolving fund shall be reported to the board and vouchers filed therefor.

CHAPTER 163

An act to add and repeal Section 3247.5 of the Civil Code, relating to public works, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 12, 1981 Filed with Secretary of State July 12, 1981]

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

SECTION 1. Section 3247.5 is added to the Civil Code, to read:

3247.5. The requirement of this chapter that a payment bond be filed and approved before any claim in favor of the original contractor arising under the contract shall be audited, allowed, or paid by the public entity awarding the contract or any officer thereof, shall not be applicable to contracts entered into by any political subdivision of the state for disaster damage repair or restoration work on or after March 12, 1974, and performed on or before June 23, 1976, and disaster damage repair or restoration work on or after February 5, 1978, and performed on or before April 2, 1981, if the failure to file the payment bond was the result of inadvertence or excusable neglect.

This section shall remain in effect only until the 62nd day following final adjournment of the 1981–82 Regular Session of the California Legislature, and as of that date is repealed.

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

In order to eliminate uncertainties regarding payments for work already accomplished pursuant to contract, and to facilitate payments in a timely manner, it is necessary that this act go into effect immediately.

CHAPTER 164

An act to amend Section 15854 of the Government Code, relating to state government.

[Approved by Governor July 12, 1981 Filed with Secretary of State July 12, 1981]

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

SECTION 1. Section 15854 of the Government Code is amended to read:

15854. Property may be acquired pursuant to this part by

condemnation in the manner provided for in Title 7 (commencing with Section 1230.010) of Part 3 of the Code of Civil Procedure.

CHAPTER 165

An act to amend Section 529 of the Public Utilities Code, relating to carriers, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 12, 1981 Filed with Secretary of State July 12, 1981.]

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

SECTION 1. Section 529 of the Public Utilities Code is amended to read:

529. Nothing in this part shall prevent:

(a) The issue of reduced rate transportation by a common carrier to children attending an institution of learning.

(b) The issue of passes or franks by telegraph or telephone corporations to their officers, agents, employees, attorneys, physicians and surgeons, and members of their families, or the exchange of passes or franks between such telegraph and telephone corporations or between such corporations and such common carriers, for their officers, agents, employees, attorneys, physicians and surgeons, and members of their families.

(c) The carrying out of contracts for free or reduced rate passenger transportation previously made, founded upon adequate consideration and lawful when made.

(d) A common carrier from transporting, storing, or handling, free or at reduced rates, the household goods and personal effects of its employees, of persons entering or leaving its service, and of persons killed or dying while in its service.

(e) A common carrier from providing reduced rate transportation to elderly and handicapped persons when required pursuant to an application for federal funds under the Urban Mass Transportation Act of 1964 (69 U.S.C. Sec. 1601 et seq.).

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

In order to expedite the favorable consideration of applications for federal assistance under the Urban Mass Transportation Act of 1964 and allow common carriers to comply with the requirements of that act, it is necessary that this act take effect immediately.

CHAPTER 166

An act to repeal Sections 12018 and 12019 of the Fish and Game Code, to amend and repeal Section 13967 of the Government Code, to amend Section 1464 of, to repeal Section 13521 of, and to add Section 13835.9 to, the Penal Code, to repeal Sections 42050, 42051, 42052, and 42053 of the Vehicle Code, to amend and repeal Section 258 of the Welfare and Institutions Code, to repeal Section 3 of Chapter 713 of the Statutes of 1979, and to repeal Section 13 of Chapter 530 of the Statutes of 1980, relating to crimes, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 12, 1981 Filed with Secretary of State July 12, 1981]

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

SECTION 1. Section 12018 of the Fish and Game Code, as added by Chapter 530 of the Statutes of 1980, is repealed.

SEC. 2. Section 12019 of the Fish and Game Code, as added by Chapter 530 of the Statutes of 1980, is repealed.

SEC. 3. Section 13967 of the Government Code, as amended by Section 3 of Chapter 530 of the Statutes of 1980, is amended to read:

13967. (a) Upon a person being convicted of a crime of violence committed in the State of California resulting in the injury or death of another person, if the court finds that the defendant has the present ability to pay a fine and finds that the economic impact of the fine upon the defendant's dependents will not cause such dependents to be dependent on public welfare the court shall, in addition to any other penalty, order the defendant to pay a fine commensurate with the offense committed, and with the probable economic impact upon the victim, of at least ten dollars ($10), but not to exceed ten thousand dollars ($10,000).

(b) The fine imposed pursuant to this section shall be deposited in the Indemnity Fund in the State Treasury, the proceeds of which shall be available for appropriation by the Legislature to indemnify persons filing claims pursuant to this article and to provide assistance to established local comprehensive programs for victims and witnesses, including but not limited to, pilot local assistance centers for victims and witnesses established pursuant to the provisions of Article 2 (commencing with Section 13835) of Chapter 4 of Title 6 of Part 4 of the Penal Code, and to provide funding for the programs provided pursuant to Article 3 (commencing with Section 13836) of Chapter 4 of Title 6 of Part 4 of the Penal Code and Article 4 (commencing with Section 13837) of Chapter 4 of Title 6 of Part 4 of the Penal Code.

(c) It is the intent of the Legislature that funds appropriated pursuant to this section for local assistance centers for victims and

witnesses shall be in addition to any funds appropriated as provided in Section 13835.8 of the Penal Code.

(d) Funds appropriated pursuant to this section shall be made available through the Office of Criminal Justice Planning to those public or private nonprofit programs for the assistance of victims and witnesses which:

(1) Provide comprehensive services to victims and witnesses of all types of crime. It is the intent of the Legislature to make funds available only to programs which do not restrict services to victims and witnesses of a particular type or types of crimes.

(2) Are recognized by the county board of supervisors as the major provider of comprehensive services to such victims and witnesses.

(3) Are selected by the county board of supervisors as the eligible program to receive such funds.

(4) Assist victims of violent crimes in the preparation and presentation of their claims to the State Board of Control for indemnification pursuant to this article.

(5) Cooperate with the State Board of Control in obtaining and verifying data required by this article.

SEC. 4. Section 13967 of the Government Code, as amended by Section 3.1 of Chapter 530 of the Statutes of 1980, is repealed.

SEC. 5. Section 13967 of the Government Code, as added by Section 3.5 of Chapter 530 of the Statutes of 1980, is repealed.

SEC. 6. Section 1464 of the Penal Code, as amended by Section 1 of Chapter 1047 of the Statutes of 1980, is amended to read:

1464. There shall be levied an assessment in an amount equal to four dollars ($4) for every ten dollars ($10) or fraction thereof, upon every fine, penalty, or forfeiture imposed and collected by the courts for criminal offenses, including all offenses involving a violation of a section of the Vehicle Code or any local ordinance adopted pursuant to the Vehicle Code, except offenses relating to parking or registration or offenses by pedestrians or bicyclists, or where an order is made to pay a sum to the general fund of the county pursuant to subparagraph (iii) of paragraph (3) of subdivision (a) of Section 258 of the Welfare and Institutions Code.

Where multiple offenses are involved, the assessment shall be based upon the total fine or bail for each case. When a fine is suspended, in whole or in part, the assessment shall be reduced in proportion to the suspension.

When any deposit of bail is made for an offense to which this section applies, and for which a court appearance is not mandatory, the person making such deposit shall also deposit a sufficient amount to include the assessment prescribed by this section for forfeited bail. If bail is returned, the assessment made thereon pursuant to this section, shall also be returned.

In any case where a person convicted of any offense, to which this section applies, is in prison until the fine is satisfied, the judge may waive all or any part of the assessment, the payment of which would

work a hardship on the person convicted or his immediate family.

After a determination by the court of the amount due, the clerk of the court shall collect the same and transmit it to the county treasury. It shall then be transmitted to the State Treasury to be deposited in the Assessment Fund, which is hereby created. The transmission to the State Treasury shall be carried out in the same manner as fines collected for the state by a county.

The moneys so deposited shall be distributed as follows:

(a) Once a month there shall be transferred into the Fish and Game Preservation Fund an amount equal to 0.42 percent of the funds deposited in the Assessment Fund during the preceding month, but in no event shall the amount be less than the assessment levied on fines or forfeitures for violation of state laws relating to the protection or propagation of fish and game. Such moneys are to be used for the education or training of department employees which fulfills a need consistent with the objectives of the Department of Fish and Game.

(b) Once a month there shall be transferred into the Indemnity Fund an amount equal to 24.58 percent of the funds deposited in the Assessment Fund during the preceding month. Such funds shall be available for appropriation by the Legislature in accordance with the provisions of subdivision (b) of Section 13967 of the Government Code.

(c) Once a month there shall be transferred into the Peace Officers' Training Fund an amount equal to 27.50 percent of the funds deposited in the Assessment Fund during the preceding month.

(d) Once a month there shall be transferred into the Driver Training Penalty Assessment Fund an amount equal to 37.36 percent of the funds deposited in the Assessment Fund during the preceding month.

(e) Once a month there shall be transferred into the Corrections Training Fund an amount equal to 10.14 percent of the funds deposited in the Assessment Fund during the preceding month.

This section shall remain in effect only until January 1, 1982, and as of that date is repealed.

SEC. 7 Section 1464 of the Penal Code, as amended by Section 2 of Chapter 1047 of the Statutes of 1980, is amended to read:

1464. There shall be levied an assessment in an amount equal to four dollars ($4) for every ten dollars ($10) or fraction thereof, upon every fine, penalty, or forfeiture imposed and collected by the courts for criminal offenses, including all offenses involving a violation of a section of the Vehicle Code or any local ordinance adopted pursuant to the Vehicle Code, except offenses relating to parking or registration or offenses by pedestrians or bicyclists, or where an order is made to pay a sum to the general fund of the county pursuant to subparagraph (iii) of paragraph (3) of subdivision (a) of Section 258 of the Welfare and Institutions Code.

Where multiple offenses are involved, the assessment shall be

based upon the total fine or bail for each case. When a fine is suspended, in whole or in part, the assessment shall be reduced in proportion to the suspension.

When any deposited bail is made for an offense to which this section applies, and for which a court appearance is not mandatory, the person making such deposit shall also deposit a sufficient amount to include the assessment prescribed by this section for forfeited bail. If bail is returned, the assessment made thereon pursuant to this section, shall also be returned.

In any case where a person convicted of any offense, to which this section applies, is in prison until the fine is satisfied, the judge may waive all or any part of the assessment, the payment of which would work a hardship on the person convicted or his immediate family.

After a determination by the court of the amount due, the clerk of the court shall collect the same and transmit it to the county treasury. It shall then be transmitted to the State Treasury to be deposited in the Assessment Fund, which is hereby created. The transmission to the State Treasury shall be carried out in the same manner as fines collected for the state by a county.

The moneys so deposited shall be distributed as follows:

(a) Once a month there shall be transferred into the Fish and Game Preservation Fund an amount equal to 0.42 percent of the funds deposited in the Assessment Fund during the preceding month, but in no event shall the amount be less than the assessment levied on fines or forfeitures for violation of state laws relating to the protection or propagation of fish and game. Such moneys are to be used for the education or training of department employees which fulfills a need consistent with the objectives of the Department of Fish and Game.

(b) Once a month there shall be transferred into the Indemnity Fund an amount equal to 24.58 percent of the funds deposited in the Assessment Fund during the preceding month. Such funds shall be available for appropriation by the Legislature in accordance with the provisions of subdivision (b) of Section 13967 of the Government Code.

(c) Once a month there shall be transferred into the Peace Officers' Training Fund an amount equal to 24.17 percent of the funds deposited in the Assessment Fund during the preceding month.

(d) Once a month there shall be transferred into the Driver Training Penalty Assessment Fund an amount equal to 40.69 percent of the funds deposited in the Assessment Fund during the preceding month.

(e) Once a month there shall be transferred into the Corrections Training Fund an amount equal to 10.14 percent of the funds deposited in the Assessment Fund during the preceding month

This section shall become operative on January 1, 1982, shall remain in effect only until July 1, 1982, and as of that date is repealed.

SEC. 8. Section 1464 of the Penal Code, as added by Section 3 of

Chapter 1047 of the Statutes of 1980, is amended to read:

1464. There shall be levied an assessment in an amount equal to four dollars ($4) for every ten dollars ($10) or fraction thereof, upon every fine, penalty, or forfeiture imposed and collected by the courts for criminal offenses, including all offenses involving a violation of a section of the Vehicle Code or any local ordinance adopted pursuant to the Vehicle Code, except offenses relating to parking or registration or offenses by pedestrians or bicyclists, or where an order is made to pay a sum to the general fund of the county pursuant to subparagraph (iii) of paragraph (3) of subdivision (a) of Section 258 of the Welfare and Institutions Code.

Where multiple offenses are involved, the assessment shall be based upon the total fine or bail for each case. When a fine is suspended, in whole or in part, the assessment shall be reduced in proportion to the suspension.

When any deposited bail is made for an offense to which this section applies, and for which a court appearance is not mandatory, the person making such deposit shall also deposit a sufficient amount to include the assessment prescribed by this section for forfeited bail. If bail is returned, the assessment made thereon pursuant to this section, shall also be returned.

In any case where a person convicted of any offense, to which this section applies, is in prison until the fine is satisfied, the judge may waive all or any part of the assessment, the payment of which would work a hardship on the person convicted or his immediate family.

After a determination by the court of the amount due, the clerk of the court shall collect the same and transmit it to the county treasury. It shall then be transmitted to the State Treasury to be deposited in the Assessment Fund, which is hereby created. The transmission to the State Treasury shall be carried out in the same manner as fines collected for the state by a county.

The moneys so deposited shall be distributed as follows:

(a) Once a month there shall be transferred into the Fish and Game Preservation Fund an amount equal to 0.42 percent of the funds deposited in the Assessment Fund during the preceding month, but in no event shall the amount be less than the assessment levied on fines or forfeitures for violation of state laws relating to the protection or propagation of fish and game. Such moneys are to be used for the education or training of department employees which fulfills a need consistent with the objectives of the Department of Fish and Game.

(b) Once a month there shall be transferred into the Indemnity Fund an amount equal to 24.58 percent of the funds deposited in the Assessment Fund during the preceding month. Such funds shall be available for appropriation by the Legislature in accordance with the provisions of subdivision (b) of Section 13967 of the Government Code.

(c) Once a month there shall be transferred into the Peace Officers' Training Fund an amount equal to 24.17 percent of the

funds deposited in the Assessment Fund during the preceding month.

(d) Once a month there shall be transferred into the Driver Training Penalty Assessment Fund an amount equal to 50.83 percent of the funds deposited in the Assessment Fund during the preceding month.

This section shall become operative on July 1, 1982.

SEC. 9. Section 13521 of the Penal Code, as added by Chapter 530 of the Statutes of 1980, is repealed.

SEC. 10. Section 13835.9 is added to the Penal Code, to read:

13835.9. By January 1, 1985, the Office of Criminal Justice Planning shall prepare and submit to the Legislature a report summarizing the effectiveness of victim and witness assistance centers established pursuant to this article. That report shall include, but not be limited to, the effectiveness in achieving the design functions enumerated in Section 13835.4 and the provision of services enumerated in Section 13835.6.

The Office of Criminal Justice Planning is specifically authorized and encouraged to seek the assistance of an organization or organizations which may be able to utilize funding sources other than the state to prepare this report for the Office of Criminal Justice Planning.

SEC. 11. Section 42050 of the Vehicle Code, as added by Chapter 530 of the Statutes of 1980, is repealed.

SEC. 12. Section 42051 of the Vehicle Code, as added by Chapter 530 of the Statutes of 1980, is repealed.

SEC. 13. Section 42052 of the Vehicle Code, as added by Chapter 530 of the Statutes of 1980, is repealed.

SEC. 14. Section 42053 of the Vehicle Code, as added by Chapter 530 of the Statutes of 1980, is repealed.

SEC. 15. Section 258 of the Welfare and Institutions Code as amended by Section 12 of Chapter 530 of the Statutes of 1980 is amended to read:

258. (a) Upon a hearing conducted in accordance with Section 257, upon an admission by the minor of the commission of a traffic violation charged, or upon a finding that the minor did in fact commit such traffic violation, the judge, referee, or traffic hearing officer may do any of the following:

(1) Reprimand the minor and take no further action;

(2) Direct the probation officer to file a petition as provided for in Article 8 (commencing with Section 325); or

(3) Make any or all of the following orders:

(i) That the driving privileges of the minor be suspended or restricted as provided in the Vehicle Code or, notwithstanding Section 13203 of the Vehicle Code or any other provision of law, when the Vehicle Code does not provide for the suspension or restriction of driving privileges, that, in addition to any other order, the driving privileges of the minor be suspended or restricted for a period of not to exceed 30 days.

(ii) That the minor attend traffic school over a period not to exceed 60 days.

(iii) That the minor pay to the general fund of the county a sum, not to exceed fifty dollars ($50), and to the Assessment Fund an assessment in the amount provided in Section 1464 of the Penal Code. Any judge, referee, or traffic hearing officer may waive an assessment if the amount the minor is ordered to pay to the general fund of the county is less than ten dollars ($10).

(iv) That the probation officer undertake a program of supervision of the minor for a period not to exceed six months.

(v) That the minor produce satisfactory evidence that the vehicle or its equipment has been made to conform with the requirements of the Vehicle Code pursuant to Section 40150 of the Vehicle Code.

(vi) That the minor work in a city park or recreational facility or county or regional park for not to exceed 25 hours over a period not to exceed 30 days, during times other than his hours of school attendance or employment. When the order to work is made by a referee or a traffic hearing officer, it shall be approved by a judge of the juvenile court.

(b) The judge, referee, or traffic hearing officer shall retain jurisdiction of the case until all orders made under this section have been fully complied with.

SEC. 16. Section 258 of the Welfare and Institutions Code, as added by Section 12.5 of Chapter 530 of the Statutes of 1980, is repealed.

SEC. 17. Section 3 of Chapter 713 of the Statutes of 1979 is repealed.

SEC. 18. Section 13 of Chapter 530 of the Statutes of 1980 is repealed.

SEC. 19. The sum of two million seven hundred thousand dollars ($2,700,000) is hereby appropriated from the General Fund in augmentation of Item 472, Budget Act of 1980, for the payment of claims under the Victims of Violent Crimes Program, as a loan, which shall be repaid, without interest, during the 1981–82 fiscal year from the first two million seven hundred thousand dollars ($2,700,000) in revenues that are deposited in the Indemnity Fund during the 1981–82 fiscal year.

SEC. 20. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

This act will affect the Budget Act of 1980, funding provisions relative to the 1981–82 fiscal year, and certain activities of the Office of Criminal Justice Planning. In order that it may achieve its intended results, it is necessary that this act take effect immediately.

CHAPTER 167

An act to add and repeal Section 15976 of the Public Utilities Code, relating to local agencies, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 12, 1981 Filed with Secretary of State July 12, 1981]

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

SECTION 1. Section 15976 is added to the Public Utilities Code, to read:

15976. Notwithstanding any other provision of this division, the candidates for director of any public utility district formed in the County of Trinity may be placed upon the same ballot and elected as part of the formation election held pursuant to Article 3 (commencing with Section 15761) of Chapter 2. The candidates for director shall be nominated in accordance with Section 15966.

This section shall remain in effect only until January 1, 1983, and as of that date is repealed, unless a later enacted statute which is chaptered before January 1, 1983, deletes or extends that date.

SEC. 2. The Legislature finds and declares that Section 1 of this act is necessary since special facts and circumstances applicable to the County of Trinity, and not generally applicable, make the accomplishment of this purpose impossible by any general law. It is necessary to expeditiously enable the formation of a public utility district within the county in order to enable certain preference customers to take advantage of allocations of Central Valley Project power in a timely manner.

The Legislature further finds and declares that the purpose of this act is impossible to accomplish by any general law within the meaning of Section 16 of Article IV of the California Constitution, and that special legislation applicable only to the County of Trinity 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:

Pursuant to Public Law 84-386 (69 Stats. 872) preference customers in Trinity County are given a first preference to the extent of 25 percent of the additional energy available from the Central Valley Project power system as a result of construction of plants authorized by P. L. 84-386. Those preference customers must be ready, able, and willing to enter into contracts for the energy and must exercise their option on specified dates every five years. Unless this act is enacted to take effect immediately, preference customers in Trinity County may not be able to qualify for Central Valley Project power for another five years, and it is therefore necessary that this act take effect immediately

CHAPTER 168

An act to amend Section 29130 of the Government Code, relating to county budgets, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 12, 1981. Filed with Secretary of State July 12, 1981.]

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

SECTION 1. Section 29130 of the Government Code is amended to read:

29130. Balances in appropriations for contingencies, including accretions from cancellation of specific appropriations, and revenues from any source, including but not limited to amounts received from subventions, grants, gifts, judgments, donations, fines, forfeitures, penalties, insurance claim settlements, proceeds of taxes, revenues derived from services provided under contract or agreement which are not specifically set forth in the budget, and charges for current services, which are either in excess of anticipated amounts or are not specifically set forth in the budget, may be made available for specific appropriation by a four-fifths vote of the board at a noticed public hearing held as part of any regular or special meeting of which all members have had reasonable notice.

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

In order to provide county governments with adequate flexibility to meet the fiscal needs of each county for the 1980–81 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 169

An act to amend and supplement the Budget Bill for the 1981–82 fiscal year (Senate Bill No. 110 of the 1981–82 Regular Session, as amended in conference June 15, 1981) by amending Items 163-064-001 to 163-064-702, inclusive, and the provisions applicable thereto, Item 176-011-001 and the provisions applicable thereto, Items 266-001-041 to 266-001-890, inclusive, and the provisions applicable thereto, Item 311-001-001 and the provisions applicable thereto, Items 311-101-001 to 311-101-140, inclusive, and the provisions applicable thereto, Items 360-001-001 to 360-001-940, inclusive, and the provisions applicable thereto, Items 379-301-036 to 379-301-742, inclusive, and the provisions applicable thereto, Item 413-001-632 and the provisions applicable thereto, Items 420-001-001 to 420-001-890, inclusive, and the provisions applicable thereto, Items

426-001-001 to 426-001-890, inclusive, and the provisions applicable thereto, Items 426-111-001 to 426-111-890, inclusive, and the provisions applicable thereto, Items 426-495, Items 430-101-001 to 430-101-890, inclusive, and the provisions applicable thereto, Items 444-001-001 to 444-001-890, inclusive, and the provisions applicable thereto, Item 444-011-001 and the provisions applicable thereto, Items 518-101-001 to 518-101-866, inclusive, and the provisions applicable thereto, Item 524-101-001 and the provisions applicable thereto, Items 524-301-001 to 524-301-189, inclusive, and the provisions applicable thereto, Items 610-001-001 to 610-001-955, inclusive, and the provisions applicable thereto, Items 610-101-001 to 610-101-890, inclusive, and the provisions applicable thereto, Item 635-101-001 and the provisions applicable thereto, Items 644-001-001 to 644-001-189, inclusive, and the provisions applicable thereto, Items 661-001-001 to 661-001-890, inclusive, and the provisions applicable thereto, Item 687-101-001 and the provisions applicable to Items 687-101-001 to 687-101-146, inclusive, Items 810-001-001 to 810-001-890, inclusive, and the provisions applicable thereto, Items 810-101-001 to 810-101-890, inclusive, and the provisions applicable thereto, Items 857-001-001 to 857-001-890, inclusive, and the provisions applicable thereto, Item 878-001-001 and the provisions applicable thereto, Item 910-101-001 and the provisions applicable thereto, Item 910-111-001, Items 980-001-001 to 980-001-988, inclusive, and the provisions related thereto, Section 8.00, Section 18.00, Section 19.91, and Section 27.10 thereof, and by adding Item 173-301-036 thereto, relating to appropriations for support of the State of California, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 13, 1981. Filed with Secretary of State July 13, 1981]

SB 840, Alquist. State government support.

Under existing law, a budget bill is enacted each year to provide for support of state government.

This bill would amend and supplement the Budget Bill of 1981 (Senate Bill No. 110, as amended in conference, June 15, 1981) by amending various items thereof or adding items thereto, as specified, and making related changes, as specified.

The bill would take effect immediately as an urgency statute.

Appropriation: yes.

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

SECTION 1. Items 163-064-001 to 163-064-702, inclusive, of Senate Bill No. 110 of the 1981–82 Regular Session, and the provisions applicable thereto, are amended to read:

Item			Amount
163-064-001—For support of Department of Consumer Affairs			1,423,878
Schedule:			
(a) 98.10-Division of Consumer Services		1,349,561	
(b) 98.20-Consumer Advisory Council		74,317	
163-064-702—For support of Department of Consumer Affairs, payable from the Consumer Affairs Fund			5,389,290
Schedule:			
(a) 98.10-Division of Consumer Services		453,986	
(1) 98.10-Total Division of Consumer Services	523,986		
(2) Reimbursements	−70,000		
(b) 98.30-Division of Investigation		0	
(1) 98.30-Total Division of Investigation	3,227,147		
(2) Reimbursements	−3,227,147		
(c) 98.40-Division of Administration		3,781,890	
(1) 98.40-Total Division of Administration	4,943,634		
(2) Reimbursements	−1,161,744		
(d) 98.50-Building Maintenance and Operation		1,153,414	

Provisions applicable to Items 163-064-001 through 163-064-702—for support of Department of Consumer Affairs:

1. Provided, that to the extent that the programs and services provided by the Division of Consumer Services can legally be funded by assessments to the boards, bureaus, and commissions within the Department of Consumer Affairs, the appropriations made in this act to the boards, bureaus, and commissions and the appropriation to the Division of Consumer Services in Item 163-064-001 shall be reduced by amounts not to exceed a total of $1,217,764.

Item Amount

2. Provided further, that no funds appropriated for the administration of the Department of Consumer Affairs shall be expended after August 1, 1981, unless and until the Secretary of the State and Consumer Services Agency adopts a plan which requires that all new programs and policies of the Division of Consumer Services receive written approval from the Secretary prior to implementation. No funds shall be reduced unless the Secretary reports to the Legislature any failure to comply with this proviso.

SEC. 2. Item 173-301-036 is added to Senate Bill No. 110 of the 1981–82 Regular Session, to read:

173-301-036—For minor capital outlay, Franchise Tax Board payable from the Special Account For Capital Outlay 96,399

SEC. 2.5. Item 176-011-001 of Senate Bill No. 110 of the 1981–82 Regular Session, and the provisions applicable thereto, is amended to read:

176-011-001—For reimbursement to the Service Revolving Fund for purchase of vehicles for the Legislature 1,525,000

Provisions applicable to Item 176-011-001:

1. Provided, that of the amount appropriated in Item 176-011-001, $700,000 shall revert to the General Fund on or before June 30, 1983.

SEC. 3. Items 266-001-041 to 266-001-890, inclusive, of Senate Bill No. 110 of the 1981–82 Regular Session, and the provisions applicable thereto, are amended to read:

266-001-041—For support of Program 10, Aeronautics, of Department of Transportation, payable from the Aeronautics Account, State Transportation Fund.. 1,675,602

266-001-042—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund, upon certification of the Controller that no funds from any source have been expended after April 2, 1981, for the California Corridor High-Speed Rail Project, or any other high-speed rail passenger service 519,638,574

Schedule:

(a) 20-Highway Transportation..... 519,413,768
(1) 20-Total Highway Transportation .. 528,370,826
(2) Reimbursements ..—8,957,058
20.10-Rehabilitation .. (28,823,732)

Item		Amount
20.20-Operational Improvements ..... (47,499,321)		
20.30-Local Assistance.. (5,837,230)		
20.40-Program Development ..... (4,880,719)		
20.50-New Facilities.. (47,393,053)		
20.60-Administration (76,660,215)		
20.70-Operations..... (33,909,751)		
20.80-Maintenance.... (274,409,747)		
(b) 30-Mass Transportation	224,806	
266-001-046—For support of Department of Transportation, payable from the Transportation Planning and Development Account, State Transportation Fund		15,442,176
Schedule:		
(a) 30-Mass Transportation	11,013,221	
(1) 30-Total Mass Transportation 12,433,971		
(2) Reimbursements ..—1,070,220		
(3) Reimbursements Section 7204.4 of the Revenue and Taxation Code ..... —350,530		
(b) 40-Transportation Planning	4,428,955	
(1) 40-Total Transportation Planning..... 8,353,540		
(2) Reimbursements ..—3,924,585		
266-001-140—For support of Program 20, Highway Transportation, Department of Transportation, payable from the California Environmental License Plate Fund		47,725
266-001-890—For support of Department of Transportation, payable from the Federal Trust Fund		77,709,489
Schedule:		
(a) 10-Aeronautics	26,500	
(b) 20-Highway Transportation	76,888,890	
20.10-Rehabilitation.. (12,618,426)		
20.20-Operational Improvements ..... (20,417,588)		
20.40-Program Development ..... (8,147,443)		
20.50-New Facilities.. (35,705,433)		
(c) 30-Mass Transportation	794,099	
Provisions applicable to Items 266-001-041 through 266-001-890—for support of Department of Transportation:		

Item Amount

1. For program 20—Highways, up to 10 percent of any of the amounts scheduled within the program as appropriated from the State Highway Account, State Transportation Fund, Item 266-001-042, may be transferred to Item 266-101-042 or Item 266-301-042 as authorized under the provisions of Section 168 of the Streets and Highways Code.
2. Provided further, that funds appropriated by Items 266-001-042 and 266-001-890 Program 20 shall be available for support of those projects which have been included in a State Transportation Improvement Plan adopted by the California Transportation Commission.

   Provided further, from Program 20—Highways up to 10 percent of the amounts scheduled within the program as appropriated from the Federal Trust Fund, Item 266-001-890 may be transferred to Item 266-101-890 or Item 266-301-890 as authorized pursuant to Section 168 of the Streets and Highways Code.

   Provided further, that any federal reimbursements shall be from federal funds deposited in the State Highway Account, State Transportation Fund.
3. Provided, that if federal funds are received in excess of the amount appropriated by this act and are available for expenditure in lieu of state funds appropriated by this act, the state funds shall not be encumbered for the purpose for which they were appropriated or any other purpose and shall revert to the unappropriated surplus of the fund from which the appropriation was made.
4. Provided, that except as otherwise provided below, no funds appropriated by this act or made available for encumbrance from any other source may be used to pay the salary of the Director of Transportation after January 31, 1982.

   Provided further, that the Director of Transportation shall take significant remedial actions to improve the following aspects of the administration and operation of the Department of Transportation:

Item Amount

(a) Develop a plan and take the necessary actions, including sponsoring any necessary legislation, to fund future highway, mass transportation, and aeronautics projects programmed for state financial assistance through the 1985–86 fiscal year.

(b) Submit complete budget documentation to the Legislature which meets the deadlines adopted in the Supplemental Report to the 1981 Budget Act and complies with all provisions of the State Administrative Manual related to budgeting.

(c) Implement the budget for the department as adopted in this act, unless prior notification is given to the Legislature pursuant to the provisions of Section 28 of this act.

(d) Comply with all requirements imposed on the department by the Legislature in the 1981 Budget Act and the Supplemental Report to the 1981 Budget Act.

(e) Provide prior notification to the Legislature of significant changes in (1) department policies concerning administration and operation and (2) the scope and implementation of programmed capital outlay projects.

Provided further, that the Director of Transportation shall prepare a comprehensive report and submit this report to the members of the committees which consider appropriations in each house of the Legislature, the Joint Legislative Budget Committee and to the Director of the Department of Finance no later than November 1, 1981. The report shall clearly indicate the significant remedial actions which have been taken to improve and will continue to improve the administration and operation of the department as delineated above.

Provided further, that the Director of Finance may authorize the payment of the salary of the Director of Transportation for the period February 1, 1982 through June 30, 1982, not sooner than 30 days after the notification in writing to the chairperson of the committee in each house which considers appropriations and the chairperson of the Joint Legislative Budget Committee, if the Director of Finance certifies in writing that the actions of the department and the report submitted by the department conform

Item Amount

with the requirements of the above provisions.

5. Provided, that the department shall retain a consultant with existing resources who shall assist in reviewing the financial forecasting capabilities of the department and recommend improvements to the current procedures. Special emphasis shall be placed upon: (1) analyzing the assumptions used in the department's cash flow model, (2) improving the department's capability to develop forecasts based on alternative assumptions, (3) increasing the level of automation in the system, and (4) utilizing, to the extent possible, procedures already in use by the department. Provided further, that the department shall commit the required staff resources with existing resources to implement the consultant's recommendations.

6. Provided, that, notwithstanding Section 20, if before October 31, 1981, (1) no legislation is chaptered which is estimated by the Department of Finance to increase revenue to the State Highway Account in the State Transportation Fund by a total of more than $95 million during the 1982–83 and 1983–84 fiscal years, and (2) expenditures of federal highway funds are not estimated by the Department of Finance to increase by a total of more than $200 million in the 1982–83 and 1983–84, as compared to the 1980 State Transportation Improvement Program, as adopted by the California Transportation Commission, all positions related to the development of highway capital outlay projects which are vacated after October 31, 1981, shall no longer be authorized.

Provided further, that the department may reclassify an authorized position to a project-related position as the department deems appropriate, consistent with existing law, so that the total number of department positions no longer authorized pursuant to this provision equals the number of project-related positions vacated after October 31, 1981.

Provided further, that all unencumbered personal services funds which are budgeted for the positions which are no longer authorized pursuant to this provision, shall be spent for no other purposes and shall revert to the unencumbered balance of the State Highway Account in the

Item Amount

State Transportation Fund.

Provided further, that notwithstanding any other provision of the law, the department shall continue project development work on all projects contained in the 1980 State Transportation Improvement Program. However, if personnel year capability is reduced, individual project activities may be curtailed with the consent of the California Transportation Commission.

7. Provided, that a reserve shall be established in the amount of $340,000 for telecommunications equipment. No funds from this reserve shall be expended before September 1, 1981. If the Federal Communications Commission approves conversion to a higher capacity, lower cost communications system, this money shall revert to the State Highway Account, and shall not be available for expenditure for telecommunications equipment. The Department of Transportation shall notify the Chairman of the Joint Legislative Budget Committee 10 days prior to expenditure of funds from this reserve.
8. The Department of Transportation shall expend no funds for, and shall withhold approval of, any portion of its project development consolidation proposal for Transportation Districts 1, 2, 5, 6, 9, 10, and shall postpone implementation of that proposal until all ramifications of that proposal have been carefully studied and a report thereon has been submitted to the Joint Legislative Budget Committee.

The report shall be submitted by the Department of Transportation to the Joint Legislative Budget Committee by July 1, 1981, and shall include an assessment of the economic impact of the department's proposal on local communities in the affected transportation districts (Districts 1, 2, 5, 6, 9, 10), the provisions being made by the department for the employment of those individuals currently employed in the project development divisions of the affected districts, the additional long-range costs for the department resulting from the project development transfer, the impact of the project development transfer on services currently being provided to the affected transportation districts, and the other cost-saving proposals currently under con-

Item Amount

sideration by the department.

The Chairman of the Joint Legislative Budget Committee shall make a recommendation by August 1, 1981, to the Director of Finance whether to proceed with the proposal.

9. Provided, that the department shall contract with the Department of Finance for the services of a person who will supervise the preparation of the department budget and who will report directly to the agency secretary.

10. Provided, that the Department of Transportation shall complete its intercity passenger bus plan by March 1, 1982. This plan shall contain, at a minimum: (1) alternatives for future state involvement in the intercity bus area, (2) projected state capital and operating costs and revenues for each of these alternatives, and (3) a recommended approach for future state action.

Provided further, that the 6.1 personnel-years requested to prepare this plan shall be authorized only through June 30, 1982.

11. Provided further, that 30 days prior to allocation of funds for any capital rail project, the Department of Transportation shall provide to the Joint Legislative Budget Committee, the committee in each house which considers appropriations, the California Transportation Commission, and the Department of Finance the following information:
    (a) A description of the project.
    (b) The cost of the project.
    (c) Funding sources for the project.
    (d) A time schedule for completion of the project.

12. Provided further, that the department shall subsidize a new rail passenger route only after it has submitted a report to the Legislature, reviewed by the California Transportation Commission, that documents the financial stability over a period of five years of existing services, and demonstrates, on the basis of reasonable and explicit assumptions, that the proposed new service can reasonably expect to capture farebox revenues equal to 40 percent of operating expenses by the end of the third year of service. The department shall subsidize only one commuter service at any one time

Item	Amount

which has less than a 40 percent farebox/operating cost ratio, and that has less than 50 percent local participation on the operating subsidy.

13. Provided further, that the department shall include as part of its budget documentation for the 1982–83 fiscal year an explanation and the rationale used to develop the rail marketing budgets. The working documents will explain the proposed media expenditures in terms of objectives for the budget year, including, but not limited to, the following elements: ridership objectives; condition of services, new, changing, and existing; condition of market; cost of media coverage; and target audience.
14. Provided further, that no funds from any source shall be expended for the California Corridor High-Speed Rail Project, or any other high-speed rail passenger service.
15. Provided further, that if funds from any source are expended after April 2, 1981, for any high-speed rail passenger project, all funds appropriated by this act for the administration of the Department of Transportation shall revert to the funds from which the appropriation was made.
16. Provided, that the unencumbered balance of $108,171 appropriated to prepare a report pursuant to Section 2156 of the Streets and Highways Code shall revert to the unencumbered balance of the Transportation Planning and Development Account if Section 2156 of the Streets and Highways Code is repealed.

    Provided further, that any personnel requested to prepare this report shall be authorized only through December 31, 1981.
17. Provided further, that the department shall make all emergency and habitability repairs on residential units in the Route 2 corridor no later than July 1, 1981, and all other needed repairs no later than August 15, 1981.

    Provided further, that the department shall adhere to the schedule set forth in the supplemental language relating to Item 266-001-042 provided in the Supplemental Report of the Committee of Conference on the Budget Bill (1981–82) in disposing of single-family units in the Route 2 corridor.

Item Amount

Provided further, that the department shall establish a Route 2 work unit which shall report at least twice a month, commencing no later than July 1, 1981, to the committee of each house which considers appropriations on the department's progress in adhering to the disposition schedule referred to in this provision and in making the repairs required by this provision.

18. Provided further, that notwithstanding any other provision of law, the selection of alternatives pursuant to the environmental asessment process specified by the California Environmental Quality Act and the National Environmental Policy Act shall be subject to the approval of the California Transportation Commission. The department shall report monthly to the California Transportation Commission on the status of all environmental assessment documents in preparation.
19. Provided further, that $149,000 shall be appropriated into a reserve in the Transportation Planning and Development Account to be expended only if rail commuter service is commenced between Los Angeles and Oxnard.

SEC. 4. Item 311-001-001 of Senate Bill No. 110 of the 1981–82 Regular Session, and the provisions applicable thereto, are amended to read:

311-001-001—For support of Resources Agency 500,000
Schedule:
(a) For transfer to Item 360-001-001 .. 250,000
(b) 30-Sea Grant Program 250,000

Provisions applicable to Item 311-001-001—for support of Resources Agency:

1. Provided, that the amount provided in category (a) is for Fishery Studies on the Wild and Scenic Rivers.
2. Provided further, that the amount appropriated in category (b) is in lieu of any amount which would otherwise be received pursuant to Section 6217 of the Public Resources Code.

SEC. 5. Items 311-101-001 to 311-101-140, inclusive, of Senate Bill No. 110 of the 1981–82 Regular Session, and the provisions applicable thereto, are amended to read:

311-101-001—To the Tahoe Regional Planning Agency, a Special Resources Program, for local assistance.. 165,287

Item	Amount
311-101-140—To the Tahoe Regional Planning Agency, a Special Resources Program, for local assistance, payable from the California Environmental License Plate Fund	134,713

Provisions applicable to Items 311-101-001 and 311-101-140—for local assistance, Special Resources Program:

1. Provided, that not to exceed $12,000 of the amount appropriated by Item 311-101-001 shall be used to compensate California members of the Tahoe Regional Planning Agency appointed pursuant to the provisions of paragraph (B), subdivision (1), Section (a), Article III of the Tahoe Regional Planning Compact (Sec. 2, Chapter 872, Statutes of 1980), for actual and necessary expenses in connection with the performance of their official duties.
2. Provided further, that only the amount appropriated from the California Environmental License Plate Fund, Item 311-101-140, shall be expended for environmental threshold activities.

SEC. 6. Items 360-001-001 to 360-001-940, inclusive, of Senate Bill No. 110 of the 1981–82 Regular Session, and the provisions applicable thereto, are amended to read:

360-001-001—For support of Department of Fish and Game, to be transferred to Item 360-001-200	4,800,848
360-001-140—For support of Department of Fish and Game, to be transferred to Item 360-001-200, payable from the California Environmental License Plate Fund	1,756,227
360-001-190—For support of Department of Fish and Game, to be transferred to Item 360-001-200, payable from the Resources Account, Energy and Resources Fund	4,745,300

360-001-200—For support of Department of Fish and Game, and for the maintenance and construction of fish screens and other stream improvements, and for the purchase of land for game production, improvement of waterfowl areas and research in game management under provisions of the Pittman-Robertson Act, fish restoration and management projects under the provisions of the Dingell-Johnson Act, and for commercial fisheries research and development projects under the provisions of the Commercial Fisheries Research and Development Act (Bartlett Act), Department

Item		Amount
of Fish and Game, payable from moneys in the Fish and Game Preservation Fund, including revenues subject to the provisions of Section 13005 of the Fish and Game Code, which revenues are hereby appropriated to the extent required to meet the appropriation made by this item		37,995,573
Schedule:		
(a) 100000-Personal Services	40,464,230	
(b) 300000-Operating Expenses and Equipment	28,340,625	
(c) Reimbursements	−5,730,729	
(d) Amount payable from Renewable Resources Investment Fund (Chapter 1104/79)	−125,080	
(e) Amount payable from the General Fund (Item 360-001-001)	−4,800,848	
(f) Amount payable from the California Environmental License Plate Fund (Item 360-001-140)	−1,756,227	
(g) Amount payable from the Resources Account, Energy and Resources Fund (Item 360-001-190)	−4,745,300	
(h) Amount payable from the Federal Trust Fund (Item 360-001-890)	−12,726,098	
(i) Amount payable from the Renewable Resources Investment Fund (Item 360-001-940)	−925,000	
360-001-890—For support of Department of Fish and Game, to be transferred to Item 360-001-200, payable from the Federal Trust Fund		12,726,098
360-001-940—For support of the Department of Fish and Game, to be transferred to Item 360-001-200 for salmon and steelhead habitat restoration, payable from the Renewable Resources Investment Fund		925,000
Provisions applicable to Items 360-001-001 through 360-001-940—for support of Department of Fish and Game:		
1. Provided, that the $4,800,848 of the funds appropriated from the General Fund, Item 360-001-001, are solely for the support of existing programs devoted to nongame species management and protection and environmental protection.		

Item Amount

2. Provided further, that the funds appropriated from the California Environmental License Plate Fund Item 360-001-140 are for the support of programs relating to environmental protection, management of nongame species Natural Areas Management program, the Environmental Review and Evaluation program and the Instream Flow Analysis program.
3. Provided further, that the funds appropriated from the Resources Account of the Energy and Resources Fund, Item 360-001-190, are for the implementation of Salmon/Habitat Restoration program, data development for the California Wildlife Habitat Relationship System, support of the Wildlife Habitat improvement, the Suisun Resource Center District and the Buena Vista Lagoon Ecological Reserve programs.
4. Provided further, of the funds appropriated from the Fish and Game Preservation Fund, Item 360-001-200, that:
   a. $91,065 is for the support of investigations into the decline of the market crab in State waters,
   b. $583,900 is for the support of projects for the purpose of protecting and propagating migratory waterfowl and for the preservation of wetlands, payable from the Fish and Game Preservation Fund from revenues derived under the provisions of Section 3700 of the Fish and Game Code,
   c. $402,030 is for the support of the education or training of department employees, payable from the Fish and Game Preservation Fund from revenues derived under the provisions of Section 12018 of the Fish and Game Code, and
   d. $35,343 is for the support of programs related to native species conservation and enhancement as prescribed in the Native Species Conservation and Enhancement Act, payable from the Native Species Conservation and Enhancement Account in the Fish and Game Preservation Fund.

Item		Amount
5. Provided further, that of the funds appropriated in Item 360-001-140, $58,462 shall be available for support of the natural areas program through December 31, 1981. Provided further, that of the funds appropriated in Item 360-001-140, $190,351 shall not be available for expenditure for support of the natural areas program unless legislation is enacted on or before January 1, 1982, providing the department a statutory basis for conducting the programs. Provided further, that if legislation providing a statutory basis for the natural areas program is not effective on or before January 1, 1982, $190,-351 of the funds appropriated in Item 360-001-140 shall revert to the Environmental License Plate Fund on that date.		

SEC. 7. Items 379-301-036 to 379-301-742, inclusive, of Senate Bill No. 110 of the 1981–82 Regular Session, and the provisions applicable thereto, are amended to read:

379-301-036—For capital outlay, Department of Parks and Recreation, payable from the Special Account for Capital Outlay		214,452
(a) Climate control study (Hearst Castle)	60,000	
(b) Artifact restoration (Hearst Castle)	83,000	
(c) Artifact appraisal (Hearst Castle)	10,000	
(d) Hearst Visitor Center—working drawings	61,452	
379-301-189—For capital outlay, Department of Parks and Recreation, payable from the Energy Account, Energy and Resources Fund		584,686
Schedule:		
(a) Project planning and design	160,044	
(b) Minor projects	424,642	
379-301-190—For capital outlay, Department of Parks and Recreation, payable from the Resources Account, Energy and Resources Fund		2,532,950
(a) Anderson Marsh-acquisition	2,000,000	
(b) Durham Ferry SRA-working drawings and construction	300,000	
(c) Seacliff SB-construction	232,950	
379-301-263—For capital outlay, Department of Parks and Recreation, payable from the Off-Highway Vehicle Fund		9,426,650

Item		Amount
Schedule:		
(a) Hollister Hills SVRA—working drawings for facilities improvements	308,350	
(d) Ocotillo Wells SVRA—acquisition	8,500,000	
(f) Minor projects	618,300	
379-301-392—For capital outlay, Department of Parks and Recreation, payable from the State Parks and Recreation Fund		14,226,900
Schedule:		
(a) Big Basin SP—working drawings and construction for sewer	713,400	
(b) Torrey Pines SR—construction for erosion control	301,450	
(c) Silverstrand SB—working drawings and construction for storm damage repair	1,122,150	
(g) Hearst San Simeon SHM—working drawings for water system	59,600	
(h) Hearst San Simeon SHM—rehabilitation and repair	572,550	
(i) Hearst San Simeon SHM—road repair	650,900	
(j) Columbia SHP—construction of theater and saloon	499,050	
(k) Old Town San Diego SHP—working drawings for reconstruction	99,000	
(*l*) Old Sacramento SHP—working drawings for '49er scene	80,000	
(m) Bale Grist Mill—construction of access road and parking lot	471,000	
(n) Minor projects	2,300,000	
(o) Chino Hills—acquisition	500,000	
(p) Inholding purchases	500,000	
(q) Opportunity purchases	350,000	
(r) Acquisition costs	150,000	
(s) Pre-budget appraisal costs	180,000	
(t) Angel Island SP—working drawings and partial construction of pier	685,700	
(u) Preliminary planning	150,000	
(v) Julia Pfeiffer Burns SP—acquisition	60,000	
(w) Wilder Ranch SP—acquisition	770,000	
(x) Millerton Lake SRA-working drawings and construction of water treatment plant	537,100	
(y) Candlestick SRA—construction	1,000,000	

Item			Amount
(z) Railtown—acquisition, working drawings, and construction		1,500,000	
(aa) Relocation expenses		475,000	
(bb) Old Town San Diego—acquisition of Bazaar del Mundo concession contract		500,000	

PARKLANDS ACQUISITION AND DEVELOPMENT PROGRAM

379-301-721—For capital outlay, Department of Parks and Recreation, payable from the Parklands Fund of 1980			37,133,438
(a) Irvine Coast Project—acquisition		500,000	
(b) Humboldt Lagoons—acquisition		5,152,790	
(c) Sinkyone Wilderness SP—preliminary planning and construction		170,100	
(d) Project feasibility studies		90,000	
(e) Design and construction planning		749,949	
(f) Minor projects		1,020,000	
(1) Environmental campsites	300,000		
(2) Handicapped retrofit	200,000		
(3) Volunteer projects	500,000		
(4) Point Arena hostel	20,000		
(g) Reimbursements		−2,576,395	
(h) Multi-Cultural Park-feasibility study and working drawings		400,000	
(i) Salt Point SP—construction		2,327,400	
(j) Chino Hills Project—acquisition		10,800,000	
(k) Wilder Ranch SP—acquisition		2,000,000	
(*l*) Mount Diablo—acquisition		2,000,000	
(m) Verdugo Hills—acquisition		1,285,000	
(n) Sinkyone Wilderness SP—acquisition		3,200,000	
(o) Crystal Cove SB—preliminary plans, working drawings, construction		2,000,000	
(p) Folsom Lake SRA—Construction of day facilities at Beales Point		2,949,775	
(q) Malibu Creek SP—Construction of day use facilities		1,850,830	
(r) Angel Island SP—Construction of day use facilities		1,213,989	
(s) Seccombe Lake State Urban Recreation Area—working drawings and construction		2,000,000	

Item		Amount
RECREATION AND FISH AND WILDLIFE ENHANCEMENT FUND		
379-301-728—For capital outlay, Department of Parks and Recreation, payable from the Recreation and Fish and Wildlife Enhancement Fund		405,571
Schedule:		
(a) Project planning and design	8,071	
(b) Lake Perris SRA—working drawings for day use facility	397,500	
STATE BEACH, PARK, RECREATIONAL, AND HISTORICAL FACILITIES BOND ACT OF 1964 PROGRAM		
379-301-732—For capital outlay, project planning and design, Department of Parks and Recreation, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1964		13,669
STATE BEACH, PARK, RECREATIONAL, HISTORICAL FACILITIES BOND ACT OF 1974 PROGRAM		
379-301-733—For capital outlay, project planning and design, Department of Parks and Recreation, payable from the State Beach, Park, Recreational and Historical Facilities Fund of 1974		1,096,392
NEJEDLY-HART STATE, URBAN, AND COASTAL PARK BOND ACT PROGRAM		
379-301-742—For capital outlay, Department of Parks and Recreation, payable from the State Urban and Coastal Park Fund		5,007,586
Schedule:		
(a) Project planning and design	541,686	
(b) Pyramid Reservoir—construction of camping and day use facilities	4,465,900	
Provisions applicable to Items 379-301-036 through 379-301-742—for capital outlay, Department of Parks and Recreation:		
1. Provided the minor capital outlay projects funded by the Energy and Resources Fund Item 379-301-188 are for solar retrofitting and energy conservation.		

Item Amount

2. Provided further, that none of the funds appropriated for acquisition of parklands in Items 379-301-189 to 379-301-952, inclusive, shall be expended on the purchase of real property until the State Public Works Board has determined that the procedures and criteria established by the Attorney General relating to implied dedication and public prescriptive rights or claims have been complied with in the investigations and appraisals of the Department of General Services. All material relating to implied dedication and public prescriptive rights or claims shall be retained in the files of the Department of General Services and shall be available for post-audit on a selective basis by the Attorney General.
3. Provided, that no funds appropriated in Item 379-301-392 shall be encumbered for acquisition of land for Julia Pfeiffer Burns State Park, Wilder Ranch State Park, or the Humboldt Lagoons Project in Item 379-301-721 for acquisition of land unless and until the Save-the-Redwoods League has in each instance made a cash donation to the state equal to one-half the appraised value for such acquisition or otherwise enables the state to purchase such properties for an expenditure not to exceed one-half of the appraised value.
4. Provided, that funds appropriated for category (z) of Item 379-301-392 shall not be encumbered for the acquisition of "Railtown 1897" in Tuolumne County, which consists of 24 acres of land, several historic buildings and yard trackage, unless (1) the state has first received a donation of railroad rolling stock, locomotives, and equipment, as identified in a report to the Legislature from the Sierra Railroad Company entitled "Inventory of Railroad Company", dated July 15, 1980, and (2) the owner of the connecting railline between Oakdale and Sonora grants the state the perpetual use of the right-of-way free of charge for scheduled excursion trains, charter trains, and special trains.

   Provided further, that the department shall make every effort to contract with a concessionaire to operate excursion trains from "Railtown 1897" to Sonora and Oakdale in the event the excursion business is continued.

Item Amount

Provided further, that in respect to the donation of railroad rolling stock, locomotives, and equipment to the state, it is the understanding of the Legislature that the gift deed shall permit the transfer of railroad rolling stock, locomotives, and equipment between "Railtown 1897" and the California State Railroad History Museum in Sacramento.

5. Provided, that no funds appropriated in Item 379-301-721(h) may be expended for working drawings until a final study is complete and a lease agreement is executed with the Sixth District Agricultural Association.
6. Provided, that no funds appropriated in Item 379-301-721(l) may be expended until an appraisal has been completed.

   Provided further, that the funds appropriated in Item 379-301-721(l) shall be expended for acquisition of parcels on the north-east perimeter of Mount Diablo as determined by the Department of Parks and Recreation, and that highest priority for acquisition shall be given to the Schwartz Holdings of approximately 337 acres.
7. Provided, that the funds available for expenditure pursuant to the appropriation in Item 379-301-721(m) for Verdugo Hills acquisition shall not exceed the total amount of funds available for this project from non-state sources in conformance with policy adopted by the State Parks and Recreation Commission.
8. Funds available to complete any land exchange relating to the Sinkyone Wilderness approved by the State Parks and Recreation Commission pursuant to subdivision (a) of Section 6 of Chapter 1234, Statutes of 1980, shall be used to acquire critical areas described in paragraph 2 of subdivision (c) of that section.

SEC. 8. Item 413-001-632 of Senate Bill No. 110 of the 1981–82 Regular Session, and the provisions applicable thereto, are amended to read:

413-001-632—For support of the Health and Welfare Agency Data Center, payable from the Health and Welfare Consolidated Data Center Revolving Fund 18,535,053

Provisions applicable to Item 413-001-632—for support of the Health and Welfare Agency Data Center:

Item	Amount

1. Provided, that the limitations of Item 984-001-494 shall not apply to any deficiency expenditure authorization for the Health and Welfare Agency Data Center.
2. Provided further, that except as otherwise provided below, no funds appropriated by this act or made available for encumbrance from any other source may be used to pay the salary of the Director of the Health and Welfare Agency Data Center after February 1, 1982.
3. Provided further, that the Director of the Health and Welfare Agency Data Center shall prepare a comprehensive report and submit this report to the Senate Finance Committee, the Assembly Committee on Ways and Means, the Office of the Legislative Analyst, and the Department of Finance no later than November 1, 1981, which report clearly indicates that significant action has been taken which has improved, and will continue to improve, the management and service operations of the Health and Welfare Agency Data Center. Provided further, that the aforementioned report shall specifically encompass the problems of data center growth, on-line performance, operational management processes, and administrative management processes.
4. Provided further, that on November 15, 1981, the Health and Welfare Agency Data Center, pursuant to the provisions of Section 28 of this act, shall submit a request for deficiency authorization from the Health and Welfare Consolidated Data Center Revolving Fund, for the purpose of paying the salary of the Director of the Health and Welfare Agency Data Center for the period February 1, 1982, through June 30, 1982.

SEC. 9. Items 420-001-001 to 420-001-890, inclusive, of Senate Bill No. 110 of the 1981–82 Regular Session, and the provisions applicable thereto, are amended to read:

420-001-001—For support of Department of Alcohol and Drug Programs			6,703,302
Schedule:			
(a) 40-Drug and Alcohol Projects		939,111	
(b) 30-State Administration		5,764,191	
(1) 30-Total State Administration	5,973,353		
(2) Reimbursements	−209,162		

Item		Amount
420-001-890—For support of Department of Alcohol and Drug Programs, payable from the Federal Trust Fund		2,541,161
Schedule:		
(a) 40-Drug and Alcohol Projects	147,522	
(b) 30-State Administration	2,393,639	

Provisions applicable to Items 420-001-001 through 420-001-890—for support of Department of Alcohol and Drug Programs:

1. Provided, that upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between these appropriations and Item 420-101-001 and 420-101-890.
2. Provided further, that the Department of Finance may authorize the transfer of funds from these appropriations to the Health Care Deposit Fund for the State's share of expenditures of alcohol and/or drug abuse services provided to persons eligible under the California Medical Assistance Program.
3. Provided further, that if the federal government cuts federal funding for the Medi-Cal program by more than $50,000,000 below the amount budgeted in Item 426-101-890 and eliminates restrictions on the use of federal Medi-Cal funds for mental health programs, three positions for resolving Short-Doyle compliance issues and $64,979 shall be deleted from Item 420-001-001.

SEC. 10. Items 426-001-001 to 426-001-890, inclusive, of Senate Bill No. 110 of the 1981–82 Regular Session, and the provisions applicable thereto, are amended to read:

426-001-001—For support of Department of Health Services		89,965,311
Schedule:		
(a) 100000-Personal Services	107,595,179	
(b) 300000-Operating Expenses and Equipment	61,636,147	
(c) 445615-Special demonstration projects	425,000	
(d) Reimbursements	−11,944,002	
(e) For transfer to the Health Care Deposit Fund	36,249,013	
(f) Amount payable from Health Care Deposit Fund	−84,554,635	
(g) Amount payable from other appropriations	−498,057	

Item		Amount
(h) Amount payable from Hazardous Waste Control Account, General Fund	−2,725,263	
(i) Amount payable from Genetic Disease Testing Fund	−7,912,865	
(j) Amount payable from Motor Vehicle Account, State Transportation Fund (Item 426-001-044)	−300,552	
(k) Amount payable from Resources Account, Energy and Resources Fund (Item 426-001-190)	−1,443,561	
(*l*) Amount payable from the Federal Trust Fund (Item 426-001-890)	−6,561,093	
426-001-044—For support of Department of Health Services, to be transferred to Item 426-001-001, payable from the Motor Vehicle Account, State Transportation Fund		300,552
426-001-190—For support of Department of Health Services, to be transferred to Item 426-001-001, payable from the Resources Account, Energy and Resources Fund		1,443,561
426-001-890—For support of Department of Health Services, payable from the Federal Trust Fund		189,122,525
Schedule:		
(a) 500000—Support Special Projects	138,194,388	
(b) For transfer to Item 426-001-001	6,561,093	
(c) For transfer to Health Care Deposit Fund	48,306,122	
(d) Reimbursements	−3,939,078	
Provisions applicable to Items 426-001-001 through 426-001-890—for support of Department of Health Services:		
1. Provided, that in Item 426-001-001, should any additional federal funds become available to support venereal disease programs currently operated pursuant to state law by the Department of Health Services, such funds shall be used in lieu of funds appropriated by this item for the same purpose to the extent consistent with federal law or regulations.		
2. Provided further, that in Item 426-001-001, any funds appropriated for grants and contracts for lupus erythematosus research shall be subject to the provisions of Section 3 of Chapter 983, Statutes of 1978.		

Item Amount

3. Provided further, and notwithstanding any other provisions of law, the Director of Health Services may give public notice relative to proposing or amending any rule or regulation which could result in increased cost to any program administered by the Department of Health Services only after approval by the Department of Finance as to the availability of funds; and any rule or regulation adopted by the Director of Health Services and any communication which revises any departmental program shall only be effective from and after the date upon which it is approved as to availability of funds by the Department of Finance; provided further, that when a date for public hearing has been established for a change in any program, rule, or regulation or the Department of Finance has approved any communication revising any departmental program, the Joint Legislative Budget Committee shall be notified if the annual General Fund cost of the proposed change is $100,000 or more.

3.5. Provided further, that no funds shall be expended for a PHP monitor or similar system unless (a) the implementation of the monitor or similar system would be consistent with the provisions and intent of Chapter 1061 of the Statutes of 1979, and (b) if permitted under (a), implementation of the monitor or similar system is limited to three existing plans which have agreed to participate. Provided, however, that the department shall have the authority to require other organized health systems to utilize the pilot monitor or similar system for one year.

Provided, that further implementation of a monitor or similar system shall require additional statutory authority.

Information from the project shall not be the basis for rate development, nor shall any sanctions be applied on the basis of the information except that this shall not limit the authority of state licensing or contracting agencies.

The department shall disseminate information about the project to all PHP's in the state and seek their advice and comments regarding the project.

The department shall provide a report to the

Item		Amount
	appropriate budget subcommittees on the implementation of a monitor or similar system by March 15, 1982, and prior to the approval of the relevant budget items for the 1982–83 fiscal year.	
	4. Provided further, that funds appropriated in subitem (f) of Item 426-001-001 shall be transferred by the Controller to the Health Care Deposit Fund to match federal funds for support of the Department of Health Services.	
	5. Provided further, that none of the funds appropriated by these items shall be used to develop or evaluate the alternative of (1) having the State assume the Medi-Cal fiscal intermediary role, or (2) extending the Computer Science Corporation contract without a competitive bid. Provided further, that the funds appropriated by these items for procuring the next Medi-Cal fiscal intermediary shall be used only for studying other alternatives or for developing a fiscal intermediary request for proposal.	
	6. Provided further, that if the federal government cuts federal funding from the Medi-Cal program by more than $50,000,000 below the amount budgeted in Item 426-101-890 and eliminates restrictions on the use of federal Medi-Cal funds for mental health programs, the following items shall be deleted:	
	a. Ten positions for resolving Short-Doyle compliance issues and $233,724 from Item 426-001-001 and $397,952 from Item 426-001-001.	
	b. The Supplemental Report language which requires the Auditor General to study the feasibility of consolidating staff committed to resolving Short-Doyle compliance issues.	
	7. Provided further, that departmental fees subject to the annual fee increase provisions of Chapter 1012, Statutes of 1980, shall be increased at a rate of 8.73 percent effective January 1, 1982.	

SEC. 11. Items 426-111-001 to 426-111-890, inclusive, of Senate Bill No. 110 of the 1981–82 Regular Session, and the provisions applicable thereto, are amended to read:

426-111-001—For local assistance, Department of Health Services		428,310,806
Schedule:		
(a) 10.20-Public and Environmental Health—Preventive Medical Services	5,446,350	

Item		Amount
(b) 20.10-Family Planning	31,764,667	
(1) 20.10-Total Family Planning.....	35,764,667	
(2) Reimbursements ..	—4,000,000	
(c) 20.20-Maternal and Child Health	5,550,549	
(d) 20.30-California Children Services	34,107,102	
(1) 20.30.010 through 20.30.030-Total Other California Children Services	35,232,602	
(2) Less family repayments	—1,125,500	
(e) 20.30.040-California Children Services-genetically handicapped persons	4,326,210	
(f) 25-County Health Services.....	339,060,683	
(1) 25.10-Local Government Relief.....	338,355,682	
(2) 25.20-State Public Health Subvention	705,001	
(g) 40-Rural Health	8,055,245	
(1) 40.10-Rural Health	4,289,304	
(2) 40.20-Indian Health.....	2,796,886	
(3) 40.30-Farmworker Health Services	969,055	
426-111-890—For local assistance, Department of Health Services, payable from the Federal Trust Fund		19,660,041
Schedule:		
(a) 20.20-Community Health Services, Maternal and Child Health.....	9,873,841	
(b) 20.30.010 through 20.30.030-Other California Children Services.....	4,704,700	
(c) 25.30-County Health Services, Formula Grants	5,081,500	

Provisions applicable to Items 426-111-001 through 426-111-890—for local assistance, Department of Health Services:

1. Provided, that in Program 10.20:
   a. $229,097 from Item 426-111-001, Program 10.20.010, shall be used for renal dialysis program in accordance with Article 7.7 (commencing with Section 417), Chapter 2, Part 1, Division 1 of the Health and Safety Code.
   b. $900,000 from Item 426-111-001, Program 10.20.020, shall be used for dental disease program.

Item Amount

c. $1,370,904 from Item 426-111-001, Program 10.20.040, shall be used for immunization assistance.

d. $421,631 from Item 426-111-001, Program 10.20.040, shall be used for a tuberculosis control program in accordance with the provisions of Sections 3279 to 3295 and 3315 to 3317, inclusive, of the Health and Safety Code.

e. $1,268,269 from Item 426-111-001, Program 10.20.010, shall be used for preventive health services to aged.

f. $536,344 from Item 426-111-001, Program 10.20.010, shall be used for health risk reduction.

g. $720,105 from Item 426-111-001, Program 10.20.010, shall be used for lupus erythematosus.

2. Provided further, in Program 10.20, that should influenza vaccine, or funding for influenza vaccine, become available to the state, such resources or funds shall be used in lieu of equivalent funds appropriated from the General Fund for such purpose to the extent that the same target population is served.

3. Provided further, in Program 20.20:

a. $1,115,390 from Item 426-111-001, Program 20.20.010, shall be used for genetic disease prevention.

b. $454,372 from Item 426-111-001, Program 20.20.010, shall be used for Tay-Sachs disease screening.

c. $2,270,862 from Item 426-111-001, Program 20.20.020, for perinatal health care.

d. $954,000 from Item 426-111-001, Program 20.20.020, shall be used for primary care clinics.

e. $755,925 from Item 426-111-001 shall be used for the high-risk infant follow-up project.

f. $200,000 from Item 426-111-890 shall be used for the high-risk infant follow-up project.

4. Provided further, in Programs 20.30.010 through 20.30.030, funds appropriated from Items 426-111-001 and 426-111-890 for services to physically handicapped children shall be used in accordance with provisions of Article 2 (commencing with Section 248, Chapter 2 of Division 1 of the Health and Safety Code, provided that any person who is eligible for and is receiving services

Item Amount

under the program funded by this item shall not be denied services or suffer an interruption of services because of any relocation within this state.

5. Provided further, in Program 20.30.040, funds appropriated from Item 426-111-001 for the genetically handicapped person's program shall be used in accordance with Article 3.6 (commencing with Section 340) of Chapter 2 of Division 1 of the Health and Safety Code.
6. Provided further, in Program 25.10, funds appropriated in Item 426-111-001 for local government relief are in lieu of the amount which would otherwise be appropriated in the County Health Services Fund for the 1981–82 fiscal year pursuant to Section 16702 of the Health and Safety Code.
7. Provided further, in Program 40.10:
   a. $424,000 from Item 426-111-001 shall be used for primary care clinics.
   b. Funds appropriated from Item 426-111-001 for rural health shall be used in accordance with Part 4 (commencing with Section 1185) of Division 1 of the Health and Safety Code.
8. Provided further, in Program 40.20 funds appropriated from Item 426-111-001 for Indian health services shall be used in accordance with Article 14 (commencing with Section 429.30), Chapter 2 of Part 1 in Division 1 of the Health and Safety Code.
9. Provided further, that the amount authorized to be expended by Items 426-111-001 and 426-111-890 are also subject to the provision relating to the increased costs of rules, regulations, or communications contained in Item 426-001-001.
10. Provided further, that the reimbursement rate for any procedure or service shall not be increased to exceed the Medicare rate for a comparable procedure or service, nor shall the reimbursement rate for any procedure or service which is currently above the Medicare rate be increased above its current level.
11. The director may allocate funds available pursuant to Section 16707 of the Welfare and Institutions Code not sooner than 30 days after notification of the priority funding areas and justification therefor is provided in writing to the chairman of the committee in each house

Item Amount

which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.

12. The Department of Finance shall not approve contracts or grants under the clinics program specified in Chapter 1186, Statutes of 1979, unless the Director of Health Services certifies that the contractor has (a) documented in detail the reasons for its financial problems, and (b) implemented a two-year plan for improving financial self-sufficiency.
13. Collections of family repayments (a) by CCS in excess of $1,125,500 and (b) by GHPP in excess of $100,000 shall be utilized to offset the General Fund appropriation to those programs.
14. The department shall cancel project contracts subject to Section 1185.6 of the Health and Safety Code, if the contractor has repeated serious violations of contract terms or makes no progress towards improving performance of contract objectives.
15. The department shall implement a co-payment system for family planning services by July 1, 1981.
16. The CCS Program may require all CCS applicants who are potentially eligible for cash grant public assistance to apply for Medi-Cal eligibility prior to becoming eligible for CCS funded services.
17. Notwithstanding any other provision of law, the allocation of funds determined in subdivision (b) of Section 16702 of the Welfare and Institutions Code in Orange County with respect to its contract with the Board of Regents for indigent care shall not be made until such time as one of the following has occurred:
    (a) The Department of Health Services has completed its review and one of the alternative solutions presented in the review has been adopted by both the County and the Board of Regents; or
    (b) The County and the Board of Regents have reached a mutual resolution or agreement on the payments in dispute.

SEC. 11.5. Item 426-495 of Senate Bill No. 110 of the 1981–82

Item Amount

Regular Session is amended to read:

426-495—Reversion, Department of Health Services. As of June 30, 1981, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made:

001-General Fund

(a) Chapter 1499, Statutes of 1970, home dialysis training center

(b) Chapter 1212, Statutes of 1976, genetically handicapped

(c) Chapter 892, Statutes of 1978, infant medical dispatch

(d) Chapter 983, Statutes of 1978, sickle cell screening

(e) Chapter 1324, Statutes of 1978, hospice pilot projects

(f) Chapter 1386, Statutes of 1978, vital statistics

(g) Chapter 1427, Statutes of 1978, Medi-Cal reimbursement for developmentally disabled services

(h) Chapter 710, Statutes of 1979, repayment of emergency fund loan

(i) Chapter 1134, Statutes of 1979, dental disease, except $600,000 from subdivision (1) of Section 2 thereof shall not revert

(j) Chapter 1141, Statutes of 1979, perinatal care

(k) Chapter 1155, Statutes of 1979, Huntington's disease

(*l*) Chapter 1156, Statutes of 1979, Medi-Cal benefits for working disabled

(m) Chapter 1197, Statutes of 1979, Medi-Cal dialysis program eligibility

(n) Chapter 1097, Statutes of 1979, hazardous waste transport

(o) Chapter 1186, Statutes of 1979, clinics operating grants

(p) Chapter 1161, Statutes of 1980, hazardous waste land use controls

036-Special Account for Capital Outlay

(q) Section 10(1)(b), Chapter 1351, Statutes of 1980, County Health Services Fund

SEC. 12. Items 430-101-001 to 430-101-890 inclusive, of Senate Bill No. 110 of the 1981–82 Regular Session, and the provisions applicable thereto, are amended to read:

430-101-001—For local assistance, Department of Developmental Services 503,462,563

Item			Amount
Schedule:			
10.10-Regional Centers			(175,882,122)
10.10.010-Operations			(71,100,931)
(a) 10.10.010.010-Personal services			57,352,695
(b) 10.10.010.020-Operating expense and equipment			13,748,236
10.10.020-Purchase of services			(103,992,439)
(c) 10.10.020.010-Out-of-home care			50,107,917
(d) 10.10.020.020-Day programs			19,884,954
(e) 10.10.020.030-Medical services			3,002,955
(f) 10.10.020.040-Camps and respite care			3,699,842
(g) 10.10.020.050-Other services			27,296,771
(1) 10.10.020.050-Total other services	29,209,016		
(2) Amount payable from Item 297(h), Budget Act of 1980, as reappropriated by Item 430-490	−1,912,245		
(h) 10.10.030-Intermediate care facilities—developmentally disabled-habilitation			788,752
(hx) 10.30-Program development			0
(1) 10.30-Total program development	2,064,918		
(2) Amount payable from Item 430-101-172	−2,064,918		
(i) 10.40-Protective living services			4,602,628
(j) 10.50-Cultural center for the handicapped			127,370
(*l*) 10.60-Special pilot projects			0
(1) 10.60-Total special pilot projects	750,000		
(2) Amount payable from Item 297(m), Budget Act of 1980, as reappropriated by Item 430-490	−750,000		
(m) 20-State hospital services			302,987,189
(n) 20.10-Patton project			2,381,310
(nx) 30-Price and provider rate increase			17,337,454
(o) 20.20-Special project activities			0
(1) 20.20-Total special project activities	3,742,453		
(2) Reimbursements	−2,900,768		

Item		Amount
(3) Amount payable from Item 430-101-890	−841,685	
(p) 40-Legislative Mandates	144,490	
430-101-172—For local assistance, Department of Developmental Services, Program 10.30 Program Development, payable from the Developmental Disabilities Program Development Fund		2,064,918
430-101-890—For local assistance, Department of Developmental Services, Program 20.20 Special Activities, payable from the Federal Trust Fund		841,685

Provisions applicable to Items 430-101-001 through 430-101-890—For local assistance, Department of Developmental Services:

1. Provided, that upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between Item 430-101-001 and Items 430-011,001, 444-101-001, and 444-011-001. Provided further, that the Department of Finance may authorize the transfer of funds from this item to the Health Care Deposit Fund for the State's share of expenditures for developmental disabilities services provided to persons eligible under the California Medical Assistance Program.
2. Provided further, that, notwithstanding any other provision of law, the Director of the Department of Developmental Services shall establish guidelines for the expenditure of funds budgeted for the regional centers.
3. Provided further, that, notwithstanding provisions of Section 27 or any other provision of law, the Director of the Department of Developmental Services may authorize the transfer of funds between Schedules (c), (d), (e), (f), and (g) of Item 430-101-001 in such amounts as the director deems necessary, provided further, that the Department of Developmental Services shall furnish quarterly reports of such transfers to the Department of Finance identifying the assumptions and necessity therefor.
4. Provided further, that commensurate with the submittal of quarterly reports on transfers, the department shall report on the expenditure estimates of all categories of Program 10.10, Regional Centers.

Item Amount

5. Provided further, that the Department of Developmental Services' proposed allocations for level-of-care staffing in State hospitals that serve the developmentally disabled shall be submitted to the Department of Finance for review and approval in July and again on a quarterly basis. The July and each quarterly reports shall include an analysis of client characteristics of admissions and discharges in addition to information on any changes in characteristics of current residents.
6. The amount of $144,490 is appropriated in Schedule (p) of Item 430-101-001 for reimbursement, in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs, which relate to activities of the Department of Developmental Services, of any new program or increased level of service of an existing program mandated by statute, provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute that mandates the reimbursement of such costs and of subdivision (d) of Section 2231 of the Revenue and Taxation Code.
7. Provided further, that the department may use any savings obtained by revising the staffing requirements for psychologists in the state hospitals to establish training positions in the hospital.
8. Provided further, that the Departments of Developmental Services, Mental Health, and Education report to the Joint Legislative Budget Committee by December 1, 1981, on the implementation of Chapter 1191, Statutes of 1980. The specific requirements for the report shall be those identified in supplemental report language adopted for this item.
9. Provided further, that the Departments of Mental Health and Developmental Services, in administering the Napa State Hospital Orthomolecular Treatment Project, shall seek the advice of the consultant's committee established to assist the hospital and work cooperatively with that body.

Item Amount

10. Provided further, that the department shall report to the Joint Legislative Budget Committee no later than December 15, 1981, concerning the feasibility of reducing state hospital populations using performance contracts similar to those currently being used to phase out the developmental disabilities program at Patton State Hospital. The components of this report shall be those specified in the supplemental report language for this item.
11. Provided further, that notwithstanding any other provision of law, regional centers shall not provide regional center employees with a cost-of-living adjustment for salaries, wages, or benefits which exceeds the percentage amount granted by the Legislature in this act.
12. Provided further, that the Department of Developmental Services shall implement by August 15, 1981, an absence payment policy for regional center-vendored programs serving children from birth to age three, which pays vendors the set monthly rate for a client, who attends 50 percent or more of his or her monthly program days and half the set monthly rate for a client who attends less than 50 percent of his or her monthly program days. If a client is absent 50 percent or more of his or her program days in three consecutive months, the regional center shall review the appropriateness of the infant's enrollment in the program.
13. Provided further, that no funds shall be expended from Item 430-101-172 after August 1, 1981, unless the department revises the existing parental fee schedule for minor children placed in out-of-home care. This revision shall adjust the existing fees and income schedules (1) to reflect increases in the general cost of living since January 1, 1979, and (2) to make the fees neutral with respect to family income, by applying the existing proportional liability on median family income across all income groups.

    Provided further, that the department shall design and implement, no later than July 1, 1982, fee schedules for nonresidential services. These schedules shall reflect the following criteria:

Item Amount

(a) Fees shall encourage treatment in the least restrictive, normalizing settings, and shall encourage parents to keep their developmentally disabled children at home.
(b) Fees shall be based in part on ability to pay and shall reflect application of the existing proportional liability or median family income across all income groups.
(c) Fees shall not result in a parent paying more than the total actual cost of caring for a normal child at home.
(d) Fees shall not discourage the use of preventive services, including prenatal diagnosis services.
(e) Fees shall not discourage the adoption of developmentally disabled children.
(f) Fees shall not impose unreasonable or excessive administrative costs on regional centers.

Provided further, that the fee schedules for nonresidential services shall be designed in consultation with a Parental Fee Advisory Committee, consisting of seven members, selected by the department. Three of the members shall be the parents, guardians, or conservators representing consumer organizations which advocate for persons with developmental disabilities, one member shall be a representative of the Association of Regional Center Agencies, one member shall be a representative of the Organization of Area Boards, one member shall be a representative of the State Council on Developmental Disabilities, and one member shall be a representative of the Department of Finance. Provided further, that the department shall report to the Joint Legislative Budget Committee no later than February 1, 1982, on the revision on fee schedules for residential care and the development of fees for nonresidential services.

14. Provided further, that upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between Items 430-101-001-10.10.020(d) Day Programs in Purchase of Services for Regional Centers and 516-001-001(b) Habilitation Services for payment to providers of services who are currently changing vendorization category by transferring between either of the above programs.

Item		Amount
SEC. 13. Items 444-001-001 to 444-001-890, inclusive, of Senate Bill No. 110 of the 1981–82 Regular Session, and the provisions applicable thereto, are amended to read:		
444-001-001—For support of Department of Mental Health		14,479,042
Schedule:		
(a) 100000-Personal Services	23,022,061	
(b) 300000-Operating Expenses and Equipment	9,263,912	
(c) Reimbursements	−3,900,007	
(d) Amount payable from other appropriations	−13,497,300	
(e) Amount payable from the Federal Trust Fund (Item 444-001-890)	−409,624	
444-001-890—For support of Department of Mental Health, to be transferred to Item 444-001-001, payable from the Federal Trust Fund		409,624

Provisions applicable to Items 444-001-001 through 444-001-890—for support of Department of Mental Health:

1. Provided, that the Director of Mental Health may give public notice relative to proposing or amending any rule or regulation which could result in increased cost to any program administered by the Department of Mental Health only after approval by the Department of Finance as to the availability of funds; and provided further, that any rule or regulation adopted by the Director of Mental Health during the 1981–82 fiscal year which adds to the cost of any program administered by the Department of Mental Health shall only be effective from and after the date upon which it is approved as to availability of funds by the Department of Finance.
2. After January 1, 1982, the department shall limit expenditures for the Health Training Centers to the amount obtained from reimbursements, and the department shall report not later than October 31, 1981, to the Joint Legislative Budget Committee on the reimbursements available to fund the centers after January 1, 1982. By January 1, 1982, the department shall phase-out center staff and operations to the extent that the reimbursement level identified in the October 1 report is less than $1,220,875.

Item Amount

2.5 If the federal government cuts federal funding for the Medi-Cal program by more than $50,000,000 below the amount budgeted in Item 426-101-890, and eliminates restrictions on the use of federal Medicaid funds for mental health programs, seven positions for resolving Short-Doyle compliance issues and $154,807 shall be deleted from Item 444-001-001.

3. A county may elect to directly provide protective social services in lieu of purchasing such services from the Department of Mental Health if the guidelines of the Department of Mental Health which were applied to counties so electing prior to July 1, 1980, are applied. It is the intent of this proviso to enable the transfer of state employees to county employment in such a way that personnel benefits are protected.

4. The department may expand the automated patient admissions, discharge, and transfer system at Metropolitan State Hospital to include automation of additional hospital functions, or install any such systems at a hospital other than Metropolitan State Hospital, only if the department requests funds for such expansion or installation from the Legislature and submits with its request an evaluation of the Metropolitan pilot project, including a cost benefit analysis, and a feasibility study report on the expanded project which reviews the feasibility of automating all additional functions which the department intends to automate with the existing system and which has been approved by the Department of Finance.

SEC. 14. Item 444-011-001 of Senate Bill No. 110 of the 1981–82 Regular Session, and the provisions applicable thereto, are amended to read:

444-011-001—For support of the State Hospitals, Department of Mental Health 78,863,073

Schedule:

(a) 20.10.010-State-operated services.. 75,205,295

(1) 20.10.010-Total state-operated services..... 78,855,373

(2) Reimbursements ..—3,650,078

Item Amount

(b) 30.10.010-Community-based programs 3,657,778

Provisions applicable to Item 444-011-001—For support of the State Hospitals, Department of Mental Health:

1. Provided, that the amounts appropriated above are for support of the hospitals for the mentally ill for judicially committed patients and patients committed pursuant to the penal code.
2. Provided, that upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 430-011-001, 430-101-001, and 444-101-001.
3. The Departments of Developmental Services, Mental Health, and Education shall report to the Joint Legislative Budget Committee by December 1, 1981, on the implementation of Chapter 1191, Statutes of 1980. The specific requirements for the report shall be those identified in supplemental report language adopted for this item.
4. The Departments of Mental Health and Developmental Services in administering the Napa State Hospital Orthomolecular Treatment Project shall seek the advice of the consultant's committee established to assist the hospital and work cooperatively with that body.
5. The department shall report to the fiscal committee by March 1, 1982, as to what mental health treatment had previously been given to judicially committed clients and this report shall meet the criteria detailed in supplemental report language adopted for this Item.

SEC. 15. Items 518-101-001 to 518-101-866, inclusive, of Senate Bill No. 110 of the 1981–82 Regular Session, and the provisions applicable thereto, are amended to read:

518-101-001—For local assistance, Department of Social Services 2,911,145,830

Schedule:

(a) 10.04-Payments for Children 1,359,306,000

(1) 10.04.005—In-Lieu-

Aid to Families with Dependent Children..... 1,349,636,000

(2) 10.04.010—In-Lieu-

Item			Amount
	Child Support Incentives	6,074,000	
(3)	10.04.015—In-Lieu-Aid for Adoption of Children	3,596,000	
(b)	10.08-In-Lieu SSI/SSP		1,260,672,000
(c)	10.12-Special Adult Program		3,220,000
(d)	10.20-County Administration		112,334,000
(e)	20-Social Services Program		169,036,022
(1)	20.30—Other County Social Services	2,500,000	
(a)	20.30.205—24-hour response	2,500,000	
(2)	20.35—Specialized Adult Services	147,569,438	
(a)	20.35.220—In-home Supportive Services	142,964,614	
(b)	20.35.225—Family Planning	444,444	
(c)	20.35.240—Maternity Care	2,337,194	
(d)	20.35.250—Access Assistance for the Deaf	1,823,186	
(3)	20.40—Specialized Family and Children's Services	1,354,643	
(a)	20.40.260—Work Incentive Program	354,643	
(b)	Child Development Services	1,000,000	
(4)	20.42—Adoptions	18,102,174	
(5)	20.44—Demonstration Projects	1,387,048	
(6)	Reimbursements-social services program	−1,444,444	
(7)	Amount payable from other appropriations	−432,837	
(f)	30-Community Care Licensing		6,560,208
(g)	70-Local Mandate		17,600
518-101-866—For local assistance, Department of Social Services, payable from the Social Welfare Federal Fund after transfer from the Federal Trust Fund			2,309,184,645

Item		Amount
Schedule:		
(a) 10.04-Payments for Children		1,488,643,000
(b) 10.12-Special Adult Program		52,000
(c) 10.20-County Administration		331,997,000
(d) 10.24-Refugee Programs		117,241,000
(e) 20-Social Services Program		371,251,645
Schedule:		
(1) 20.30 Other county social services		158,891,708
(a) 20.30.220 Adult and family and children's services	152,986,630	
(b) 20.30.205 24-hour response	5,905,078	
(2) 20.35 Specialized adult services		158,677,904
(a) 20.35.220 In-home supportive services	154,677,904	
(b) 20.35.225 Family planning	4,000,000	
(3) 20.35.230 Refugee Assistance Program Services		26,124,400
(a) County welfare department services	9,143,540	
(b) Contracted services	15,870,860	
(c) Cuban/Haitian services	1,110,000	
(4) 20.40 Specialized family and children's services		19,492,964
(a) 20.40.260 Work Incentive Program ..	15,373,518	
(b) 20.40.270 Child welfare services	4,119,446	
(5) 20.44 Demonstration programs		1,670,730
(6) 20.46 County services staff development		1,934,486
(7) 20.48 University training programs		4,459,453
(a) County welfare staff training	2,575,343	
(b) Foster care	844,065	
(c) Child care	1,040,045	
Provisions applicable to Items 518-101-001 through 518-101-866—for local assistance, Department of Social Services:		

Item	Amount
1. Provided, that of the above appropriations the following are for transfer for direct disbursement by the Department of Social Services:	
a. Program 10.04 from 001 General Fund to 919 Interstate Collection Incentive Fund	437,000
b. Program 10.04 from 866 Social Welfare Federal Fund to 919 Interstate Collection Incentive Fund	1,078,000
c. Program 10.04 from 001 General Fund to 957 Support Enforcement Incentive Fund	5,637,000
d. Program 10.04 from 866 Social Welfare Fund to 957 Support Enforcement Incentive Fund	9,058,000
2. Provided further, that the cost of living increases provided in this act, which are equivalent to 9.2 percent, for the 1981–82 fiscal year for programs 10.04, 10.08, 10.12.060 and 20.35.220 are in lieu of any cost of living adjustments provided for (a) AFDC recipients pursuant to Section 11453 of the Welfare and Institutions Code, (b) SSI/SSP recipients pursuant to Section 12201 of the Welfare and Institutions Code, (c) Aid to the Potentially Self-Supporting Blind recipients pursuant to Sections 13100 and 13103 of the Welfare and Institutions Code and (d) In-Home Supportive Services recipients pursuant to Sections 12303.5, 12303.7 and 12304 of the Welfare and Institutions Code.	
3. Provided further, that no funds appropriated by Items 518-101-001 and 518-101-866 shall be encumbered unless every rule or regulation adopted and every all-county letter issued by the Department of Social Services which adds to the cost of any program is approved by the Department of Finance as to the availability of funds before it becomes effective. In making the determination as to availability of funds to meet the expenditures of a rule, regulation, or all-county letter which would increase the costs of a welfare program, the Director of Finance shall consider the amount of the proposed increase on an annualized basis, the effect such change would have on the expenditure limitations for such program set forth in this act, the extent to which the rule, regulation, or all-county letter	

Item Amount

constitutes a deviation from the premises under which the expenditure limitations were prepared, or any additional factors relating to the fiscal integrity of such program or the state's fiscal situation.

Provided further, that notwithstanding the provisions of Sections 28 and 28.4, the availability of funds contained in Items 518-101-001 and 518-101-866 for welfare rules, regulations, or all-county letters which add to program or county administrative costs funded from the General Fund in excess of $500,000 on an annual basis, and are not (a) specifically required as a result of the enactment of a federal or state law, or (b) included in the appropriation made by this act, shall not be approved by the Director of Finance sooner than 30 days after notification in writing of the necessity therefor to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or such lesser time as the chairman of the committee, or his or her designee, may in each instance determine.

Provided further, that notwithstanding the provisions of Sections 28 and 28.4, that welfare rules, regulations or all-county letters which add to program or county administrative costs in Items 518-101-001 and 518-101-866 funded from the General Fund in excess of $500,000 on an annual basis and are the result of a federal regulation shall be approved by the Director of Finance not sooner than 30 days after notification in writing of the necessity therefor to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee or such lesser time as the chairman of the committee, or his or her designee, may in each instance determine.

Provided further, that funds appropriated in Items 518-101-001 and 518-101-866 are for those programs as they exist on July 1, 1981, consisting of state and federal statutory law, regulations, and court decisions which are final on the merits, if funds necessary to carry out such decisions are specifically appropriated in this act. However, no funds are appropriated or available in Items 518-101-001 and 518-101-866 and no funds

Item Amount

appropriated in prior years are available for welfare rules, regulations, or all-county letters for court orders, for which funds are not specifically appropriated in this act, until a final court decision on the merits is issued.

Provided further, that for purposes of this provision "welfare" shall mean those programs under "Welfare Program Operations," as found in the Governor's Budget and consistent with definitions used in the California Fiscal Information System (CFIS).

4. Provided further, that notwithstanding the provisions of any appropriation of state funds made in the Welfare and Institutions Code, the amounts contained in Items 518-101-001 and 518-101-866 for program 10.04 are in lieu of the amounts which would otherwise be appropriated for the Child Support Incentive Payment Program (pursuant to Sections 15200.1 and 15200.2 of the Welfare and Institutions Code) and the Aid to Families with Dependent Children program (pursuant to Section 15200 of the Welfare and Institutions Code) including in-lieu foster care payments pursuant to Welfare and Institutions Code Section 16120.

The Department of Social Services shall administer the public assistance programs so that the counties will bear no more than the amount of welfare costs that they would be obligated to bear under the applicable provisions of the Welfare and Institutions Code, without the expenditure limitations set forth herein, and so that the amount authorized to be expended in program 10.04, Aid to Families with Dependent Children Program shall fully cover the State share of aid payments and for services under such programs for the 1981–82 fiscal year.

There is hereby established for the next two quality control review periods, a dollar error rate standard of 4 percent, pursuant to Section 15200.4 of the Welfare and Institutions Code.

Provided further, that amounts realized from the counties as the result of a state fiscal sanction shall first be applied as an offset to the state's share of Program 10.04, Payments for Children. To the extent that this application results in a surplus to the General Fund appropriation for that program, such surplus shall revert to the

Item Amount

General Fund.

The Director of Finance is authorized to approve expenditures in those amounts made necessary by changes in either caseload or payments, or any rule or regulation adopted and any all-county letter issued in program 10.04, Payments for Children, as a result of the enactment of a federal or state law, the adoption of a federal regulation, or the following of a final court decision on the merits, during the 1981–82 fiscal year which are within or in excess of amounts appropriated in this act for that year.

If the Director of Finance determines that the estimate of expenditures will exceed the expenditures authorized for program 10.04, Payments for Children, the director shall so report to the Legislature. At such time as the report is made, the amount of the limitation shall be increased by the amount of such excess unless and until otherwise provided by law.

Provided further, the federal share of the Payments for Children program costs, program 10.04, $1,488,643,000, are federal funds per Section 8.7.

Provided further, notwithstanding Chapter 1 of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed $75,000,000 shall be made available from the General Fund from funds not otherwise appropriated, to cover the federal share of costs for the Aid to Families with Dependent Children program when the federal share has not been received by this state prior to the usual time for transmitting such federal share to the counties of this state. Such loan from the General Fund shall be repaid when the federal share becomes available.

Provided further, that funds appropriated by category (e) of Item 518-101-001 shall be reduced by the Director of Finance by the amount of federal Title IV-A funds made available for the purposes of Item 518-101-866 (for foster care payments) in excess of the federal funds scheduled in Item 518-101-866 (for Title XX Social Services).

Item Amount

Provided further, that the Director of Finance may authorize the transfer of funds from Items 518-101-001 (a) and 518-101-866 (a) to Items 518-001-001 (a), (b), and (g) and 518-001-866 or Items 518-101-001 (d) and 518-101-866 (c) in such amounts as are necessary for the implementation and operation of the Emergency Assistance Program, not sooner than 30 days after written notification of the necessity therefor to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairman of the committee, or his designee, may in each instance determine.

5. The amounts contained in Item 518-101-001 for Program 10.08 are in lieu of the amounts which would otherwise be appropriated pursuant to Section 15201 of the Welfare and Institutions Code for the State Supplementary Payment Program for aged, blind, and disabled, as provided in Article 1 (commencing with Section 12000) to Article 5 (commencing with Section 12200), inclusive, of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code.

Provided, further, that funds transferred from the Federal Revenue Sharing Fund pursuant to Item 954-001-852 shall be expended prior to general funds appropriated for the State Supplementary Payment Program.

Provided further, that in order to maximize federal reimbursements for state funds erroneously expended by the federal government for the State Supplementary Payment Program, the Director of Finance may authorize the transfer of up to $322,000 from category (b) of Item 518-101-001 to categories (a) and (b) of Item 518-001-001 for the purpose of conducting a complete state review of the federal quality assessment sample for the program, not sooner than 30 days after written notification of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.

Provided further, that the department shall

Item Amount

not expend $322,000 for quality control review positions if the federal government contracts to implement a regression formula which projects the state's quality control findings to the entire federal sample for the State Supplementary Payment Program. In the event that the positions are established and the federal government subsequently adopts and contracts with the state for use of a regression formula for projecting the state's findings, the positions established shall be abolished.

6. The amounts contained in program 10.12, for the costs of the state's share of Special Adult Programs, including (a) special circumstances, as defined in Sections 11212, 12550, and 12551 of the Welfare and Institutions Code, (b) special benefits, pursuant to Sections 12151 and 12553 of the Welfare and Institutions Code, (c) aid to the potentially self-supporting blind, pursuant to Chapter 5 (commencing with Section 13000) of Part 3 of Division 9 of the Welfare and Institutions Code, and (d) temporary assistance for repatriates, are hereby appropriated.
7. The amounts contained in program 10.24, for the payment of aid for the Refugee Resettlement Program residuals and Cuban Phasedown recipients, are hereby appropriated.
8. The amounts contained for program 10.20, County Administration, for costs of administering (a) the payment of aid grants as specified in Section 15204.2 of the Welfare and Institutions Code, (b) the Child Support Enforcement Program, as specified in Section 15204.2 of the Welfare and Institutions Code, (c) Special Adult Programs and Nonmedical Out-of-Home Care, (d) Food Stamps, as provided by Chapter 10 (commencing with Section 18900) of Part 6 of Division 9 of the Welfare and Institutions Code, (e) staff development, and (f) Refugee Resettlement Program residuals, (g) Cuban Phasedown, and (h) Cuban Haitians, are hereby appropriated.

Provided, that the Department of Social Services may act in the place of any county and assume direct responsibility for the administration of eligibility and grant determination. Upon recommendation of the Director of Social Services, the Department of Finance may authorize the

Item Amount

transfer of funds from Items 518-101-001 and 518-101-866 to Items 518-001-001 and 518-001-806 for this purpose.

Provided further, that during the 1981–82 fiscal year, pursuant to Sections 15204.5 and 18906 of the Welfare and Institutions Code, the Department of Social Services shall continue the implementation of a plan whereby costs for county administration for AFDC and Food Stamp Programs will be effectively controlled within the total state funds appropriated for program 10.20, County Administration.

Provided further, that notwithstanding any provisions of the Welfare and Institutions Code to the contrary, the total amount of state funds available to the counties for administration of the programs specified in program 10.20, County Administration, shall be limited to the amount appropriated for that program.

Provided further, that notwithstanding any provisions of law to the contrary, no General Fund money appropriated by this act for Program 10.20, County Administration, shall be used to provide a cost-of-living increase to any county welfare department for personal, and nonpersonal services, which exceeds the percentage increase authorized by the Legislature for all counties in this act for 1981–82. However, a county may use General Fund money from its allocation for operating expenses for salary and benefit increases in excess of the percentage increase authorized by the Legislature for salary and benefit increases.

Provided further, that the 1981–82 county administrative cost control plan for Program 10.20, County Administration, shall contain a provision which specifies that of any county cost-of-living increase for personal, and nonpersonal services, which exceeds the percentage increase authorized by the Legislature shall be sole fiscal responsibility of the county unless the excess costs are funded by permanent productivity increases.

Provided further, that the department shall not allocate, reallocate, or transfer unused portions of county cost-of-living funds between counties to fund cost-of-living adjustments in excess of the percentage increase authorized by the Legislature in this act.

Item Amount

Provided further, that notwithstanding any other provisions of law, the Department of Social Services may withhold state financial support of a county's automated welfare operations if the county does not provide a fiscal accounting of such operations in the form and manner as may be requested by the department. Provided further, that the Department of Social Services may enter into an agreement with a county wherein state financial support for the development or modification of county-automated welfare operations is conditioned upon the realization of savings projected by the county. EDP development or modification activities in a county shall be allowed only if the county can demonstrate a need which must be met before the centralized delivery system is scheduled to become operational.

Provided further, that the Director of Finance may authorize the transfer of such funds between category (d) of Item 518-101-001 and category (c) of Item 518-101-866, and categories (a), (b), and (g) of Item 518-001-001 and Item 518-001-866, as may be necessary for State Public Assistance Network (SPAN) development, not sooner than 30 days after written notification of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.

Provided further, that commencing July 1, 1981, the Department of Social Services shall submit to the Director of Finance a quarterly report identifying, to the extent feasible, county activities in support of the Statewide Public Assistance Network. The report shall include, but not necessarily be limited to, an identification of county staff and equipment supporting the Statewide Public Assistance Network with an estimate of related costs or savings, or both.

Provided, that in the event that recipients of aid under the State Supplementary Program for the Aged, Blind, and Disabled are determined eligible for federal food stamp benefits, the Director of Social Services shall establish an ad-

Item Amount

ministrative system, either centralized or in the counties, which facilitates efficient and expeditious issuance of food stamp benefits to such recipients. The Director of Finance may authorize the transfer of such funds from category (b) of Item 518-101-001 to category (d) of Item 518-101-001, category (c) of Item 518-101-866, and Item 518-001-001 as may be necessary for the administration of this provision, not sooner than 30 days after written notification of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.

9. The amounts contained in this schedule for Social Services Program, 20.30 through 20.48, inclusive, for the cost of special social service programs for which federal grants in aid are made to the state; for rehabilitative and employment services; for grants or services to local agencies for the extension of child welfare services; for the cost of the adoption programs and care of children, to be expended in accordance with the provisions of Chapter 2 (commencing with Section 16100) of Part 4 of Division 9 of the Welfare and Institutions Code; for the costs incurred by counties, including but not limited to, the required matching funds, for in-home supportive services as provided by Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code; for the cost of local agency special training and statewide demonstration programs; are hereby appropriated. Provided further, that any funds specified in program 20.30, Other County Social Services, except the Refugee Programs component, and the Child Welfare Services, part of program 20.40, Family and Children Services, of this item shall be available only when matched by 25 percent in county funds.

Provided, that the total allocation to county welfare departments for federal fiscal year 1982 for the delivery to refugees of social services included in the California Comprehensive Annual Services Program Plan, including in-home supportive services, and funded under the Refu-

Item Amount

gee Resettlement Program shall not exceed 35 percent of the total federal allocation provided to the state for federal fiscal year 1982 for the provisions of refugee support services. The allocation for a county welfare department shall be determined by the Department of Social Services and shall be based on the county's percentage of refugees in the state receiving cash assistance. In the event that a county welfare department does not expend its entire allocation, the Department of Social Services may reallocate unexpended funds to other county welfare departments.

Provided, that the top priority in the utilization of the federal fiscal year 1981 funds remaining after the amounts expended by county welfare departments shall be the provision of employment, training, English-as-a-second language, and other services directly in support of the employment-directed activities of refugees.

The goal of the employment, training, and English-as-a-second language and other services is to help as many refugees as possible to achieve economic self-sufficiency in the shortest period of time.

First priority for employment services, training, and English-as-a-second language shall be given to employable time-expired, adult refugees who continue or are likely to receive cash assistance. Second priority for such services shall be given to employable adult refugees who recently arrived in the United States of America and who receive or are likely to receive cash assistance. In the event that there are insufficient funds to serve the first two priorities, services shall be limited to the adult who is designated as the primary wage earner in the household.

The department shall provide for the implementation of comprehensive employment and training programs to achieve this goal through (a) contracts with other public and private nonprofit agencies, and (b) an interagency agreement with the Employment Development Department. Under such an agreement, the Employment Development Department shall provide or assist the Department of Social Services in providing (a) information and technical

Item Amount

assistance in a range of locations throughout the state, and (b) implementation of an Employment Preparation Program adapted for refugees in two areas of the state with the approval of the affected counties.

The Employment Development Department shall develop the Employment Preparation Program for refugees with the cooperation of the department and other private and public agencies serving refugees or providing employment and training programs. The Employment Development Department shall, to the extent administratively feasible, contract with public and private agencies in implementing the Employment Preparation Program.

Provided further, that $2,500,000 appropriated by Item 518-101-001 and $5,905,078 appropriated by Item 518-101-866 for 24-hour response shall not be expended for any other purpose and that $290,480 of this amount which is appropriated for use by seven counties without approved plans will revert to the General Fund if not claimed by these counties under a plan approved by the Department of Social Services.

Provided further, that of the WIN funds allocated to the Separate Administrative Unit, $200,000 shall be allocated to the Employment Development Department for social worker staff at employment preparation program sites and provided further, that the demonstration counties shall not receive disproportionate reductions in funding for WIN social services provided to their regular WIN participants in the event federal WIN social service funds are reduced.

Provided further, that of the funds allocated for WIN child care, $40,000 shall be allocated to the Employment Development Department to assure participation of WIN participants in the employment preparation program and provided further, that the employment preparation program demonstration counties shall not receive disproportionate reductions in funding for WIN child care provided to their regular participants in the event that federal WIN child care funds are reduced.

Provided further, that the Department of Social Services shall submit to the Joint Legislative

Item Amount

Budget Committee, a feasibility study report approved by the Department of Finance and prepared in accordance with Section 4920 et seq. of the State Administrative Manual, for the continued implementation of Chapter 463, Statutes of 1978, and provided that this report shall include an analysis of (1) the alternative of utilizing state-owned resources and (2) the relationship of this implementation with the development of the Statewide Public Assistance Network. Provided further, that in the event such a feasibility study report is not completed and approved by September 1, 1981, the department shall develop a request for proposal and enter into a competitive bidding process to select the most cost-effective vendor to implement the requirements of Chapter 463, Statutes of 1978.

Provided further, that $2,337,194 is appropriated for the Licensed Maternity Home Care Program in program 20.35 in lieu of the amounts which would otherwise be appropriated pursuant to Sections 16148 and 16151 of the Welfare and Institutions Code.

Provided further, that notwithstanding any provision of the Welfare and Institutions Code or the Health and Safety Code to the contrary, none of the funds appropriated by Items 518-101-001 through 518-101-866 for Programs 20 and 30 shall be used to provide cost-of-living increases to counties for the adoptions, facilities evaluation, or in-home supportive services programs in excess of the amount specifically authorized for such purposes by the Legislature.

Provided further, that applicants and recipients of in-home supportive services who are also eligible for personal care services from a home health agency shall be referred to such an agency for services upon adoption of regulations or guidelines by the federal government permitting payments for such services under the Medicare program.

Provided further, that upon request of the Department of Social Services, the Director of Finance may authorize the transfer of federal funds from Item 518-001-866 to category (e) Item 518-101-866 to reimburse counties for their costs of implementing the foster care informa-

Item Amount

tion system.

Provided further, that $610,000 appropriated by Item 518-101-001 shall be expended to fund six child abuse and neglect prevention programs.

Provided further, that $1,290,789 in federal funds are appropriated by category (e) of Item 518-101-866 and $344,211 in funds appropriated by (e) of Item 518-101-001 shall be expended for the purposes of continuing to fund a demonstration project initially established by Chapter 977, Statutes of 1976 and that these funds shall be available only when matched by 5 percent in county funds.

Provided further, that notwithstanding the provisions of Sections 27.5 and 28 of the Budget Act, the Director of Finance may transfer funds appropriated for program 20, Social Services, among these elements not sooner than 30 days after notification in writing of the necessity therefor to the chairman of the committee in each house which considers appropriations and the chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of the committee, or his designee, may in each instance determine.

Provided further, notwithstanding any other provisions of law and that under no circumstances shall total expenditures for the In-Home Supportive Services program exceed the specific amounts appropriated in Items 518-101-001 (e) and 518-101-866 (e) for this program.

Provided further, that $130,000 appropriated in Item 518-101-001 shall be made available for purposes of establishing Deaf Access Assistance services in San Diego County.

10. Provided further, that the Director of Finance may authorize the transfer of funds from Program 30, Community Care Licensing to Item 518-001-001 in order to perform the facilities evaluation function in the event the counties fail to perform such function. Further, for the cost of providing child development services pursuant to Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code, the Department of Social Services is appropriated funds for the cost of the facilities evaluation program.

Item Amount

11. The amounts contained in Item 518-101-001 for program 70, Local Mandates, are for reimbursement of the costs, which relate to activities of the Department of Social Services, of any new program or increased level of service of an existing program mandated by statute, or any new regulations or regulation changes, notwithstanding the provisions of Section 2231 of the Revenue and Taxation Code. Provided, that allocations to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or regulation that mandates the reimbursement of such costs and subdivision (d) of Section 2231 of the Revenue and Taxation Code.

SEC. 16. Item 524-101-001 of Senate Bill No. 110 of the 1981–82 Regular Session, and provisions applicable thereto, are amended to read:

524-101-001—For local assistance, Department of Corrections, Program 50 7,347,414

Provisions applicable to Items 524-101-001—for local assistance, Department of Corrections:

1. The amount of $416,612 is appropriated from the General Fund for transportation of prisoners to and between State prisons, including the return of parole violators to prison and for the conveying of persons under provisions of Division 3 (commencing with Section 3000) of the Welfare and Institutions Code and the Western Interstate Corrections compact (commencing with Section 11190 of the Penal Code), in accordance with the provisions of Section 26749 of the Government Code. Provided, that claims made against this item of appropriation shall be filed by the local jurisdictions within six months after the end of the month in which such transportation costs were incurred; and provided further, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.

   Provided further, that claims filed by the counties directly with the State Controller may be paid by the Controller.

Item	Amount

2. The amount of $2,964,542 is appropriated from the General Fund for reimbursement to counties for the cost of detaining State parolees pursuant to Section 4016.5 of the Penal Code, Department of Corrections provided, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.

   Provided further, that claims filed by the counties directly with the State Controller may be paid by the Controller.
3. The amount of $1,695,542 is appropriated from the General Fund for expenses of returning fugitives from justice from outside the State, in accordance with the provisions of Sections 1389, 1549 and 1557 of the Penal Code provided, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller, and any restitution received by the State for such expenses be credited to the appropriation of the year in which the State Controller's receipt is issued.
4. The amount of $2,270,681 is appropriated from the General Fund for court costs and county charges, payable under Sections 4700 and 4700.5 of the Penal Code, in connection with coroners' services and trials of inmates charges with commission of a crime or crimes while incarcerated in a State institution or prison under the Department of Corrections provided, that claims filed payable under Section 6005 of the Penal Code may be paid by the Department of Corrections from funds appropriated by this item. Provided further, that claims made against this item of appropriation shall be filed by the local jurisdictions within six months after the end of the month in which such court costs and county charges were incurred; and provided further, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.

SEC. 17. Items 524-301-001 to 524-301-189, inclusive, of Senate Bill No. 110 of the 1981–82 Regular Session, and the provisions applicable thereto, are amended to read:

524-301-001—For capital outlay, Department of Corrections, for construction of new facilities, statewide 24,953,000

Item		Amount
	Schedule:	
	(a) Southern Maximum Security Complex—Tehachapi—Partial working drawings, preliminary site work, utilities and partial construction for one 500-bed unit (Unit IV A)	15,289,000
	(1) Construct site development and utilities	1,650,000
	(2) Unit IV A—construction (partial)	13,639,000
	Provided, that notwithstanding any other provisions of law, the Department of Corrections is hereby authorized to award the construction contract for the total project with the understanding of the parties that the remaining funds required to complete the unit will be made available during the 1982–83 fiscal year.	
	Provided further, that in the course of designing the prepared new facilities at Tehachapi, the Department of Corrections shall identify project elements which may be deleted or downgraded to reduce project costs; these elements shall be submitted to the chairmen of the fiscal committees and the Chairman of the Joint Legislative Budget Committee by March 1, 1982, for review prior to legislative hearings on the 1982–83 Budget Bill. If the Legislature deletes or downgrades any project element during its review of the funds requested for the second 500-bed unit at Tehachapi, the department shall consider it legislative intent that these elements also be deleted from the project funded under this item.	
	(b) San Diego County—Medium security units and minimum security service unit-Site study and environmental study and site acquisition	5,200,000
	Provided, that prior to expenditure of funds appropriated in category (b) of Item 524-301-001, the Department of Corrections, in consultation with state and local agencies, shall study and evaluate alternative sites in San Diego County for new correctional facilities. Upon completion of the studies and appropriate administrative reviews, the department shall on or before September 1, 1981, submit to the ap-	

Item Amount

propriate policy committee in each house, the appropriate subcommittee of each fiscal committee, and the Joint Legislative Budget Committee a site selection report for the project. The report shall address mutually agreeable alternative sites recommended by the department in priority order.

The Legislature hereby expresses the legislative intent that prior to September 1, 1981, it would not favorably view the development of the existing state-owned site for a correctional facility. Further, it is the legislative intent that a proposal to develop an alternative site would receive strong preference by the Legislature.

Further, the department, in consultation with state and local agencies, shall include in the report a recommendation on the use of the existing state-owned property. If the final report to the specified legislative committees proposes construction of new correctional facilities on existing state-owned property, funds appropriated in category (b) may be used for site studies and environmental studies, architectural programming, master planning and schematics. Provided further, that an amount not to exceed $2,664,000 may be expended for site studies and environmental studies, architectural programming, master planning and schematics. The Director of Finance shall initiate an executive order to revert any funds in category (b) not required for site studies and environmental studies, architectural programming, master planning and schematics.

Should the final report indicate that funds related to the existing state-owned property are not required, then the department is authorized to select another site (unspecified) in southern California. Provided, that an amount not to exceed $5,200,000 may be expended for site acquisition and site study and environmental study related to a new site.

Provided further, that none of the funds appropriated in category (b) shall be allocated until the specified legislative committees have been provided a 30-day review of the department's alternative sites and state-owned site report.

Item		Amount
	Provided further, that the State Public Works Board shall not select or authorize negotiations for acquisition of a site funded under category (b), until such site is authorized by the Legislature.	
	Provided further, it is legislative intent that the state and local agencies work cooperatively and expeditiously to identify a mutually agreeable site.	
	The Legislature hereby expresses the legislative intent that if the state-owned property is not approved for the new correctional facility, the property will be declared surplus and all proceeds from the sale of the state-owned property will be made available for appropriation to the Department of Corrections for its prison capital outlay program.	
	(c) Folsom—Maximum security units and minimum security service unit—Architectural programming, master planning, and schematics	2,464,000
	(d) Various—Acquisition and construction of temporary housing units	2,000,000
	Provided, that the department shall allocate an amount not to exceed $1,643,270 from funds available under Chapter 1135 of the Statutes of 1979, for architectural programming, master planning and schematics for maximum security units and minimum security service units at Adelanto	(1,643,270)
524-301-036—For capital outlay, Department of Corrections, payable from Special Account for Capital Outlay		7,159,100
	Schedule:	
	California State Prison at Folsom:	
	(a) Construct Security Housing Unit, #1 Building—preliminary plans, working drawings, and construction	647,000
	Deuel Vocational Institution:	
	(c) Remodel locking devices—preliminary plans and working drawings	125,200
	(d) Construct milk processing facility —preliminary plans and working drawings	52,500

Item	Amount
Correctional Training Facility:	
(f) Construct visiting room—North facility—preliminary plans, working drawings and construction	493,400
California Correctional Center:	
(i) Install emergency generator—preliminary plans, working drawings, and construction	241,550
(j) Increase electrical power—preliminary plans, working drawings, and construction	188,550
San Quentin State Prison:	
(k) Waste water treatment facilities—construction	150,000
(*l*) Convert East block to MCU—preliminary plans, working drawings and construction	1,391,100
(m) Construct condemned row exercise yard—preliminary plans, working drawings and construction	141,300
(n) Hospital licensing standards—preliminary plans, working drawings, and construction	252,800
(p) Construct family visiting units—preliminary plans, working drawings, and construction	266,100
California Mens Colony:	
(q) Rebuild cell locking mechanism—Segregation—preliminary plans, working drawings, and construction	228,200
(r) Fire and life safety structural improvements—preliminary plans and working drawings	74,800
California Institution for Men:	
(u) Improve outside security—preliminary plans, working drawings, and construction	349,100
(w) Construct milk processing facility—preliminary plans, working drawings, and construction	900,000
(x) Minor capital outlay Statewide	849,900
California Rehabilitation Center:	
(z) Fire and life safety structural improvements—buildings 103 and 104—construction	776,100

Item		Amount
Correctional Training Facility:		
(aa) Central and North—replace perimeter lighting—preliminary plans and working drawings.....	31,600	
524-301-189—For capital outlay, Department of Corrections, payable from the Energy Account, Energy and Resources Fund		2,494,700
Schedule:		
(a) Deuel Vocational Institution—cogeneration feasibility study.....	20,000	
(b) Deuel Vocational Institution—replace fuel burners—preliminary plans and working drawings	19,500	
(c) Correctional Training Facility—cogeneration system—preliminary plans and working drawings	200,200	
(d) Correctional Training Facility—replace main gas lines—preliminary plans, working drawings, and construction	233,100	
(e) California Correctional Center—construct direct heat geothermal system—preliminary plans, working drawings, and construction	1,463,700	
(f) Sierra Conservation Center—cogeneration feasibility study	20,000	
(g) California Mens Colony—install boiler heat recovery system—preliminary plans, working drawings, and construction	318,000	
(h) California Mens Colony—cogeneration feasibility study	20,000	
(i) California Institution for Men—cogeneration system—preliminary plans and working drawings	200,200	
Provisions applicable to Item 524-301-001 through 524-301-189:—for capital outlay, Department of Corrections		
1. Provided that funds appropriated pursuant to category (aa) of Item 524-301-036 and category (d) of Item 524-301-189 shall be available for transfer to Item 524-001-001 to be expended as special repairs projects.		

Item Amount

3. The design for the maximum security units at Tehachapi shall be used as the prototype design for all new maximum security units taking into account the alterations for adaptation to meet site topographic and soil conditions. Support facilities shall be included in the prototype design, but shall be deleted where existing institutions can adequately provide support services.

   The initial new correctional facilities of other security levels approved for preliminary planning and working drawings shall be used as a prototype for future facilities of such security level taking into account the alterations for adaptation to meet site topographic and soil conditions. Support facilities shall be included in the prototype design, but shall be deleted where existing institutions can adequately provide support services.
4. The Department of Corrections shall expedite the design and construction of new correctional facilities and shall consider implementation of new design and construction techniques, such as fast-track construction and bid packages, to expedite the projects.
5. Prior to expenditure of any funds appropriated under category (x) of Item 524-301-036 for personal alarm systems, the Department of Finance shall first approve the department's plan for installation of these systems.
6. None of the funds appropriated in categories (b) and (g) of Item 524-301-189 may be expended if it is determined that a cogeneration facility is feasible at these institutions which will reduce or negate savings anticipated under the project funded in these appropriations.
7. Prior to the expenditure of construction funds appropriated in category (e) of Item 524-301-189, the Department of Finance shall submit a cost/benefit analysis for the proposed project, based on a finalized agreement for the purchase of geothermal energy from the City of Susanville, to the chairman of the fiscal committees and the Chairman of the Joint Legislative Budget Committee.

Item Amount

8. Provided, that the funds appropriated in Item 524-301-036, projects (d) and (w), are a loan to Correctional Industries and repayment shall be made from funds available in the Correctional Industries Revolving Fund. Payments on the loan shall be on an annual basis over a 20-year period with interest at the current rate earned on money deposited in the Pooled Money Investment Account.
9. Provided, that if legislation is enacted during the 1981–82 fiscal year which establishes a bond fund or other special fund for the construction, renovation, or replacement of correctional institutions, the amounts appropriated in this act for site and environmental study, architectural programming, master planning, schematics, site acquisition, or construction of any correctional facility shall be deemed a loan from the General Fund and shall be repaid from funds made available by that legislation if that legislation so provides.

SEC. 18. Items 610-001-001 to 610-001-955, inclusive, of Senate Bill No. 110 of the 1981–82 Regular Session, and the provisions applicable thereto, are amended to read:

610-001-001—For support of Department of Education 63,920,174
Schedule:

Department of Education

(a)	100000-Personal services	28,137,617
(b)	300000-Operating expenses and equipment	7,169,742
(c)	557671-Unallocated legal	500,000
(d)	Reimbursements	−4,558,624
(dx)	Unallocated reduction	−990,000

California State Library

(e)	For support Division of Libraries, California Library Services Board and Board of Library Examiners..		6,551,013
	(1) 100000-Personal Services	3,312,636	
	(2) 300000-Operating Expenses and Equipment	3,299,377	
	(3) Reimbursements	−13,000	

Item		Amount
(4) Amount payable from category (k) of Item 610-101-001	−48,000	
State Special Schools		
(f) California School for the Blind, Fremont		3,070,397
(1) 500000-Support	3,948,713	
(2) Reimbursements	−878,316	
(g) Diagnostic School for Neurologically Handicapped Children, Northern California		1,931,137
(1) 500000-Support	2,161,652	
(2) Reimbursements	−230,515	
(h) Diagnostic School for Neurologically Handicapped Children, Southern California		1,973,631
(1) 500000-Support	2,203,479	
(2) Reimbursements	−229,848	
(i) California School for the Deaf, Fremont		8,888,045
(1) 500000-Support	10,451,190	
(2) Reimbursements	−1,563,145	
(j) California School for the Deaf, Riverside		9,347,508
(1) 500000-Support	11,000,810	
(2) Reimbursements	−1,653,302	
(k) Diagnostic School for Neurologically Handicapped Children, Central California		1,899,708
(1) 500000-Support	2,150,979	
(2) Reimbursements	−251,271	
610-001-140—For support of Department of Education, payable from Item 610-101-140, the California Environmental License Plate Fund		0
Schedule:		
(a) 100000-Personal Services	7,079	
(b) 300000-Operating Expenses and Equipment	9,252	
(c) Amount payable from Item 610-101-140	−16,331	
610-001-178—For support, Department of Education, for the purpose of administering the driver training program as specified in Item 610-101-178 and for the purpose of conducting school bus driver instructor training as provided in Section 1204 of the California Administrative Code, payable from		

Item		Amount
the Driver Training Penalty Assessment Fund.....		335,377
Schedule:		
(a) 100000-Personal services	167,241	
(b) 300000-Operating Expenses and Equipment	168,136	
610-001-344—For support of Department of Education, payable from the State School Building Lease Purchase Fund		456,671
Schedule:		
(a) 100000-Personal Services	333,092	
(b) 300000-Operating Expenses and Equipment	123,579	
610-001-680—For support of the Department of Education, for California State Agency for Surplus Property, payable from the Surplus Property Revolving Fund		14,409,935
Schedule:		
(a) 100000-Personal Services	3,464,144	
(b) 300000-Operating Expenses and Equipment	10,945,791	
610-001-890—For support, Department of Education, payable from the Federal Trust Fund.....		33,215,019
Schedule:		
Department of Education		
(a) 100000-Personal Services	16,959,519	
(b) 300000-Operating Expenses and Equipment	15,268,059	
California State Library		
(c) 100000-Personal Services	491,131	
(d) 300000-Operating Expenses and Equipment	496,310	
610-001-955—For support of Department of Education for instructional materials warehousing and shipping costs, payable from Item 610-101-001 through the State Instructional Materials Fund		0
Schedule:		
(a) 100000-Personal Services	111,024	
(b) 300000-Operating Expenses and Equipment	117,587	
(c) Amount payable from Item 610-101-001	−228,611	
Provisions applicable to Items 610-001-001 through 610-001-955—for support of the Department of Education:		

Item Amount

1. Provided, that the funds specified in Item 610-001-001, category (c), may be expended only upon their allocation to category (b), subject to the approval of the Department of Finance. The Department of Finance shall notify the Chairman of the Joint Legislative Budget Committee upon giving such approval.
2. Provided that $893,168 of the funds appropriated by Item 610-001-001 for the support of the Department of Education is provided in lieu of the appropriation made by subdivision (b) of Section 41312, and in lieu of the apportionment of funds specified in Section 41353, of the Education Code, for the state administrative expenses related to the child nutrition program and nutrition education projects.
3. Provided that funds included in the appropriation by Item 610-001-001 for the State Special Schools, categories (f) through (k), for student transportation allowances, is provided in lieu of funds which would otherwise be transferred in accordance with provisions of Sections 14007 and 41301.5 of the Education Code. The funds shall be allocated pursuant to provisions of Sections 59030.5, 59124.5 and 59223 of the Education Code.
4. Provided that funds included in the appropriation by Item 610-001-001 for the support of the Department of Education shall be utilized to perform licensing activities pursuant to Health and Safety Code Section 1511 for specified community day care facilities which are under contract with the Department of Education. Such licensing functions shall be authorized and defined through interagency agreement with the Department of Social Services. The 10 staff services analyst positions authorized to perform these licensing functions shall be limited in term to June 30, 1982.
5. Provided that $58,400 of the funds included in the appropriation Item 610-001-001 for the support of the Department of Education, category (b), shall be utilized for California's participation in the Education Commission of the States.
6. Provided, that two of the clerical positions in the vocational education field offices for which funds are appropriated in categories (a) and (b) of Item 610-001-001 shall continue to be authorized only through June 30, 1982

Item Amount

7. Provided, that notwithstanding Section 33403 of the Education Code, or any other provision of law, no funds appropriated pursuant to this act shall be used by the Department of Education to prepare evaluation reports on the following programs during the 1981–82 fiscal year:
   a. Professional development and improvement centers.
   b. Indian education centers.
   c. Alternative schools.
   d. Bilingual teacher corps.
   e. Demonstration programs in reading and mathematics.
8. Provided, that an interagency agreement shall be established between the Department of Education and the Office of the Legislative Analyst which shall provide for the transfer of $100,000 of the amount appropriated in category (b) of Item 610-001-001 to the Office of the Legislative Analyst. The Office of the Legislative Analyst shall expend such amount, or as much thereof as may be necessary, for the purpose of contracting with an individual, group of individuals, firm, or organization deemed qualified and competent by the Legislative Analyst to study and develop recommendations concerning the reorganization of the Los Angeles Unified School District into smaller districts or other alternative organizational arrangements, and for the purpose of paying any overhead costs associated with supervision of such contract.
9. Provided, that the $143,721 appropriated in Item 610-001-001 for support of activities related to the prevention of genetic diseases, disorders, and birth defects, as specified in Chapter 978, Statutes of 1977, shall be available for expenditure only if a statute is enacted to authorize the continued conduct of such activities.
10. Provided, that the Department of Education shall enter into an interagency agreement with the Commission for Teacher Preparation and Licensing, pursuant to which (a) one half-time professional position and $5,000 for related operating expenses, funded from the federal Title VII funds appropriated in Item 610-001-890, shall be transferred to the commission and (b) the commission shall be guaranteed equal involvement with the department in the review

Item	Amount

of Title VII program applications from institutions of higher education and any other matters related to teacher training programs funded by Title VII.

11. Provided that $113,753 of the funds appropriated to the Department of Education in categories (a) and (b) of Item 610-001-001 are for the Farm Labor Vehicle Driver Training Program.
12. Provided, that $85,000 of the funds appropriated in category (b) of Item 610-001-001 shall be available for expenditure for the purposes of improving the census procedures or instruments, or both, required by Section 52164.1 of the Education Code. These funds may be used by the Department of Education to develop or improve a single instrument or procedure to test English language proficiency, or to conduct equivalency or other studies, if approved by the Director of Finance and upon notification of the Joint Legislative Budget Committee pursuant to the provisions of Section 28 of this act.
13. Provided further, that 50 percent of the appropriation in Item 610-001-001, categories (a) and (b), for staff and support for special education compliance review shall be redirected in the 1981–82 fiscal year to support special education program quality reviews.
14. Provided further, that exclusive of upgrades and downgrades associated with recruitment or training, the Department of Education shall fund the cost of General Fund position upgrades with savings from General Fund position downgrades.
15. Provided further, that prior to expenditure of any funds in excess of $200,000 from category (c) of Item 610-001-001, the Department of Education and the Department of Finance shall follow the notification procedures contained in Section 28 of this act.
16. Provided further, that the monitoring and review of school improvement programs shall be performed by a consortia comprising two or more school districts—each of which receives funding for educational programs pursuant to the consolidated application process—or two or more such districts with one or more county superintendents of schools. Districts shall form

Item Amount

consortia either for the purpose of improving school programs by conducting program reviews of educational programs using consolidated application funding pursuant to Sections 54003.5 and 52035 of the Education Code, or to provide development assistance and reviewing school site plans, or both. Districts may elect to have administrative subregions apply for membership in a consortium with other districts.

The department shall provide funds for its existing program review budget for consortia to carry out their activities. The funding will be determined each year by a formula established by the department, and will be disbursed under a contract based on the consortium agreement approved by each governing board. In addition, the department will provide the necessary trainers and training materials to train plan and program reviewers needed by the consortia to carry out planning and program review.

By the end of 1981–82, 35 percent of the state's school districts shall have been included in a consortium; by the end of 1982–83, 50 percent of the schools will have been included in a consortium; and by the end of 1984–85, 70 percent of the school districts shall be members of a consortium. Prior to the end of the 1984–85 fiscal year, the Legislature shall review the effectiveness of the consortium program and determine whether, in the subsequent year, 100 percent of the state's school districts will be included in a consortium.

Program review in consortia shall be scheduled by the member districts of each consortium on a four- or five-year cycle in accordance with each district's program needs. Reviews may be schedules more frequently for schools if the consortium council and member districts so choose.

The State Department of Education shall review individual schools only in nonconsortia districts. Reviews shall be conducted during the second year of implementation; after that, reviews will not be conducted more frequently than once every five years. Additionally, the evaluators used by the department shall live

Item			Amount
	within a geographical proximity of the districts they evaluate.		
	There shall be a process whereby school site councils can obtain needed technical assistance from the department, and also to appeal either district or consortium decisions, whenever necessary.		
	17. Provided further, that, notwithstanding any provision of law to the contrary, the district of residence of the parent or guardian of any pupil attending a state-operated school pursuant to the provisions of Part 32 of the Education Code, excluding day pupils, shall pay the school of attendance for each pupil an amount equal to 10 percent of the average annual cost of education of pupils attending a state-operated school pursuant to the provisions of Part 32 of the Education Code.		

SEC. 19. Items 610-101-001 to 610-101-890, inclusive, of Senate Bill No. 110 of the 1981–82 Regular Session, and the provisions applicable thereto, are amended to read:

610-101-001—For local assistance, Department of Education			7,216,583,410
Schedule:			
10-Instruction:		(6,819,474,254)	
(a) 10.10-School Apportionments		5,769,468,759	
(b) 10.20-Consolidated Programs		352,481,667	
(1) 10.20.020—School Improvement Program	161,160,077		
(2) 10.20.030—Economic Impact Aid	174,977,067		
(3) 10.20.040—Miller-Unruh Reading Program	16,029,086		
(4) 10.20.050—Native American Indian Education Program	315,437		
(c) 10.30-Other Compensatory Programs		5,019,828	
(1) 10.30.050—Demonstration Programs in Reading and Math	4,276,789		
(2) 10.30.050—American Indian Education Centers	743,039		

Item			Amount
(d) 10.60-Special Education Programs for Exceptional Children		692,504,000	
20-Instructional Support:		(48,017,050)	
(e) 20.10-Curriculum Services		1,062,432	
(1) Educational Technology	862,432		
(2) Grants for legal education	200,000		
(f) 20.20-Instructional Materials Management and Distribution		44,297,611	
(1) Subventions	44,069,000		
(2) Warehousing and Shipping	228,611		
(g) 20.50-Staff Development		2,657,007	
30-Special Programs		(328,807,448)	
(h) 30.10-Child Development		246,201,227	
(1) 30.10.010—Preschool Education	30,054,555		
(2) 30.10.020—Child Care Services	216,146,672		
(i) 30.20-Child Nutrition		25,150,221	
(j) 30.40-Urban Impact Aid		57,456,000	
50-Library Services		(5,519,558)	
(k) 50.20-Statewide Library Support and Development		5,519,558	
60-Legislative Mandates		(14,765,100)	
(*l*) 60.05-School Attendance Review Boards		4,500,000	
(m) 60.10-Jury Duty for Teachers		1,100,000	
(n) 60.15-Collective Bargaining		6,500,000	
(o) 60.20-School Employee Dismissal Evaluations		8,250	
(p) 60.35-Pupil Basic Skills		300,000	
(q) 60.40-Pupil Disciplinary Procedures		325,000	
(r) 60.45-School Administrators Transferred to Teaching		1,850	
(s) 60.50-Immunization Records		600,000	
(t) 60.55-Pupil Basic Skills		1,000,000	
(u) 60.60-Scoliosis Screening		430,000	
610-101-140—For local assistance, Program 20.10-Curriculum Services, Department of Education, payable from the California Environmental License Plate Fund			500,000
Schedule:			
(a) For transfer to Item 610-001-140 for support		16,331	
(b) For local assistance		483,669	

Item	Amount
610-101-178—For local assistance, Department of Education, payable from the Driver Training Penalty Assessment Fund, to be transferred to Section A of the State School Fund	17,844,067
610-101-680—For local assistance, Program 30.50-Surplus Property, Department of Education, payable from the Surplus Property Revolving Fund	10,000,000
610-101-890—For local assistance, Department of Education, payable from the Federal Trust Fund	829,118,411

Schedule:

10—Instruction	(494,883,228)
(a) 10.20—Consolidated Programs	275,892,650
(b) 10.30—Other Compensatory Programs	52,523,314
(c) 10.50—Adult Education	9,287,237
(d) 10.60—Special Education Programs for Exceptional Children	103,307,800
(e) 10.70—Vocational Education Programs	53,872,227
20—Instructional Support	(30,807,812)
(f) 20.10—Curriculum Services	30,807,812
30—Special Programs	(298,761,828)
(g) 30.10—Child Development	2,056,000
(h) 30.20—Child Nutrition	296,705,828
50—Library Services	(4,665,543)
(i) 50.20—Statewide Library Support and Development	4,665,543

Provided that the funds appropriated in category (e) for the Vocational Education Programs, shall be transferred for direct disbursement from 887, the Vocational Education Federal Fund.

Provisions applicable to Items 610-101-001 through 610-101-890 for local assistance, Department of Education:

1. Provided that the funds appropriated in category (f) for the Instructional Materials Management and Distribution program, shall be transferred for direct disbursement by the Department of Education from the State Instructional Materials Fund.
2. Provided that the funds appropriated in the following categories and for the following programs shall be transferred for direct disbursement by the Department of Education from the State School Fund:

   Category (a) School Apportionments
   (b) Consolidated Programs
   (d) Special Education

Item		Amount
	(g) Staff Development	
3.	Provided that the funds appropriated in category (i) for Child Nutrition, shall be transferred by the Department of Education for direct disbursement from the State Child Nutrition Fund.	
4.	Provided further, that funds appropriated in category (a) are for transfer by the State Controller during the 1981–82 fiscal year to Section A of the State School Fund, in lieu of the amount which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 1981–82 fiscal year pursuant to Sections 14002, 14004, 41301 and 41304 of the Education Code, an amount as needed, in addition to the sums accruing to Section A of the State School Fund from other sources for the purposes specified herein, for apportionment pursuant to Article 3 (commencing with Section 2550) of Chapter 12 of Part 2, Section 14054, Section 41841.5, Article 10 (commencing with Section 41850), and Article 12 (commencing with Section 41900) of Chapter 5 of Part 24, Section 42238, and Chapter 8 (commencing with Section 52200) of Part 28 of the Education Code, during the 1981–82 fiscal year according to the following schedule:	
	a. Program 10.10—School Apportionments	5,432,473,620
	b. Program 10.10—For home-to-school transportation	172,725,000
	c. Program 10.50—Adult Education	168,916,110
	d. Program 10.80—Special Instructional Programs. For the purposes of Chapter 8 (commencing with Section 52200) of Part 28 of the Education Code	16,679,429
	e. Less amounts payable from the State School Fund	−15,710,000
	f. Less amount payable from Section 19.12	−32,200,000
	g. Small school district transportation	17,500,000
	h. General aid to school districts (Section 54061 of the Education Code)	9,084,600

Item Amount

5. Provided further, that of the funds appropriated in category (a) no more than $128,726,000 shall be expended in program 10.10—School Apportionments for the purposes of Section 42243.6 of the Education Code. If the Superintendent of Public Instruction receives claims pursuant to Section 42243.6 which in total exceed that amount, such claims shall be referred to the Board of Control for review and possible inclusion of the excess in a subsequent claims bill.

   Provided, that no funds shall be expended for the purposes of Section 42243.6 of the Education Code until and unless all such claims have been audited and approved by the State Controller pursuant to that section.
6. Provided further, that no more than $1,199,000 appropriated in category (a), for the purposes of Section 2558 of the Education Code shall be apportioned pursuant to Section 41841.5 of the Education Code.
7. Provided further, that for the purpose of apportioning the funds appropriated in category (a) the Superintendent of Public Instruction shall recalculate the revenue limit of each school district for the 1981–82 fiscal year to exclude therefrom an amount equal to the difference between the 1979–80 fiscal year revenue limit calculated pursuant to Section 42237 of the Education Code and a revenue limit calculated for the 1979–80 fiscal year pursuant to that section but which excludes all amounts received pursuant to Chapter 292, Statutes of 1978, as amended by Chapter 332, Statutes of 1978, for fiscal year 1978–79 for purposes of child development; however, the reduction in the 1981–82 revenue limit required to be made by this provision shall be made only to the extent to which comparable reductions in school apportionments are not required by other legislation enacted during the 1981–82 Regular Session.
8. Provided further, that not more than $172,725,000 of the funds appropriated in category (a) may be allocated for the purpose of reimbursement of home-to-school transportation.
9. Provided further, that the inflation factor specified in Section 42238(g) (4) of the Education Code for Adult Education shall be 1.05 in-lieu of the 1.06 factor specified in statute.

Item	Amount
10. Provided that each school district which conducted adult education programs for substantially handicapped adults in activity centers, work activity centers, sheltered workshops, state hospitals, and other community settings, shall set aside an amount of money from its adult education block entitlement equal to its current fiscal year revenue limit times the average daily attendance generated in these facilities in the 1979–80 fiscal year times 1.02; provided further, that classes and courses offered in activity centers, work activity centers, sheltered workshops, and state hospitals shall be authorized pursuant to Education Code Sections 8510.5(a) (5) and 41976(e); provided further, that a school district shall operate classes in these facilities and shall expend all funds set aside pursuant to this proviso and shall use all funds exclusively for such classes for substantially handicapped adults; provided further, that the condition imposed by this proviso may be waived by the Superintendent of Public Instruction upon certification from the school district that the local demand for the program is less than the required level of service.	
11. Provided further, that all school districts, county offices of education, and community college districts shall, upon request, make facilities available, at cost (including, but not limited to, the pro rata cost of janitorial services and other maintenance activities, utilities, and security services, as well as the cost of making any special repairs directly attributable to the migrant summer school programs), and, if available, facilities suitable for the summer climate, for the operation of migrant summer school programs. The Superintendent may allow neighboring districts jointly to offer facilities if he determines that the use of one district's facilities for an area will adequately meet the needs of the migrant summer school program for the entire area. If the Superintendent of Public Instruction determines that requests from legitimate prospective users of such facilities were denied without due cause, the superintendent shall assess a penalty of one thousand dollars ($1,000). The penalty amount shall be returned to Section A of the State	

Item Amount

School Fund.

12. Provided further, that funds appropriated for the School Improvement Program in Category (b) (1) are for transfer by the State Controller to Section A of the State School Fund in lieu of the appropriations made for the 1981–82 fiscal year pursuant to subdivisions (a) and (b) of Section 75 of Chapter 894 of the Statutes of 1977, for the purpose of making allowances for the School Improvement Program and notwithstanding the third paragraph of Section 87 of Chapter 894 of the Statutes of 1977, and pursuant to Article 4 (commencing with Section 52046) of Chapter 6 of Part 28 of the Education Code according to the following schedule:

(a) For the purpose of making allowances for kindergarten and grades 1 to 6, inclusive 135,506,261

(b) For the purpose of making allowances for grades 7 to 12 inclusive 19,498,191

provided, that the Department of Education shall allocate the funds scheduled above to each district eligible to receive an allowance on the basis of the per unit of average daily attendance amounts specified in subdivision (b) of Section 52046 of the Education Code, adjusted on a pro rata basis to conform to the amounts scheduled above.

Provided further, that the Department of Education may make adjustments in the above schedule so long as the total adjustment does not exceed 5 percent of the total amount appropriated in category (b) (1). Such adjustments shall be reported to the Department of Finance and the Joint Legislative Budget Committee.

Provided further, that $6,155,625 of the funds appropriated in Category (b) (1) shall be allocated for implementation of School Improvement Programs commencing in January 1982 in schools which implemented planning, pursuant to subdivision (a) of Section 52046 of the Education Code, during the 1980–81 and 1981–82 fiscal years.

Item Amount

13. Provided further, that funds appropriated for the Economic Impact Aid Program in Category (b) (2) are for transfer by the State Controller to Section A of the State School Fund, in lieu of the appropriations made for the 1981–82 year pursuant to Section 54053, Section 54054, and Section 54056 of the Education Code, and notwithstanding the second paragraph of Section 87 of Chapter 894, Statutes of 1977, for the purposes of the Economic Impact Aid Program, pursuant to Chapter 1 (commencing with Section 54000) of Part 29 of the Education Code.

    Provided further, that $15,932,484 of the funds in excess of $159,044,583 shall be allocated by the Superintendent of Public Instruction pursuant to Section 54041 of the Education Code, to a limited number of districts with high concentrations of limited and non-English-speaking pupils and other economic impact aid pupils that receive insufficient funds through the economic impact aid formula. No district receiving funds from the Economic Impact Aid Program shall be allocated less than $5,000.
14. Provided further, that funds appropriated in category (b) (3) are for special elementary school reading instruction program teachers pursuant to Chapter 2 (commencing with Section 54100) of Part 29 of the Education Code.
15. Provided further, that funds appropriated in category (c) (1) are for demonstration programs in reading and mathematics pursuant to Chapter 4 (commencing with Section 58600) of Part 31 of the Education Code.
16. Provided further, that funds appropriated in category (c) (2) for Indian education centers are limited to carrying out the provisions of Article 6 (commencing with Section 33380) of Chapter 3 of Part 20 of Division 2 of Title 2 of the Education Code.
17. Provided further, that, notwithstanding any other provision of law, the funds appropriated in category (d), for Special Education are to be allocated only in accordance with provisions of Chapter 7 of Part 30 of the Education Code. Provided that $3.6 million or so much money as is necessary of these funds may be used to meet the matching requirement necessary to maxi-

Item Amount

mize the funds available under PL 94-482, Vocational Education, National Priority Programs for handicapped students.

Provided further, that funds included in category (d) for the purposes of Article 8 (commencing with Section 56770) of Chapter 7 of Part 30 of the Education Code shall not exceed $66,187,800.

18. Provided further, that of the amounts appropriated in category (d), no more than $350,000 may be used for inservice training for special education teachers.

Provided further, that $2,600,000 of the funds appropriated by Item 610-101-001 (d) shall be transferred to Item 430-101-001 (m) for the purpose of providing education to state hospital residents who are receiving education services pursuant to Chapter 1191, Statutes of 1980.

19. Provided further, that funds appropriated in category (e) (1) are for instructional television programs and are to be expended in accordance with the provisions of Section 41920 of the Education Code.

20. Provided further, that funds appropriated in category (f) are for transfer by the State Controller, in lieu of the appropriation provided for in Section 60246 of the Education Code, to the State Instructional Materials Fund, for allocation during the 1981–82 fiscal year, pursuant to Article 3 (commencing with Section 60240) of Chapter 2 of Part 33 of the Education Code; and that such funds shall be transferred to the State Instructional Materials Fund by the State Controller in amounts claimed by the Department of Education, and that the remaining balance, if any, be transferred to the State Instructional Materials Fund on June 30, 1982.

21. Provided further, that funds appropriated in category (g) are for transfer by the State Controller to Section A of the State School Fund, in lieu of the amount which would otherwise be appropriated for staff development and resource centers pursuant to subdivisions (a) and (b) of Section 74 of Chapter 894, Statutes of 1977, for the purpose of making allowances for purposes of Article 1 (commencing with Section 44670), Article 2 (commencing with Section 44680) of chapter 3.1 of Part 25, and Article

Item		Amount
	10 (commencing with Section 44630) of Chapter 3 of Part 25 of the Education Code according to the following schedule:	
	(a) School Personnel Staff Development	938,719
	(b) Resource Centers	1,554,788
	Provided further, that the $4 reimbursement rate specified in Section 2, Chapter 966, Statutes of 1977, shall be increased to four dollars and fifty-eight cents ($4.58) for the purpose of allocating funds scheduled in program 20.50.010; that $210,000 of the amount scheduled in category (g) shall be utilized to establish appropriate training programs for teachers on waiver in bilingual programs directly or by contract with the existing staff development resource centers, county offices of education, four-year public and private institutions of postsecondary education, bilingual program consortia or a consortium formed by two or more institutions, and any contracts for training programs shall be awarded on a competitive basis in accordance with criteria developed by the Department of Education; and that $572,250 of the amount scheduled in category (g) shall be for staff development resource centers established pursuant to Chapter 3.1 (commencing with Section 44670) of Part 25 of the Education Code for the purpose of providing in-service training for teachers currently on waiver, and such funds shall be allocated to those resource centers which are in closest proximity to, and best able to serve, teachers on waiver.	
22.	Provided further, that the Department of Education, in utilizing the fund appropriated in category (c) (1) for Professional Development and Program Improvement Centers shall support the program in the 1981–82 fiscal year in at least 13 school districts and shall include as criteria for participation a district's efforts to establish a multidistrict project and to obtain and use matching funds from local, state, or federal sources.	

Item Amount

23. Provided further, that funds appropriated in category (h) (1) are for apportionment to school districts and other eligible agencies maintaining preschool programs pursuant to Article 7, Chapter 2 (commencing with Section 8235) of Part 6 of the Education Code.

24. Provided further, that funds appropriated in category (h) (2) and $2,056,000 appropriated from the Federal Trust Fund, Item 610-101-890, are for child development programs, for allocation to school districts and other eligible agencies maintaining children's centers and child care programs pursuant to Chapter 2 (commencing with Section 8200) of Part 6 of the Education Code according to the following schedule:

(a) General child development programs	170,026,348
(b) Campus children's centers	4,927,837
(c) High-school-age parenting and infant development	3,935,328
(d) Migrant day care	7,292,730
(e) Special allowances for rent	344,944
(f) Special allowances for handicapped	579,340
(g) Alternative payment program	12,874,874
(h) Resource and referral	4,648,241
(i) Transfer from the Federal Trust Fund	−2,056,000
(j) Campus child care tax bailout	3,280,331
(k) Unallocated inflation	10,292,699

Provided further, that funds scheduled in category (a) for county child care services shall be allocated subject to the requirements of Section 19.07 of this act.

Provided further, that funds appropriated in category (h) (2) include funds to continue support for child care programs supported in Fiscal Year 1980–81 with Federal Title XX funds made available to the Department of Education through contract with the Department of Social Services.

Provided further, that community college districts which levied child development permissive override taxes pursuant to Sections 8329 and 8330 of the Education Code in the 1977–78 fiscal year and received fiscal relief through Chapter 282 of the Statutes of 1979

Item		Amount

shall not receive reimbursement for child care services from the superintendent in excess of 75 percent of the average daily enrollment funding standards for campus child care programs. Campus child care programs operated by the University of California, California State University and Colleges, and community colleges that did not levy a permissive override tax in the 1977–78 fiscal year shall receive reimbursement from the superintendent which equals 100 percent of the average daily enrollment funding standards for campus child care programs.

Provided further, that $3,280,331 of the funds scheduled for campus Children Centers shall be allocated by the Department of Education on order of the Chancellor of the California Community Colleges. The chancellor shall order the allocation of these funds to community college districts which levied child care permissive override taxes in 1977–78 pursuant to Sections 8329 and 8330 of the Education Code in an amount equal to 109 percent of the property tax revenues, tax relief subventions, and state aid required to be made available by the district to its child development program for the 1979–80 fiscal year pursuant to Section 30 of Chapter 1035 of the Statutes of 1979. These funds shall be used only for the purpose of community college child development programs.

25. Provided further, that for the Child Care Program funds scheduled for migrant day care services shall, in part, be allocated to agencies for the provision of services within state-funded migrant housing centers, and further for the priority provision of services to the resident children.

Provided further, that notwithstanding any other provision of law, agencies maintaining child care and child development programs in migrant housing centers shall be responsible to the local housing agency contracting with the state, for use of facilities within the migrant housing center.

Item Amount

26. Provided further, that funds appropriated in category (i) for Child Nutrition are for transfer to the State Child Nutrition Fund pursuant to Section 41312 of the Education Code for child nutrition programs pursuant to the provisions of Section 41311 and clause (3) of subdivision (a) of Section 41312 of the Education Code; and that claims for reimbursement of meals pursuant to this appropriation shall be submitted by school districts not later than September 30, 1981, to be eligible for reimbursement.

Provided further, that, notwithstanding any other provisions of law, funds appropriated in category (i), for Child Nutrition, shall be available for allocation in accordance with provisions of Section 49536 of the Education Code, except that such allocation shall not be made on the basis of all meals served but shall be made on the basis of the number of meals that are served and which qualify as free or reduced priced meals in accordance with provisions of Sections 49501, 49550, and 49552 of the Education Code.

Provided further, that, notwithstanding provisions of Sections 42238(g) (3) and 49536 of the Education Code, the adjustment in 1981–82 for meals for needy pupils shall be 1.05 in lieu of the cost adjustment factor based on the "Food Away from Home Index".

27. Provided further, that funds appropriated in category (k), State Library Support and Development, are for allocation by the California Library Services Board to eligible libraries and library systems pursuant to Chapter 4 (commencing with Section 18700) of Part 11 of the Education Code according to the following schedule:

(a) System reference	1,423,366
(b) Transactions	2,588,802
(c) Consolidations and affiliations	56,700
(d) Statewide data base	486,413
(e) Systems advisory boards	35,273
(f) Systems communications and delivery	1,012,700

Item Amount

(g) Unallocated reduction for local library services ..... −83,696

Provided further, that $48,000 be transferred from Item 610-101-001(k) to Item 610-001-001(e) for support of 1.5 positions for administration of the California Library Services Act.

28. Provided further, that funds appropriated in program 60—Legislative Mandates, are for reimbursement in accordance with subdivision (a) of Section 2231 of the Revenue and Taxation Code, of the costs which relate to educational programs, of any new program or increased level of service of an existing program mandated by statute according to the schedule of categories (*l*) through (u).

Provided, that allocations to the appropriate local entities shall be made by the State Controller in accordance with the provisions of each statute that mandates the reimbursement of such costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 2231 of the Revenue and Taxation Code.

29. Provided further, that $17,500,000 of the funds appropriated in category (a) of Item 610-101-001 shall be apportioned by the Superintendent of Public Instruction to provide funding for the following revenue limit adjustment, which is hereby authorized for the 1981–82 fiscal year:

(a) The revenue limit of each school district with less than 2,501 units of average daily attendance for the second principal apportionment in the 1978–79 fiscal year and approved home-to-school transportation costs in excess of 3 percent of its general fund total expense of education in the 1977–78 fiscal year shall be increased in the 1981–82 fiscal year by an amount not to exceed the difference between its approved home-to-school transportation costs in the 1977–78 fiscal year and 3 percent of the district general fund total expense of education in the 1977–78 fiscal year or the difference between its approved home-to-school transportation costs in the 1978–79 fiscal year and 3 percent of the district general fund total expense of education in the 1978–79 fiscal year, whichever is greater.

(b) In the event that apportionments result-

Item Amount

ing from the revenue limit increase authorized by this proviso exceed $17,500,000 in the 1981–82 fiscal year, the Superintendent of Public Instruction shall adjust on a pro rata basis such apportionments so that the total amount does not exceed that amount.

30. Provided further, that, in lieu of any statutory appropriation for such purpose, and notwithstanding any provision of law to the contrary, not more than $9,084,600 of the funds appropriated in category (a) of Item 610-101-001 shall be allocated by the Superintendent of Public Instruction for general aid to school districts, pursuant to the provisions of Section 54061 of the Education Code.
31. Provided that the funds appropriated in category (e) (2) of Item 610-101-001 shall be allocated as a grant by the Superintendent of Public Instruction to a private, nonprofit foundation for the purpose of conducting a program on youth and the administration of justice in at least 15 school districts; provided further that such funds shall be allocated in four equal installments during 1981–82, on September 1, December 1, February 1, and May 1.
32. Provided further, that in lieu of the unit rate specified in Section 41920 of the Education Code, the Superintendent of Public Instruction shall allow a unit rate of $0.525 for reimbursement of instructional television programs.
33. Provided further, that pursuant to Section 23.5 of Chapter 798, Statutes of 1980, regarding the use of cost-of-living adjustments by agencies subject to cost controls, the Department of Education shall continue to implement this section in fiscal year 1981–82.
34. Provided further, that $163,500 of the amount appropriated in category (g) shall be appropriated for support of two school resource centers. To the extent that federal funds are made available for support of federal teacher centers in these locations, the appropriation in category (g) shall be reduced.

Item Amount

35. Provided further, that of the funds appropriated for the purpose of making apportionments to school districts maintaining kindergarten and grades 1 to 12, inclusive, in the 1981–82 fiscal year, the funds appropriated in Section 19.12 for that purpose shall be expended first, before the expenditure of funds appropriated in category (a) of Item 610-101-001.
36. Provided further, that the provisions of Assembly Bill No. 777 of the 1981–82 Regular Session, if enacted, shall be followed in the apportionment of funds appropriated in Item 610-101-001.

SEC. 20. Item 635-101-001 of Senate Bill No. 110 of the 1981–82 Regular Session, and the provisions applicable thereto, is amended to read:

635-101-001—For transfer to Section A of the State School Fund 110,000,000

Provisions applicable to Item 635-101-001—for transfer to Section A of the State School Fund:

1. Provided, that $110,000,000 of the funds appropriated in this item shall be transferred to Section A of the State School Fund and shall be available for the purpose of recertifying the 1980–81 second principal apportionment.
2. Provided, further that up to $80,000,000 may be used to fund any deficit in the 1980–81 second principal apportionment pursuant to Sections 2558 and 42238 of the Education Code exclusive of any deficit resulting from Section 42243.6 of the Education Code.
3. Provided further, that none of these funds may be used to increase the amount authorized for adult education in Item 352 of the Budget Act of 1980.
4. Provided further, that $30,000,000 shall be expended pursuant to legislation enacted during the 1981 Regular Session in order to provide for the allocation of any 1980–81 funding deficit for programs authorized by Chapter 797 of the Statutes of 1980.
5. Provided further, that the funds appropriated in this item shall be recorded by local educational agencies as accounts receivable for the 1980–81 fiscal year.

SEC. 21. Items 644-001-001 to 644-001-189 of Senate Bill No. 110

Item		Amount
of the 1981–82 Regular Session, and the provisions applicable thereto, are amended to read:		
644-001-001—For support of University of California....		1,050,874,409
Schedule:		
(a) 400001-Support	1,039,451,817	
(b) 400004-University-wide Research Program in Integrated Pest Management	1,730,081	
(c) 400005-Space-Related Research Program	1,102,064	
(d) 400006-State Data Program	162,676	
(e) 400007-Undergraduate Teaching Excellence	1,677,956	
(f) 400008-Planning of a Medical Education Program in the Fresno-San Joaquin Valley Region	100,101	
(g) 400009-Medical Education Program—Berkeley	1,040,559	
(h) 400010-Biomedical Education Program—Riverside	949,297	
(i) 400011-Charles Drew Medical Program	3,835,051	
(j) 400012-Podiatry Program	778,592	
(k) 400017-Institute of Appropriate Technology	46,215	
644-001-046—For support of University of California, payable from the Transportation Planning and Development Account, State Transportation Fund....		807,949
Schedule:		
(a) 400020-Institute of Transportation Studies	807,949	
644-001-144—For support of University of California, payable from the California Water Fund		100,000
Schedule:		
(a) 400013-Research in Mosquito Control.....	100,000	
644-001-146—For support of University of California, payable from the Capital Outlay Fund for Public Higher Education		15,634,830
Schedule:		
(a) 400003-Replacement of Instructional Equipment	10,884,830	
(b) 400014-Deferred Maintenance and Special Repair Projects	4,750,000	
644-001-189—For support of University of California, payable from the Energy Account, Energy and Resources Fund.....		647,080
Schedule:		
(a) 400015-Energy Institute	155,250	

Item		Amount
(b)	400016-Utilities Conservation	260,750
(c)	400017-Institute of Appropriate Technology	231,080

Provisions applicable to Items 644-001-001 through 644-001-189—for support of University of California:

1. Provided, that the appropriations from these funds are exempt from Section 31 of this act.
2. Provided further, that none of the funds appropriated may be expended to initiate major capital outlay projects, either by contract or lease-purchase agreement, without prior legislative approval.
3. Provided further, that funds appropriated by Item 644-001-001 Schedule (a) for the Student Affirmative Action Program are available only on the condition that the university provides a contribution of $1,099,250 for such program from funds not appropriated by this act.
4. Provided further, that the funds appropriated by Item 644-001-001, Schedule (i) are for support of University of California program of clinical health sciences education, research, and public service, conducted in conjunction with the Charles R. Drew Postgraduate Medical School, as provided for in Sections 1, 2, and 3 of Chapter 1140 of the Statutes of 1973.
5. Provided, that the University of California shall ensure by adequate controls that funds appropriated by Item 644-001-001, Schedule (i) are expended solely for the support of such programs.
6. Provided further, that the funds appropriated by Item 644-001-001, Schedule (j) are for support of a program of basic and clinical health science education and primary health care delivery research in the field of podiatry, University of California, to be conducted in conjunction with the California College of Podiatric medicine as provided for in Sections 1 and 4, inclusive, of Chapter 1497, Statutes of 1974.
7. Provided further, that the funds appropriated by Item 644-001-146, Schedule (b), notwithstanding the provisions of Section 2 of this act, shall be available for expenditure until June 30, 1983.

Item Amount

8. Provided further, that of the funds appropriated by Schedule (a), Item 644-001-189, no expenditure may be made unless the University contributes $100,000 to the program from funds not appropriated by this act.
9. Provided further, that $2,570,514 of the amount in Item 644-001-001, Schedule (a), shall be available for expenditure only for support of the Northern and Southern Occupational Health Centers as established by a contract entered into with the Department of Industrial Relations pursuant to Section 50.8 of the Labor Code.
10. In the event the Regents of the University of California, without the knowledge and consent of the Legislature, make the payment of a tuition fee a precondition of enrollment by a resident of the state in any state-supported regular academic term or program, Item 644-001-001, Schedule (a), shall be reduced by an amount equal to the total revenue to be generated in the 1981–82 fiscal year by the charging of such tuition fee. Tuition fee shall mean any charge to a student the revenues from which are used in the payment of any costs of the University of California, including Registrations, Admissions and Relations with Schools Offices, and excluding the costs of student financial aid and related programs, direct student services, or student unions, commons, or student recreational or sports facilities.
11. Provided further, that $230,000 of the amount in Item 644-001-001, Schedule (a), shall be provided only to the extent that federal funds for the EQUALS project are withdrawn.
12. Provided further, that $1,000,000 of the amount in Item 644-001-001, Schedule (a), shall be available only for microelectronics research, and shall be expended subject to the oversight and policy direction of a committee, to be appointed by the president of the university and to consist of equal numbers of state government, university, and electronics or semiconductor, or both, industry representatives, for the purposes of advancing appropriate research and graduate education in microelectronics research, including innovative research in microelectronics technology, its applications in computer and information sciences, and its

Item		Amount

necessary antecedents in other physical science disciplines.

Provided further, the expenditure of the $1,000,000 available for microelectronic research shall also be subject to the following conditions:

(1) The university may utilize no more than $50,000 of the $1,000,000 for administrative and related costs.

(2) The university may utilize no more than $100,000 of the $1,000,000 as support for graduate student education and related professional teaching support.

(3) To the extent possible, expenditures subject to the limits in (1) and (2) shall be reimbursed through the joint research projects specified in (4).

(4) The balance of the appropriation shall be used to fund industry/academic joint research projects for the policy purposes noted above, on a project-by-project basis, with a one-to-one match in total from the $1,000,000 and an industry contribution, respectively.

SEC. 22. Items 661-001-001 to 661-001-890, inclusive, of Senate Bill No. 110 of the 1981–82 Regular Session, and provisions applicable thereto, are amended to read:

661-001-001—For support of Trustees of the California State University and Colleges and the California State University and Colleges		920,635,599
Schedule:		
(a) 01-Instruction	600,732,646	
(b) 02-Organized Research	82,050	
(c) 03-Public Service	593,137	
(d) 04-Academic Support	113,460,785	
(e) 05-Student Service	70,580,783	
(f) 06-Institutional Support	241,790,342	
(g) 07-Independent Operations	45,429,674	
(h) Reimbursements	-152,033,818	
661-001-146—For support of Trustees of the California State University and Colleges and the California State University and Colleges payable from the Capital Outlay Fund for Public Higher Education		6,117,579
Schedule:		
(a) 01-Instruction (replacement of instructional equipment)	4,159,750	

Item	Amount
(b) 06-Institutional Support (deferred maintenance and special repair projects)	1,957,829
661-001-189—For support of Trustees of the California State University and Colleges and the California State University and Colleges, for Institutional Support Program 06, payable from the Energy Account, Energy and Resources Fund	679,649
661-001-890—For support of Trustees of the California State University and Colleges and the California State University and Colleges, for Student Service Program 05, payable from the Federal Trust Fund	56,270,430

Provisions applicable to Items 661-001-001 through 661-001-890—for support of Trustees of the California State University and Colleges and the California State University and Colleges:

1. Provided, that the funds appropriated in Item 661-001-001 may be reallocated upon order of the Trustees of the California State University and Colleges subject to being reported to the Department of Finance; provided further, that no instructional faculty positions authorized for the 1981–82 fiscal year shall be used for administration, administrative assistance, department chairmanships, or noninstructional research.
2. Provided further, that no portion of the funds appropriated in Item 661-001-001 for instructionally related activities may be expended for intercollegiate athletics.
3. Provided further, that reimbursements in excess of the amount budgeted for nonresident tuition in Item 661-001-001, program 01, Instruction, shall revert to the General Fund, unless authorized for expenditure by the Department of Finance with written notification to the Joint Legislative Budget Committee and the committee in each house which considers appropriations; provided further, that expenditures from such reimbursement shall not be authorized sooner than 30 days after notification of such approval in writing has been delivered to the chairman of the legislative fiscal committees, or such lesser time as the chairmen of such committees, or their designee, may in each instance determine.

SEC. 22.5. Item 687-101-001 of Senate Bill 110 of the Regular Session, and the provisions applicable to Items 687-101-001 to 687-101-

Item Amount

146, inclusive, are amended to read:

687-101-001—For local assistance, Board of Governors of the California Community Colleges 1,078,852,588

Schedule:

(a) 20.20-Partial Financing of the Academic Senate for the California Community Colleges 67,775

(b) 20.30-Vocational Education Special Projects 0

(1) Total Vocational Education Special Projects 4,000,000

(2) Reimbursements ..—4,000,000

(c) 20.35.020-Community College Extended Opportunity Programs and Services 24,466,419

(d) 20.10-Instructional Improvement 760,000

(e) 30-Apportionments 1,053,558,394

Provisions applicable to Item 687-101-001—for local assistance, Board of Governors of the California Community Colleges:

1. Provided, that the funds appropriated in Item 687-101-001, Schedule (c) are conducted under the provisions of Article 8 (commencing with Section 69640) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, and that the board of governors shall allocate funds on a priority basis and to local programs on the basis of need for student financial aid and services.
2. Provided further, that the funds appropriated in Item 687-101-001, Schedule (d) shall be expended only for grants.
3. Provided further, that of the funds appropriated in Item 687-101-001, Schedule (e):
   a. $1,035,973,264 is for transfer by the State Controller during the 1981–82 fiscal year to Section B of the State School Fund, in lieu of the amount which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section B of the State School Fund for the 1981–82 fiscal year pursuant to Section 14020 of the Education Code, an amount as needed, in addition to the sums accruing to Section B of the State School Fund from other sources for the purposes specified in this item, for apportionment pursuant to legislation enacted during the 1981 Regular Session.

Item Amount

b. $17,585,130 is for transfer by the State Controller during the 1981–82 fiscal year to Section B of the State School Fund, in lieu of the amount which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section B of the State School Fund for the 1981–82 fiscal year pursuant to Sections 14020 and 84301 of the Education Code, for funding the excess direct instructional cost of providing special facilities, special education materials, educational assistance, mobility assistance, transportation, program accountability, and program developmental services for handicapped students enrolled at community colleges.

4. Provided further, that notwithstanding the provisions of Section 2 of this act, the appropriation made in Item 687-101-146 shall be available for expenditure until June 30, 1983.

5. Provided further, that any amount of state general apportionment aid computed which is credited to a community college district as a result of that district providing instruction to residents residing at state hospitals and which exceeds the actual cost of providing that instruction, as determined by the Chancellor of the California Community Colleges by August 31, 1981, after consultation with the Department of Finance, the Department of Developmental Services, and other affected parties, shall not be apportioned to that district for general aid, but shall be added by the Chancellor to any other appropriations made by this act to fund the excess direct costs of facilitating the education of handicapped students enrolled at community colleges pursuant to Chapter 275 of Statutes of 1976, as amended.

Actual cost shall be determined by the Chancellor of the Community Colleges, after consultation with the Department of Developmental Services and the Department of Finance.

Provided further, that each community college district which provided instructional services to residents of state hospitals during the 1980–81 fiscal year shall continue to offer the same relative level of instructional service during the 1981–82 fiscal year.

Item Amount

6. Provided further, that no community college district providing services to substantially handicapped persons in the 1980–81 fiscal year shall receive any apportionments or allocation from Section B of the State School Fund unless the district maintains a proportional level of such services in the 1981–82 fiscal year pursuant to regulations contained in Section 59500 to 59503, inclusive, of Title V of the California Administrative Code.

SEC. 23. Items 810-001-001 to 810-001-890 inclusive, of Senate Bill No. 110 of the 1981–82 Regular Session, and provisions applicable thereto, are amended to read:

810-001-001—For support of the Office of Criminal Justice Planning 2,579,856

Schedule:

(a) 100000-Personal Services	1,828,468
(b) 300000-Operating Expenses and Equipment	1,719,982
(c) 400001-State Agency Match	50,000
(d) Amount payable from the Indemnity Fund (Item 810-001-214)	−369,023
(e) Amount payable from the Federal Trust Fund (Item 810-001-890)	−649,571

810-001-214—For support of the Office of Criminal Justice Planning, to be transferred to Item 810-001-001 payable from the Indemnity Fund 369,023

310-001-890—For support of the Office of Criminal Justice Planning, to be transferred to Item 810-001-001 payable from the Federal Trust Fund 649,571

Provisions applicable to Items 810-001-001 through 810-001-890—for support of the Office of Criminal Justice Planning:

1. Provided, that the funds appropriated in Item 810-001-001 Schedule (c) are for allocation by the Office of Criminal Justice Planning, to the Judicial Criminal Justice Planning Committee, and to the several state offices, departments, boards, bureaus, commissions and other state agencies in augmentation of their respective appropriations for support or for other purposes chargeable to the General Fund in such amounts as will make sufficient money available for the State's matching fund contribution for federal grants made by Law Enforcement Assistance Administration and notwithstanding Section 2 of this act, the amount appropriated in

Item	Amount
this schedule shall be available for expenditure until June 30, 1984.	
2. Provided further, that the funds appropriated from the Indemnity Fund, Item 810-001-214, are for administrative costs incurred pursuant to subdivision (d) of Section 13967 of the Government Code and Section 13837 of the Penal Code.	
3. Provided further, that the funds appropriated in Item 810-001-890 are for support, Office of Criminal Justice Planning (state agencies grant), payable from federal funds.	
4. $115,245 of the funds appropriated in Item 810-001-001 for support costs of the Career Criminal Prosecution Program shall be available for expenditure only if legislation is enacted during the 1981–82 Regular Session of the Legislature reauthorizing this program	

SEC. 24. Items 810-101-001 to 810-101-890, inclusive, of Senate Bill No. 110 of the 1981–82 Regular Session, and provisions applicable thereto, are amended to read:

810-101-001—For local assistance, Office of Criminal Justice Planning		7,611,852
(a) 50—California Crime Resistance Program, to be allocated pursuant to Chapter 5 (commencing with Section 13840) of Title 6 of Part 4 of the Penal Code	1,250,000	
(b) Career Criminal Apprehension Program	2,500,000	
(c) 50—California Career Criminal Prosecution Program to be allocated pursuant to Chapter 2.3 (commencing with Section 999b) of Title 6 of Part 2 of the Penal Code	3,861,852	
810-101-214—For local assistance, Office of Criminal Justice Planning, Victim/Witness Centers Program, payable from the Indemnity Fund		3,620,138
(a) 50—Victim/Witness Centers Program, to be allocated pursuant to Section 13967 of the Government Code	3,000,000	
(b) Rape victim counseling centers	620,138	
810-101-890—For local assistance, Office of Criminal Justice Planning, payable from the Federal Trust Fund		27,476,930
Provisions applicable to Item 810-101-001 through 810-101-890 for local assistance, Office of Criminal Justice Planning:		

Item Amount

1. Provided, that the amount scheduled in Item 810-101-001(c) shall only be awarded to local governmental entities which provide a minimum 10 percent local cash match for the State General Fund amount allocated.
2. Provided further, that local victims/witness assistance programs, including those previously founded with LEAA or other federal, state, or local funds, may not receive indemnity funds unless they comply with state statutory and administrative requirements.
3. Provided, that notwithstanding Section 2 of this act, the amounts appropriated in Item 810-101-001 and Item 810-101-214 shall be available for expenditure until June 30, 1984.
4. Provided further, that the amount payable from the Indemnity Fund shall be pursuant to to Section 13967 of the Government Code.
5. Provided further, that $1,930,926 of the funds appropriated in Item 810-101-001 (c) for the California Career Criminal Prosecution Program shall be available for expenditure only upon reappropriation in legislation which modifies or repeals the provisions of Section 3 of Chapter 1151 of the Statutes of 1977.

SEC. 25. Items 857-001-001 to 857-001-890, inclusive, of Senate Bill No. 110 of the 1981–82 Regular Session, and the provisions applicable thereto, are amended to read:

857-001-001—For support of Department of Food and Agriculture		34,364,925
Schedule:		
(a) 100000-Personal Services	41,173,390	
(b) 300000-Operating Expenses and Equipment	19,632,458	
(bb) Special items of expense	1,925,000	
(c) Reimbursements	−1,965,126	
(d) Amount payable from Food and Agriculture Code, Section 224 Subdivision (1)	−271,044	
(dd) Amount payable from the Renewable Resources Agricultural Account (857-001-037)	−2,000,000	
(e) Amount payable from the Department of Agriculture Fund (Item 857-001-111)	−20,684,225	
(ee) Amount payable from the California Environmental License Plate Fund (Item 857-001-140)	−427,879	

Item		Amount
(f) Amount payable from the Fair and Exposition Fund for support of the Division of Fairs (Item 857-001-191)	−589,111	
(g) Amount payable from the Fair and Exposition Fund for engineers' salaries (Item 857-001-191)	−231,238	
(h) Amounts payable from the Federal Trust Fund (Item 857-001-890)	−2,197,300	
857-001-037—For support of Department of Food and Agriculture, to be transferred to Item 857-001-001, payable from the Renewable Resource Energy Agricultural Account, without regard to fiscal year ..		2,000,000
857-001-111—For support of Department of Food and Agriculture, to be transferred to Item 857-001-001, payable from the Department of Agriculture Fund		20,684,225
857-001-140—For support of Department of Food and Agriculture, to be transferred to Item 857-001-001, payable from the California Environmental License Plate Fund		427,879
857-001-189—For support of Department of Food and Agriculture, for agricultural research and demonstration projects, payable from the Energy Account, Energy and Resources Fund		1,280,000
Schedule:		
(a) San Joaquin Valley—Agriculture and Energy Technology Project ..	1,280,000	
857-001-190—For support of Department of Food and Agriculture, for agricultural research and demonstration projects, payable from the Resources Account, Energy and Resources Fund		2,120,000
Schedule:		
(a) Important farm land mapping projects	600,000	
(b) Apple growers research	1,000,000	
(c) Veterinary laboratory services	400,000	
(d) San Joaquin Valley—Agriculture and Energy Technology Project ..	120,000	
857-001-191—For support of Department of Food and Agriculture, to be transferred to Item 857-001-001, payable from the Fair and Exposition Fund		820,349
857-001-890—For support of Department of Food and Agriculture, to be transferred to Item 857-001-001, payable from the Federal Trust Fund		2,197,300
Provisions applicable to Items 857-001-001 through 857-001-890—for support of Department of Food and Agriculture:		

Item Amount

1. Provided, that state General Fund expenditures authorized by this item for hydrilla eradication in the All-American Canal and Imperial Valley waterways shall not exceed one-third of the total cost of the hydrilla eradication program at these sites.

1.5. Of the $345,235 appropriated in Item 857-001-140 for the gene resource conservation program, up to $222,885 shall be available for expenditure in the same proportion that the program receives up to $24,765 from nonstate sources.

2. Provided further, that of the $820,349 appropriation in Item 857-001-191, the sum of $213,727 represents a portion of money originally appropriated by Section 19627.3 of the Business and Professions Code for district agricultural fairs or citrus fairs and expositions and is hereby reappropriated in Item 857-001-191 from the Fair and Exposition Fund during the 1981–82 fiscal year for engineering services.

3. Provided further, that no funds appropriated by Item 857-001-001 may be expended for the eradication or control of the plant pest Hydrilla until the Department of Food and Agriculture has presented specific work plans to the State Board of Food and Agriculture and the board has approved such plans.

4. Provided further, that all projects funded in Items 857-001-189 and 857-001-190, Research to Promote Agricultural Productivity, shall fall within the following program areas: (a) energy conservation and alternative sources: (b) soil and land evaluation and conservation, including protection against urban encroachment: (c) water quality and supply: (d) genetic engineering as related to soil, water, and energy conservation; and (e) disease and pest research.

5. Provided further, that loans for resource conservation projects shall be subject to all of the following: (a) the interest rate charged for such loans shall not be less than that generated from the Pooled Money Investment Fund; (b) Department of Food and Agriculture charges for administration shall not exceed 3 percent of the loans; and (c) implementation of the resource conservation loan program is contingent upon enactment of a statute specifically authorizing

Item Amount

such a program.

SEC. 26. Item 878-001-001 of Senate Bill No. 110 of the 1981–82 Regular Session and the provisions applicable thereto, are amended to read:

878-001-001—For support of Commission on California State Government Organization and Economy 335,012

SEC. 27. Item 910-101-001 of Senate Bill No. 110 of the 1981–82 Regular Session and the provisions applicable thereto are amended to read:

910-101-001—For local assistance, Tax Relief 1,363,570,172

Schedule:

(a) 10-Senior Citizens' Property Tax Assistance	18,000,000
(b) 20-Senior Citizens' Property Tax Deferral Program	5,000,000
(c) 30-Senior Citizens Renters' Tax Assistance	51,500,000
(d) 40-Personal Property Tax Relief	511,625,000
(e) 50-Homeowners' Property Tax Relief	335,000,000
(f) 60-Subvention for Open Space	14,000,000
(g) 70-Payments to Local Government for Sales and Property Tax Revenue Loss	3,390,700
(h) 80-Renters' Tax Relief	425,000,000
(i) 90-Substandard Housing	54,471
(j) 95-Alternative Energy Tax Credits	1

Provisions applicable to Item 910-101-001—for local assistance, Tax Relief:

1. Provided, that schedule (a) is for property tax assistance to homeowner claimants, in accordance with the provisions of the Senior Citizens Property Tax Assistance and Postponement Law, Part 10.5 (commencing with Section 20501), of Division 2 of the Revenue and Taxation Code, Franchise Tax Board.

   Provided further, that any unexpended balance in schedule (a) may be used to make payments to senior citizen renter claimants under schedule (c).

2. Provided further, that schedule (b) is for property tax postponement and assistance to claimants, in accordance with the provisions of the Senior Citizens Property Tax Assistance and Postponement Law, Part 10.5 (commencing with Section 20501), if Division 2 of the Reve-

Item	Amount

nue and Taxation Code, State Controller. The appropriation made by this schedule shall be in lieu of the appropriation for the same purpose contained in Section 16100 of the Government Code.

3. Provided further, that schedule (c) is for property tax assistance to renter claimants, in accordance with the provisions of the Senior Citizens Property Tax Assistance and Postponement Law, Part 10.5 (commencing with Section 20501), of Division 2 of the Revenue and Taxation Code, Franchise Tax Board.

   Provided further, that any unexpended balance in schedule (c) may be used to make payments to senior citizen homeowner claimants under schedule (a).

4. Provided further, that schedule (d) is for reimbursement to local taxing authorities for revenue lost by reason of the repeal or reduction of the property tax on the following classes of property affected by the following provisions of the Revenue and Taxation Code: (1) business inventories under Section 219; (2) motion pictures under Section 988; (3) livestock under Sections 5523 and 5546; and (4) wine and brandy under Section 992; State Controller and that the reimbursement provided by this schedule pursuant to Section 16112 of the Government Code shall be calculated based on the applicable effective school district tax rate as certified to the State Controller by the county auditor.

   The appropriation made by this schedule shall be in lieu of the appropriation for the same purpose contained in Section 16100 of the Government Code.

5. Provided further, that schedule (e) is for reimbursement to local taxing authorities for revenue lost by reason of the homeowners' property tax exemption granted pursuant to Section 3k of Article XIII of the Constitution, State Controller. The appropriation made by this schedule shall be in lieu of the appropriation required pursuant to Section 25 of Article XIII of the Constitution and the appropriation for the same purposes contained in Section 16100 of the Government Code.

Item Amount

6. Provided further, that schedule (f) is for providing reimbursement to local taxing authorities for revenue lost by reason of the assessment of open-space lands under Sections 423, 423.3, and 423.5 of the Revenue and Taxation Code, and in accordance with the provisions of Chapter 3 (commencing with Section 16140) of Part 1 of Division 4 of Title 2 of the Government Code, State Controller. The appropriation made by this schedule shall be in lieu of the appropriation for the same purpose contained in Section 16100 or 16140 of the Government Code, and may not be augmented.
7. Provided further, that schedule (g) is for reimbursement to local taxing authorities for revenue lost in accordance with the provisions of Sections 2229 and 2230 of the Revenue and Taxation Code, State Controller and, provided that the reimbursement for property tax revenue loss resulting from the restricted valuation of land under a wildlife habitat contract pursuant to Chapter 1165, Statutes of 1973, shall be based on a comparison between the value of the land computed pursuant to Section 423.7 of the Revenue and Taxation Code and the value of the land computed pursuant to Section 110.1 of the Revenue and Taxation Code.
8. Provided further, that schedule (h) is for transfer by the State Controller, as needed, to the Tax Relief and Refund Account, General Fund, for the purpose of providing credits and refunds to renters as required by Section 17053.5 of the Revenue and Taxation Code, Franchise Tax Board.
9. Provided further, that schedule (i) is for transfer by the State Controller to the Local Agency Code Enforcement and Rehabilitation Fund for the purpose of providing funds to defray costs incurred in the enforcement of local housing code provisions and to fund housing rehabilitation programs for persons and families of low and moderate income as defined in Section 50093 of the Health and Safety Code.
10. Provided further, that schedule (j) is for transfer from the General Fund to the Controller for the purpose of making refunds as required by Sections 17052.8 and 17052.5 of the Revenue and Taxation Code.

Item		Amount
The appropriation made by schedule (j) shall be in lieu of any other sums provided for the purpose of making refunds as required by Sections 17052.8 and 17052.5 of the Revenue and Taxation Code.		

SEC. 27.5. Item 910-111-001 of Senate Bill No. 110 of the 1981–82 Regular Session is amended to read:

910-111-001—For each city that existed but did not levy a property tax in the 1977–78 fiscal year, other than for voter-approved indebtedness, there is hereby appropriated for allocation to each of those cities an amount equal to the total amount which each of those cities would have received pursuant to Section 25761 of the Business and Professions Code, Section 4306 of the Public Utilities Code, and Section 26483 of the Revenue and Taxation Code, as determined by the Controller.

SEC. 28. Items 980-001-001 to 980-001-988, inclusive, of Senate Bill No. 110 of the 1981–82 Regular Session, and provisions applicable thereto, are amended to read:

980-001-001—For augmentation for Employee Compensation		259,951,000
Schedule:		
(a) 400001-Civil Service and Related	113,564,000	
(b) 400002-University of California, Faculty	29,132,000	
(c) 400003-University of California, Nonfaculty	29,274,000	
(d) 400004-State University and Colleges, Academic	31,170,000	
(e) 400005-State University and Colleges, Nonacademic	22,046,000	
(f) 400007-Increases in Premiums for Employee Health Care	19,895,000	
(g) 400008-Premiums for Employee Dental Care	14,870,000	
980-001-494—For augmentation for employee compensation, payable from other—unallocated special funds		70,364,000
Schedule:		
(a) 400001-Civil Service and Related	61,434,000	
(b) 400007-Increases in premiums for Employee Health Care	5,741,000	
(c) 400008-Premiums for Employee Dental Care	3,189,000	
980-001-988—For augmentation for employee compensation, payable from other—unallocated nongovernmental cost funds		68,260,000

Item		Amount
	Schedule:	
	(a) 400001-Civil Service and Related	59,586,000
	(b) 400007-Increases in Premiums for Employee Health Care	5,581,000
	(c) 400008-Premiums for Employee Dental Care	3,093,000

Provisions applicable to Items 980-001-001 through 980-001-988—for augmentation for employee compensation:

1. Provided, that the funds in categories (a) are for salary increases, increases in benefits related thereto, and increases for expenditures resulting from changes in hours and other terms and conditions of employment to be allocated by the Department of Finance to the several state offices, departments, boards, bureaus, commissions, other state agencies, the Assembly Committee on Rules, the Senate Committee on Rules, the Joint Rules Committee, the Joint Legislative Audit Committee, and the Joint Legislative Budget Committee, in augmentation of their respective appropriations or allocations for support or for other purposes, in such amounts as will make sufficient money available for each state officer or employee in the state service, and each state employee employed pursuant to the Comprehensive Employment and Training Act, excluding those employees in specifically structured positions, whose compensation, or portion thereof, is chargeable to the General Fund, Special Funds, or Nongovernmental Cost Funds, and each officer or employee of either house of the Legislature or joint committee thereof, to receive any such increases provided on or after July 1, 1981, by the State Personnel Board or the Department of Finance, or any successor thereto, or the Directors of Hastings College of Law, or any committee of the Legislature responsible for establishing salaries for officers and employees of the Legislature, as the case may be.
2. Provided further, that in categories (a) each state employee employed pursuant to the Comprehensive Employment and Training Act in a specifically structured position shall have his or her salary established by the Department of Finance to maximize use of fund

Item Amount

within each prime sponsor area and excluding any minimum increase.

3. Provided further, that increases in compensation provided by categories (a) for increased salary ranges for positions established for the 1981–82 fiscal year shall not result in total annual salary increases of more than $113,564,000 from the General Fund, $61,434,000 from Special Funds, and $59,586,000 from Nongovernmental Cost Funds.
4. Provided further, that before any increase in salaries or benefits for any position for the 1981–82 fiscal year shall become effective, a certification shall be obtained from the Director of Finance that sufficient money is available from the appropriations in categories (a) through (e) of Item 980-001-001 and category (a) of Item 980-001-494 and category (a) of Item 980-001-988 to meet the cost of such increases.
5. Provided further, that the funds appropriated in Items 980-001-001 and 980-001-494 for salary increases and increases in benefits related thereto for employees of the University of California are exempt from Section 31 of this act.
6. Provided further, that the funds appropriated in categories (b) through (e) of Item 980-001-001 are for salary increases and increases in benefits related thereto, to be allocated by the Department of Finance to the
   a. Regents of the University of California for
      (1) Faculty $29,132,000
      (2) Nonfaculty $29,274,000
   b. Trustees of the California State University and Colleges for
      (1) Academic $31,170,000
      (2) Nonacademic $22,046,000

   in augmentation of appropriations for support or for other purposes, in such amounts as will defray the cost, including staff benefits, of increases in compensation for positions provided in any increased salary range or rate established on or after July 1, 1981, for the 1981–82 fiscal year by the Regents of the University of California and the Trustees of the California State University and Colleges, and that increases in compensation provided by increased salary ranges for positions established for the

Item Amount

1981–82 fiscal year shall not result in total annual salary increases of more than appropriated by these schedules. Provided further, that any employees in the University of California whose salaries are paid from special funds shall receive increases from Item 980-001-494 and Item 980-001-001 shall be reduced accordingly.

7. Provided further, that it is the intent of the Legislature that salary increases from funds appropriated in categories (a) through (e) in Item 980-001-001 and category (a) in Item 980-001-494 and category (a) in Item 980-001-988 and adopted by the salary fixing authorities prescribed above shall be $85 per month or 6 percent, whichever is greater, for all full-time employees. All less than full-time employees shall receive a prorated share of the applicable salary increase.
8. Provided further, that with respect to state officers whose salaries are specified by statute, an amount sufficient to augment the amount of salaries authorized by the Budget Act of 1980 for such officers, during the 1981–82 fiscal year in the same manner as specified in Provision 7, above, pursuant to Section 11569 of the Government Code, shall be allocated from categories (a) through (e) of Item 980-001-001 and category (a) of Item 980-001-494 and category (a) of Item 980-001-988.
9. Provided further, that the funds appropriated for increases in premiums for employee health care and premiums for employee dental care are for allocation by executive order of the Department of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, Regents of the University of California, and the Trustees of the California State University and Colleges, in augmentation of their respective appropriations for support or for other purposes chargeable to the General Fund, Special Funds, and Nongovernmental Cost Funds, in such amounts as will make sufficient money available to fund, during the 1981–82 fiscal year, increases in premiums for employee health care and premiums for employee dental care; provided further, that the funds appropriated in category (f) of Item 980-001-001, category (b)

Item		Amount
	of Item 980-001-494, and category (b) of Item 980-001-988 may be expended in accordance with Section 19.11 and other legislative enactments, including subsequent enactments.	
	10. Provided further, that the funds appropriated in category (g) of Item 980-001-001 and category (c) of Item 980-001-494 for dental care may be used to provide comparable or other insurance benefits for faculty employees of the University of California.	
	11. Provided further, that the Legislative Analyst shall study the feasibility of the state "picking up" a share of the employee's contribution to the retirement system and the likely impact of that practice on affected retirement systems and the state.	

SEC. 29. Section 8.00 of Senate Bill No. 110 of the 1981–82 Regular Session is amended to read:

SEC. 8.00. No money appropriated herein in any item for capital outlay may be expended by any state agency, including the University of California, the California State University and Colleges and the community colleges, except amounts for acquisition of land or other real property, amounts needed for equipment, minor projects and amounts appropriated specifically for preliminary surveys, studies and planning until the Department of Finance and the State Public Works Board have approved preliminary plans for the project to be financed from such item of appropriation for capital outlay, with the exception that community college approvals by the State Public Works Board will apply only to the allocation of state capital outlay funds appropriated heretofore and hereafter by the Legislature; including land acquisition and equipment funds; provided further, any appropriated amounts for working drawings or construction where said working drawings or construction have been started by any State agency prior to approval of the appropriated amounts by the Public Works Board, and all such amounts not approved by the board under this criterion shall be reverted to the unappropriated balance of the appropriate fund; provided further, no major project for which appropriation is made hereunder regarding which the Director of Finance or his authorized representative requests review of working drawings shall be put out to bid until the working drawings therefor have been approved by the Department of Finance; provided further, that no substantial change or changes shall be made from the preliminary plans or working drawings as approved by the State Public Works Board and the Department of Finance unless there has first been obtained the written approval by the Department of Finance to make such change or changes; pro-

vided further, that any proposed construction bid alternates shall be approved by the Department of Finance prior to State Public Works Board allocation of construction amounts contained herein; provided further, that no more than $1,000 of the money appropriated herein may be spent for any single unit of equipment until prior approval for purchase of such equipment shall have been given by the Department of Finance.

The State Public Works Board shall defer all augmentations in excess of 20 percent of the amount appropriated herein for each capital outlay project until the Legislature makes additional funds available for the specific project.

Augmentations in excess of 10 percent of the amount appropriated herein for each capital outlay project shall be reported to the Chairperson of the Joint Legislative Budget Committee, or his or her designee, 20 days prior to board approval, or not sooner than such lesser time as the chairperson, or his or her designee, may in each instance determine. Any augmentation of construction projects shall be limited to the amount appropriated herein for construction contract costs.

Prior to State Public Works Board action on any capital outlay appropriation contained herein, or otherwise appropriated, the Department of Finance shall certify, in writing, to the Chairperson of the Joint Legislative Budget Committee, the chairpersons of the respective fiscal committees, and the legislative members of the board that the requested action is in accordance with the legislatively approved scope and cost. If, pursuant to the other provisions of this section, the Department of Finance approves changes to the approved scope or cost, or both, the department shall detail the changes and associated cost implications. Such reports shall also include all proposed or potential augmentations in excess of 10 percent of the amount appropriated herein for construction contract costs related to capital outlay projects.

The State Public Works Board shall defer action with respect to approval of any portion of an acquisition project, or approval of preliminary plans, when it is determined that the estimated cost of the total acquisition project, or construction project, approved by the Legislature is in excess of 20 percent of the amount appropriated, unless, in the case of acquisition projects, it is determined that a lesser portion of the property is sufficient to meet the objectives of the project approved by the Legislature, and the Chairperson of the Joint Legislative Budget Committee, or his or her designee, is provided a 20-day prior notification of the proposed reductions in the acquisition project, or not sooner than such lesser time as the Chairperson, or his or her designee, may in each instance determine.

Nothing in this section shall be construed to limit or control the Department of Transportation in the expenditure of all funds appropriated to the department for capital outlay purposes, except those nontransportation projects such as the construction or improvement of departmental buildings, maintenance buildings, district headquar-

ters, and similar support facilities and nonhighway land acquisition shall be subject to this section.

SEC. 30. Section 18.00 of Senate Bill No. 110 of the 1981–82 Regular Session is amended to read:

SEC. 18.00. Notwithstanding any statutes, regulations or state policy to the contrary, all contracts and interagency agreements for consultant or personal services, except such contracts as are expressly excluded below, shall, prior to their approval by the Department of General Services, be routed to the Department of Finance for review and approval. The Director of Finance shall, within 30 days of approving any such contract, so notify the Chairperson of the Joint Legislative Budget Committee.

The Department of General Services, the Department of Finance, and the State Personnel Board shall prepare recommendations for improving the present system for contract oversight.

The following types of contracts are excluded from the provisions of this section:

(a) Contracts that require payment of less than $18,900 per party per 12-month period.

(b) Contracts for hearing reporter services.

(c) Contracts for employer training programs which provide on-the-job training for workers.

(d) Contracts for rehabilitation services entered into by the Department of Rehabilitation.

(e) Contracts for maintenance or service of equipment.

(f) Contracts for electronic data-processing services reported under Section 4 of this act.

(g) Contracts related to any type of construction.

(h) Contracts for community mental health training entered into by the Centers for Training in Community Psychiatry, Department of Mental Health.

(i) Contracts for library services entered into by the Department of Education.

(j) Contracts for family planning contraceptive services entered into by the Department of Health Services.

(k) Contracts with local agencies for administration of the Special Supplemental Food Program for Women, Infants, and Children.

(*l*) Contracts implementing the Welfare Reform Act, 1971, Career Opportunities Development Program, which provide on-the-job training for workers or which provide matching funds for on-the-job training for workers.

(m) Contracts for the Office of Economic Opportunity Weatherization Program entered into by the Employment Development Department.

(n) Contracts for transportation services for the elderly and handicapped entered into by the Department of Transportation pursuant to Section 16(b)(2) of the Mass Transportation Act of 1964, as amended.

(o) Contracts for childhood immunization services entered into

by the Department of Health Services.

(p) Contracts for entertainment at fairs conducted by district agricultural associations.

SEC. 30.5. Section 19.91 of Senate Bill No. 110 of the 1981–82 Regular Session is amended to read:

SEC. 19.91. Notwithstanding any other provision of law, there is hereby appropriated from the Capital Outlay Fund for Public Higher Education the sum of $53,565,840, from the State School Building Lease-Purchase Fund the sum of $200,000,000, from the Energy and Resources Fund the sum of $23,366,340, from the State Parks and Recreation Fund the sum of $41,140,594, from the Transportation, Planning and Development Account in the State Transportation Fund the sum of $25,000,000, and from the Special Account for Capital Outlay in the General Fund the sum of $47,489,826 for transfer by the State Controller to the General Fund during the 1981–82 fiscal year, upon order of the Director of Finance.

The State Allocation Board may continue to give preliminary approval for Phase I and Phase II projects during the 1981–82 fiscal year; however, actual apportionment of funds shall be limited to the level of funds appropriated by the Legislature.

SEC. 32. Section 27.10 of Senate Bill No. 110 of the 1981–82 Regular Session is amended to read:

SEC. 27.10. Notwithstanding any other provision of this act, all appropriations of General Fund money by this act for travel shall be reduced by 25 percent of the 1980–81 fiscal year level; except for the Department of Education, those state agencies within the Health and Welfare Agency, the Department of Corrections, the California Youth Authority, and those appropriations made in Items 011-001-001 to 018-001-001, inclusive, which shall not be reduced.

SEC. 33. The sum of four million one hundred thousand dollars ($4,100,000) is hereby appropriated from the General Fund to augment Item 518-001-001 of the Budget Act of 1981 (Senate Bill No. 110), for support of the Department of Social Services, to be used for the purposes of Chapter 3.6 (commencing with Section 1597.50) of Division 2 of the Health and Safety Code.

SEC. 34. The unexpended balance of Item 340(m) of the Budget Act of 1980 is hereby reappropriated in an amount not to exceed four million seven hundred twenty-three thousand four hundred sixty-four dollars ($4,723,464) to augment Item 388.1 of the Budget Act of 1980 for purposes of apportionment pursuant to Article 2 (commencing with Section 84720) of Chapter 5 of Part 50 of the Education Code.

SEC. 35. There is hereby appropriated a sum not to exceed one million six hundred fifty thousand dollars ($1,650,000) in augmentation of Item 426-001-001 of the Budget Bill of 1981 for support of the Department of Health Services, to carry out the provisions of Assembly Bill No. 251 of the 1981–82 Regular Session. However, none of the money appropriated pursuant to this section may be expended for a major program component unless 30 days' prior written notifica-

tion is provided to the chairman of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee.

SEC. 36. Notwithstanding any other provision of law, on the effective date of this act, the sum of seventeen million dollars ($17,000,000) shall revert from the unencumbered balance of the Local Agency Indebtedness Fund to the unappropriated balance of the General Fund.

SEC. 37. Notwithstanding any other provision of law, there is hereby appropriated from the moneys deposited pursuant to Section 6217 of the Public Resources Code to the State School Building Lease-Purchase Fund for the 1984–85 fiscal year, the amount of two hundred million dollars ($200,000,000). This appropriation shall be made to the extent of funds available after allocations have been made pursuant to subdivisions (a) to (e), inclusive, of Section 6217.

This section shall become operative on July 1, 1984.

SEC. 38. There is hereby appropriated from the General Fund the sum of one hundred twenty-five million dollars ($125,000,000) in augmentation of Item 910-101-001 of the Budget Bill of 1981 for purposes of providing a credit against the Personal Income Tax and the Bank and Corporations Tax Law or a full or partial refund to those individuals and corporations which are or have been subject to tax on property on the unsecured roll for the 1978–79 fiscal year at a rate higher than four dollars ($4) per one hundred dollars ($100) of assessed value, to be distributed pursuant to the provisions of Assembly Bill No. 11 of the 1981–82 Regular Session.

This section shall become operative only if Assembly Bill No. 11 of the 1981–82 Regular Session is chaptered and makes provision for tax credits or refunds for the individuals and corporations described in this section.

SEC. 39. There is hereby appropriated the sum of two hundred fifty-four thousand dollars ($254,000) from the General Fund in augmentation of Item 176-001-001, for support of the Department of General Services, to be used for 9.0 personnel years for the purpose of providing additional protection on the ground floor of the State Capitol and grounds adjacent thereto.

SEC. 40. Five million dollars ($5,000,000) of the amount appropriated by Chapter 1043 of the Statutes of 1979 and allocated for use by the California Housing Finance Agency pursuant to former subdivision (b) of Section 50740 of the Health and Safety Code shall revert to the General Fund on the effective date of this act, and is hereby appropriated for the 1981–82 fiscal year to the County of Los Angeles for purposes of state assistance payments.

SEC. 40.5. (a) There is continuously appropriated to the Contingent Funds of the Assembly and Senate, from each special fund from which appropriations otherwise may be made to pay the cost of audits of state agencies supported by the fund conducted by the Auditor General, the amount necessary to pay the costs of those audits actually made.

(b) There is continuously appropriated from the Federal Trust Fund in the State Treasury to the Contingent Funds of the Assembly and Senate, an amount equal to amounts received by the state from the federal government for reimbursement of expenses of audits required by federal law or regulation and conducted by the Auditor General.

SEC. 41. It is the intent of the Legislature that Sections 33 to 40, inclusive, of this bill shall be operative only if this bill and Assembly Bill No. 250 of the 1981–82 Regular Session are both chaptered and this bill is chaptered last. Therefore, if Assembly Bill No. 250 is not chaptered, or if Assembly Bill No. 250 is chaptered after this bill, Sections 33 to 40, inclusive, of this bill shall not become operative.

SEC. 42. There is hereby appropriated from the General Fund the sum of twenty-five million dollars ($25,000,000) for transfer to the Local Health Capital Expenditure Account in the County Health Services Fund for the purposes of Chapter 1351 of the Statutes of 1980.

SEC. 43. Notwithstanding any other provision of of law, the appropriation made by subdivision (d) of Section 36 of Assembly Bill 777 of the Regular Session shall not be operative.

SEC. 44. The Legislature hereby finds and declares that the provisions of this act are a part of the Budget Bill of 1981 for the purpose of subdivision (d) of Section 12 of Article IV of the California Constitution.

SEC. 45. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to correct technical errors in the Budget Bill of 1981 (Senate Bill No. 110 of the 1981–82 Regular Session of the Legislature, as amended in Conference June 15, 1981) and to more accurately effect the intention of the Conference Committee on the Budget Bill, the Assembly, and the Senate, it is necessary for this act to take effect at the same time as the Budget Bill of 1981.

CHAPTER 170

An act to amend Section 23321.7 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor July 13, 1981. Filed with Secretary of State July 13, 1981.]

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

SECTION 1. Section 23321.7 of the Business and Professions Code is amended to read:

23321.7. The on-sale general bona fide public eating place

intermittent dockside license for vessels of more than 10,000 tons displacement may be issued for any vessel of more than 10,000 tons displacement with cabin berth capacity for at least 75 passengers, respecting which vessel a duplicate license has also been issued under Section 23321.6. Each license issuable under this section shall be used only in the county where issued, but a vessel qualified under this section may be issued such a license in more than one county. Notwithstanding the provisions of Section 23397, the licensee under each such license shall be authorized to sell alcoholic beverages to the general public aboard the vessel respecting which the license is issued when the vessel is securely lashed on berth in the county for which the license is issued, provided that such sales are incidental to the passenger operations of such vessel and such beverages are purchased from persons licensed to sell alcoholic beverages for resale in this state. In no event shall the rights under any such license be exercised in any county during more than 100 calendar days in any calendar year. Notwithstanding the provisions of Article 2 (commencing with Section 23815) of Chapter 5 of this division, there shall be no limitation, other than provided in this section, on the number of licenses that may be issued under this section to applicants who meet its requirements. Except as otherwise specifically provided in this section, all provisions of this division shall apply to any license issued under this section in the same manner as such provisions apply to an on-sale general license issued for a bona fide public eating place, provided that no caterer's permit may be issued pursuant to Section 23399 with respect to any license issued hereunder, and provided further that any duplicate license issued pursuant to Section 24042 respecting such vessel shall bear the same fee specified by subdivision (35) of Section 23320.

CHAPTER 171

An act to amend Sections 16112, 16131 and 16136 of the Financial Code, relating to credit unions, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 13, 1981. Filed with Secretary of State July 13, 1981]

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

SECTION 1. Section 16112 of the Financial Code is amended to read:

16112. Each credit union supervised or regulated under this division, or otherwise eligible, may participate in the corporation in accordance with this chapter and rules established by the board of directors of the corporation.

SEC. 2. Section 16131 of the Financial Code is amended to read:

16131. The corporation shall establish and maintain a guarantee fund as follows:

(a) The corporation shall assess, and each credit union shall pay, a fee equal to ½ of 1 percent of its share capital to become a participating credit union. The corporation shall annually assess, and each participating credit union shall pay, additions to the fee so that the fee of any participating credit union is never less than ½ of 1 percent of its share capital as shown on its most recent report required by Section 14254. Fees paid under this subdivision, when paid by the individual participating credit union, may be a charge to its regular reserve or may be established as a prepaid asset to be charged to its regular reserve over a period of five years.

(b) If the total unencumbered amount in the fund (less any unpaid demand made by the commissioner pursuant to Section 16142) on March 15, of any year hereafter is less than 2 percent of the total outstanding shares of all participating credit unions as shown on the most recent report required by Section 14254 then or before May 1, of that year, the corporation shall levy an assessment. Each participating credit union shall be assessed an amount equal to 1/12 of 1 percent of its outstanding shares as shown on its most recent report required by Section 14254, except that the corporation may prorate the first-year assessment of a participating credit union according to the portion of the year the credit union was a participant in the corporation.

(c) Whenever the total unencumbered amount in the fund, less any then unpaid demand made by the commissioner pursuant to Section 16142, on March 15, of any year hereafter is in excess of 2 percent of the total outstanding shares of all participating credit unions shown on its most recent report required by Section 14254, the corporation shall then credit to its participating credit unions an amount equal to such excesses. Each participating credit union that has a balance in its account equal to 2 percent of its total outstanding shares shall receive a credit in proportion to its account balance in the corporation. Payments currently due and payable pursuant to Section 16142 shall be paid before any credit shall be made pursuant to this subdivision. Such credits may be applied to subsequent assessments, at the election of a participating credit union.

(d) Notwithstanding the provisions of subdivisions (b) and (c), each participating credit union that has not paid assessments in an amount equal to 2 percent of its total outstanding shares as shown on the most recent report required by Section 14254 shall continue to be assessed an amount equal to 1/12 of 1 percent of its outstanding shares as shown on its most recent report required by Section 14254.

(e) Notwithstanding the provisions of subdivision (c), the corporation shall withhold any credit to participating credit unions during any period when a participating credit union is in the process of liquidation by the commissioner or the corporation, and it shall further assess participating credit unions during any calendar year in which the fund has been reduced by payment of claims for

guaranteed shares provided the aggregate assessments during the year do not exceed the amount provided in subdivision (b).

All assessments pursuant to subdivisions (b), (d) and (e), when paid by a participating credit union, may be charged to its regular reserve.

SEC. 3. Section 16136 of the Financial Code is amended to read:

16136. Any participating credit union which is voluntarily liquidated under this division, or any participating credit union which withdraws from participation in the corporation and obtains a different form of share guaranty or insurance pursuant to Section 14858, or any participating credit union which merges with another credit union whose shares are guaranteed or insured by a different form of guaranty or insurance pursuant to Section 14858, and such other credit union becomes the surviving credit union, may be reimbursed for the amount remaining in the account to which its fee has been credited in the manner prescribed in the bylaws of the corporation. Regular or special assessments paid to the corporation shall not be refunded except as provided herein. The regular assessment paid by such credit union in the last year of participation may be prorated according to the number of months of participation.

SEC. 4. It is the intent of the Legislature that this act shall be given effect as of January 1, 1981.

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

Since the changes to be made by this act relating to membership fees and assessments will have an immediate impact on all credit unions which choose to join the newly formed California Credit Union Share Guaranty Corporation, and such changes will affect the formation and administration of the corporation, it is necessary that this act take effect immediately.

CHAPTER 172

An act to amend Section 40900 of the Health and Safety Code, relating to air pollution, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 13, 1981. Filed with Secretary of State July 13, 1981]

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

SECTION 1. Section 40900 of the Health and Safety Code is amended to read:

40900. There is continued in existence and shall be, in each air basin which is comprised of all or part of two or more districts, a

basinwide air pollution control council.

The council shall consist of an elected official of, and designated by, the district board of each district which is included, in whole or in part, within the air basin.

Any officer or employee of a district within the air basin may act in an advisory capacity for and on behalf of the basinwide air pollution control council.

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 any basinwide air pollution control council may receive technical advice from officers and employees of any air pollution control district located within the air basin on air pollution issues within the air basin without a conflict of interest, it is necessary that this act take effect immediately.

CHAPTER 173

An act to amend Section 987.65 of the Military and Veterans Code, relating to veterans' farm and home purchase, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 13, 1981 Filed with Secretary of State July 13, 1981]

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

SECTION 1. Section 987.65 of the Military and Veterans Code is amended to read:

987.65. The purchase price of a home to the department, or the sum to be expended by the department pursuant to a contract for the construction of a dwelling house and other improvements, shall not exceed the sum of fifty-five thousand dollars ($55,000), except that the purchase price of a mobilehome sited on a lot owned by the purchaser and installed on a foundation system pursuant to Section 18551 of the Health and Safety Code shall not exceed fifty-five thousand dollars ($55,000), or of a mobilehome which is to be sited in a mobilehome park, as defined in Section 18214 of the Health and Safety Code, shall not exceed thirty-five thousand dollars ($35,000). A veteran purchasing the home may advance, subject to Section 987.64, the difference between the total price or cost of the home and the sum of the purchase price of the home to the department and any amount the department is required, under Section 987.69 of this code, to add to the purchase price of the home in fixing the selling price thereof to the veteran. Any amount of the purchase price to the department may be provided by funds from participation contracts or revenue bonds.

The purchase price of a farm to the department shall not exceed one hundred eighty thousand dollars ($180,000). A veteran purchasing the farm may advance the difference between the total price of the farm, or the cost of the dwelling and improvements to be constructed on a farm under a contract, and the sum of the purchase price to the department or contract price to the department and any amount which the department is required, under Section 987.69 of this code, to add to the purchase or contract price to the department in fixing the selling price of the farm to the veteran.

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 1136 of the Statutes of 1980, among other things, made an inadvertent change in the maximum price which the Department of Veterans Affairs may pay for a farm for purposes of sale to a veteran under the Veterans' Farm and Home Purchase Act of 1974, thus reducing this maximum price from one hundred eighty thousand dollars ($180,000) to one hundred twenty thousand dollars ($120,000). It was not the intention of the Legislature, in enacting Chapter 1136, to make this reduction in the maximum purchase price. In order that this error may be corrected without causing inadvertent hardship to veteran purchasers, it is necessary that this act take effect immediately.

CHAPTER 174

An act to amend Section 56470 of, and to add Section 53972.5 to, the Government Code, relating to local agencies, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 13, 1981 Filed with Secretary of State July 13, 1981]

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

SECTION 1. Section 53972.5 is added to the Government Code, to read:

53972.5. A proposal for the creation within the County of San Diego of a local agency for the purpose of providing fire protection or prevention services directly, by contract with another local agency, or pursuant to the Fire Protection District Law of 1961, Part 2.7 (commencing with Section 13801) of Division 12 of the Health and Safety Code, or police protection services, may be combined with a proposal for the adoption by the local agency of a standby or availability charge pursuant to Section 53972, and presented to the voters as a single ballot proposition. If both proposals are presented

as a single ballot proposition, the proposed local agency shall not be created, and the standby or availability charge shall not take effect, unless the proposition is approved by two-thirds of the voters voting upon the proposition. The local agency created shall not be eligible to participate in the distribution of funds from the Special District Augmentation Fund created pursuant to Section 98.6 of the Revenue and Taxation Code.

SEC. 2. Section 56470 of the Government Code is amended to read:

56470. Any change of organization or reorganization may provide for, or be made subject to one or more of, the following terms and conditions, provided that any of the following terms and conditions shall not directly regulate land use, property development, or subdivision requirements:

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

(b) The levying or fixing and the collection of (1) special, extraordinary, or additional taxes or assessments, or (2) special, extraordinary, or additional service charges, rentals, or rates, or (3) both, for the purpose of providing for any payment required pursuant to subdivision (a) of this section.

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

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

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

(f) The incurring of new indebtedness or liability by, or on behalf of, all or any part of any district, including territory being annexed to any district, or of any existing or proposed new improvement

district therein. The new indebtedness may be the obligation solely of territory to be annexed provided the district has the authority to establish zones for incurring indebtedness. The indebtedness or liability shall be incurred substantially in accordance with the laws otherwise applicable to the district.

(g) The issuance and sale of any bonds, including authorized but unissued bonds of a subject district, either by such district or by a district designated as the successor to any district which shall be extinguished as a result of any change of organization or reorganization.

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

(i) The disposition, transfer, or division of any moneys or funds (including cash on hand and moneys due but uncollected) and any other obligations.

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

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

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

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

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

(o) The initiation, conduct, or completion of proceedings on a proposal made under and pursuant to the Knox-Nisbet Act, Chapter 6.6 (commencing with Section 54773) of Division 2, Title 5.

(p) The fixing of the effective date of any change of organization, subject to the limitations of Section 56456.

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

(r) The continuation or provision of any service currently

provided or previously authorized by official act of the district to be provided.

(s) The approval by the voters of the levy of a standby or availability charge in a district created pursuant to Section 53972.5.

(t) Any other matters necessary or incidental to any of the foregoing.

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

In order to provide a more economically efficient method for determining whether new special districts should be created in the County of San Diego to provide fire protection and prevention services or police protection services by combining that question on the ballot with the question as to whether those services should be financed through the imposition of standby or availability charges as soon as possible, and in order to permit such agencies presently proposed for creation to take advantage of the provisions of this act, it is necessary that this act take effect immediately.

CHAPTER 175

An act to add Chapter 4.6 (commencing with Section 65990) to Division 1 of Title 7 of the Government Code, relating to environmental quality.

[Approved by Governor July 13, 1981 Filed with Secretary of State July 13, 1981]

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

SECTION 1. Chapter 4.6 (commencing with Section 65990) is added to Division 1 of Title 7 of the Government Code, to read:

CHAPTER 4.6. ENVIRONMENTAL IMPROVEMENT AUTHORIZATIONS

65990. Notwithstanding any other provision of law, if a person applies for any authorization required by a public agency for the construction, operation, or removal of any article, machine, equipment, or contrivance for the purpose of improving an adverse environmental condition arising from an existing facility, the authorization shall include only those conditions or stipulations related to the improvement of the adverse environmental condition.

65991. This chapter is not a limitation on the authority of a public agency to require a monitoring program that is capable of assuring the applicant's conformance with all conditions or stipulations of the authorization.

65992. This chapter is not a limitation on the authority of any public agency pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code.

65993. As to any portion of a project for which an authorization is required that is not essential and directly related to the improvement of the adverse environmental condition, this chapter is not a limitation on the ability of a public agency to require any conditions or stipulations deemed necessary by the approving agency, including appropriate mitigation measures, within the jurisdiction of the agency.

CHAPTER 176

An act to add Division 12 (commencing with Section 28000) to the Financial Code, relating to college loans.

[Approved by Governor July 13, 1981 Filed with Secretary of State July 13, 1981.]

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

SECTION 1. Division 12 (commencing with Section 28000) is added to the Financial Code, to read:

DIVISION 12. COLLEGE LOANS

28000. (a) Pursuant to the authority contained in Section 1 of Article XV of the State Constitution, and subject to subdivision (b), educational institutions of collegiate grade are authorized to make loans or forbearances to finance student educational expenses including tuition, room, and board, and other costs of attendance or living at the institution, at rates not to exceed the higher of:

(1) Ten percent per annum.

(2) Five percent per annum plus the rate established by the Federal Reserve Bank of San Francisco on advances to member banks under Sections 13 and 13(a) of the Federal Reserve Act as now in effect or hereafter from time to time amended or, if there is no such single determinable rate of advances, the closest counterpart of this rate as shall be designated by the Superintendent of Banks of the State of California unless some other person or agency is delegated such authority by the Legislature. The date of determining the applicable rate established by the Federal Reserve Bank shall be the 25th day of the month preceding the earlier of the date of execution of the contract to make the loan or forbearance, or the date of making the loan or forbearance.

(b) Where the institution has obtained a loan specifically in order to make loans to finance student educational expenses, the rate of interest shall not exceed the lower of:

(1) The rate determined pursuant to subdivision (a).

(2) One percentage point in excess of the interest rate imposed upon the loan made to the institution, as of the date of execution of the contract to make the student loan to such extent the foregoing creates and authorizes a class of exempt persons pursuant to Section 1 of Article XV of the Constitution.

(c) Solely with respect to loans or forbearances made by educational institutions of collegiate grade to their faculty or staff, secured by real property consisting of a residential dwelling, these institutions are hereby declared to be an exempt class of persons as this term is used in Section 1 of Article XV of the Constitution.

28001. This division shall not apply to community colleges.

CHAPTER 177

An act to add Section 960 to the Streets and Highways Code, relating to highways.

[Approved by Governor July 13, 1981. Filed with Secretary of State July 13, 1981]

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

SECTION 1. Section 960 is added to the Streets and Highways Code, to read:

960. Whenever the board of supervisors determines that any real property, or interest therein, acquired by the county for highway purposes is no longer necessary for those purposes, the county may sell or exchange the real property, or interest therein, in the manner and upon the terms and conditions approved by the board of supervisors. Any conveyance under this section shall be executed on behalf of the county by the chairman of the board of supervisors, and the money received for the real property shall be paid into the county treasury to the credit of any fund available for highway purposes, which the board of supervisors designates.

CHAPTER 178

An act to amend Sections 12210 and 12500 of the Business and Professions Code, relating to weights and measures.

[Approved by Governor July 13, 1981. Filed with Secretary of State July 13, 1981]

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

SECTION 1. Section 12210 of the Business and Professions Code is amended to read:

12210. (a) Each sealer shall, within his or her county inspect, try and test all weights, scales, beams, measures of any kind, instruments or mechanical devices for weighing or measurements, and tools, appliances and accessories connected with any or all such instruments or measures, sold, or used by any proprietor, agent, lessee or employee for commercial purposes, as defined in subdivision (e) of Section 12500.

(b) Each sealer shall, when so directed by the board of supervisors of his or her county, and only upon the written request of any person, firm or corporation, calibrate, test, weigh, and measure, and certify to the accuracy of, noncommercial weights and measures and weighing and measuring devices, and instruments, tools, and accessories connected therewith. The board of supervisors may authorize the sealer to establish from time to time a schedule of fees to cover the cost of such service and to charge and collect the fees.

SEC. 2. Section 12500 of the Business and Professions Code is amended to read:

12500. As used in this chapter:

(a) "Weighing instrument" means any device, contrivance, apparatus, or instrument used, or designed to be used, for ascertaining weight and includes any tool, appliance, or accessory used or connected therewith.

(b) "Measuring instrument" means any device, contrivance, apparatus, or instrument used, or designed to be used, for ascertaining measure and includes any tool, appliance, or accessory used or connected therewith.

(c) "Correct" means any weight or measure or weighing, measuring or counting instrument which meet all tolerance and specification requirements established by the director pursuant to Section 12107.

(d) "Incorrect" means any instrument which fails to meet all of the requirements of Section 12107.

(e) "Commercial purposes" include the determination of the weight, measure, or count of any commodity or thing which is sold on the basis of weight, measure, or count; or the determination of the weight, measure, or count of any commodity or thing upon which determination a charge for service is based. Devices used in a determination upon which a charge for service is based include, but are not limited to, taximeters, odometers, timing devices, parcel post scales, shipping scales, and scales used in the payment of agricultural workers. "Commercial purposes" do not include the determination of the weight, measure, or count of any commodity or thing which is performed within a plant or business as a part of the manufacturing, processing, or preparing for market of that commodity or thing.

CHAPTER 179

An act to add and repeal Section 10171.1 to the Business and Professions Code, relating to real estate licenses.

[Approved by Governor July 13, 1981. Filed with Secretary of State July 13, 1981.]

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

SECTION 1. Section 10171.1 is added to the Business and Professions Code, to read:

10171.1. On and after January 1, 1983, no real estate license shall be renewed unless the commissioner finds that the applicant for the license has, during each four-year period preceding the renewal application, completed as part of the 45 clock hours of attendance provided for in Section 10170.4, a three-hour course in ethics, professional conduct, and legal aspects of real estate. Any such course shall include, but need not be limited to, relevant legislation, regulations, articles, reports, studies, court decisions, treatises, and information of current interest.

This section shall be operative until January 1, 1985, and on such date is repealed.

CHAPTER 180

An act to amend Section 11126 of the Government Code, relating to state government.

[Approved by Governor July 13, 1981 Filed with Secretary of State July 13, 1981]

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

SECTION 1. Section 11126 of the Government Code is amended to read:

11126. Nothing contained in this article shall be construed to prevent a state agency from holding closed sessions during a regular or special meeting to consider the appointment, employment or dismissal of a public employee or to hear complaints or charges brought against such employee by another person or employee unless such employee requests a public hearing. As a condition to holding a closed session on the complaints or charges to consider disciplinary action or to consider dismissal such employee shall be given written notice of his or her right to have a public hearing rather than a closed session, which notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding a regular or special meeting. If notice is not given, any

disciplinary or other action taken against any employee at such closed session shall be null and void. The state agency also may exclude from any such public or private meeting, during the examination of a witness, any or all other witnesses in the matter being investigated by the state agency. Following the public hearing or closed session the agency may deliberate on the decision to be reached in a closed session.

For the purposes of this section, the term "employee" shall not include any person who is elected to, or appointed to a public office by, any state agency; provided, however, that officers of the California State University and Colleges who receive compensation for their services other than per diem and ordinary and necessary expenses shall, when engaged in such capacity, be considered employees.

Nothing in this article shall be construed to prevent state agencies, which administer the licensing of persons engaging in businesses or professions, from holding closed sessions to prepare, approve, grade or administer examinations.

Nothing in this article shall be construed to prevent an advisory body of a state agency which administers the licensing of persons engaged in businesses or professions from conducting a closed session to discuss matters which the advisory body has found would constitute an unwarranted invasion of the privacy of an individual licensee or applicant if discussed in an open meeting, provided that the advisory body does not include a quorum of the members of the state agency it advises. Such matters may include review of an applicant's qualifications for licensure and an inquiry specifically related to the state agency's enforcement program concerning an individual licensee or applicant where the inquiry occurs prior to the filing of a civil, criminal, or administrative disciplinary action against the licensee or applicant by the state agency.

Nothing in this article shall be construed to prohibit a state agency from holding a closed session to deliberate on a decision to be reached based upon evidence introduced in a proceeding required to be conducted pursuant to Chapter 5 (commencing with Section 11500) of Part 1, Division 3, Title 2 of the Government Code or similar provision of law. Nothing in this article shall be construed to prevent any state agency from holding a closed session to consider matters affecting the national security.

Nothing in this article shall be construed to grant a right to enter any correctional institution or the grounds of a correctional institution where that right is not otherwise granted by law, nor shall anything in this article be construed to prevent a state agency from holding a closed session when considering and acting upon the determination of a term, parole, or release of any individual or other disposition of an individual case, or if public disclosure of the subjects under discussion or consideration is expressly prohibited by statute.

Nothing in this article shall be construed to prevent any closed session to consider the conferring of honorary degrees, or gifts,

donations and bequests which the donor or proposed donor has requested in writing to be kept confidential.

Nothing in this article shall be construed to prevent the Alcoholic Beverage Control Appeals Board from holding a closed session for the purpose of holding a deliberative conference as provided in Section 11125 of the Government Code.

Nothing in this article shall be construed to prevent the Trustees of the California State Colleges from holding closed sessions dealing with site selection for such state colleges.

Nothing in this article shall be construed to prevent the California Postsecondary Education Commission from holding closed sessions to consider matters pertaining to the appointment or termination of the Director of the California Postsecondary Education Commission.

Nothing in this article shall be construed to prevent the Franchise Tax Board from holding closed sessions for the purpose of discussion of confidential tax returns or data the public disclosure of which is prohibited by law, or from considering matters pertaining to the appointment or removal of the executive officer of the Franchise Tax Board.

Nothing in this article shall be construed to prevent the State Board of Equalization from holding closed sessions when considering matters pertaining to the appointment or removal of the executive secretary of the State Board of Equalization.

Nothing in this article shall be construed to prevent the Board of Corrections from holding closed sessions when considering reports of crime conditions under the provisions of Section 6027 of the Penal Code.

Nothing in this article shall be construed to prevent the State Air Resources Board from holding closed sessions when considering the proprietary specifications and performance data of manufacturers.

Nothing in this article shall be construed to prevent the Board of Administration of the Public Employees' Retirement System from holding closed sessions when considering investment decisions.

Nothing in this article shall be construed to prevent the Teachers' Retirement Board of the State Teachers' Retirement System from holding closed sessions when considering investment decisions.

Nothing in this article shall be construed to prevent the governing body of a state agency, or such boards, commissions, administrative officers, or other representatives as may properly be designated by law or by such governing body, from holding closed sessions with its representatives at any time in discharging its responsibilities under Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of this code as such sessions relate to salaries, salary schedules, or compensation paid in the form of fringe benefits. For the purposes enumerated in the preceding sentence, a state agency may also meet with a state conciliator who has intervened in the proceedings, providing that a quorum of the state agency is present. For purposes of this paragraph, a state agency may not otherwise meet without using a designated representative, but it may appoint from its

membership a member or members to act as its designated representative, with whom it may meet in closed session.

Notwithstanding any other provision of law, any meeting of the Public Utilities Commission at which the rates of entities under the commission's jurisdiction are changed shall be open and public.

Nothing in this article shall be construed to prevent the Public Utilities Commission from holding closed sessions to deliberate on the institution of proceedings, disciplinary actions against regulated utilities, or litigation.

Nothing in this article shall be construed to prevent the examining committee established by the Board of Forestry pursuant to Section 763 of the Public Resources Code from conducting a closed session to consider disciplinary action against an individual professional forester prior to the filing of an accusation against the forester pursuant to Section 11503.

Nothing in this article shall be construed to prevent an administrative committee established by the Board of Accountancy pursuant to Section 5020 of the Business and Professions Code from conducting a closed session to consider disciplinary action against an individual accountant prior to the filing of an accusation against the accountant pursuant to Section 11503. Nothing in this article shall be construed to prevent an examining committee established by the Board of Accountancy pursuant to Section 5023 of the Business and Professions Code from conducting a closed hearing to interview an individual applicant or accountant regarding the applicant's qualifications.

CHAPTER 181

An act to amend Section 1141.16 of the Code of Civil Procedure, relating to arbitration.

[Approved by Governor July 13, 1981 Filed with Secretary of State July 13, 1981]

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

SECTION 1. Section 1141.16 of the Code of Civil Procedure is amended to read:

1141.16. (a) The determination of the amount in controversy, under subdivision (a) or (b) of Section 1141.11 and Section 1141.12, shall be made by the court and the case submitted to arbitration at any conference at which all parties are present or represented by counsel. Such conference shall be held no later than three months after the at-issue memorandum is filed or no later than 90 days before trial, whichever occurs first. At that time the court shall make a determination whether any prayer for equitable relief is frivolous or insubstantial, which decision shall not be appealable. The date of

such conference may be postponed upon motion of any party for good cause shown. No determination pursuant to this section shall be made if all parties stipulate in writing that the amount in controversy exceeds fifteen thousand dollars ($15,000).

(b) The determination and any stipulation of the amount in controversy shall be without prejudice to any finding on the value of the case by an arbitrator or in a subsequent trial de novo. The determination shall be based on the total amount of damages, and the judge shall not consider questions of liability or comparative negligence or other defenses.

(c) The case shall be submitted to arbitration at an earlier time upon the written request of all plaintiffs, subject to a motion by a defendant for good cause shown to delay the arbitration hearing.

(d) In cases submitted to arbitration pursuant to Section 1141.11 or subdivision (a) of Section 1141.12 or paragraph (i) of subdivision (b) of Section 1141.12, an arbitrator shall be assigned to hear a case within 30 days from the time of its submission to arbitration.

CHAPTER 182

An act to amend Sections 527, 527.6, 546, and 553 of the Code of Civil Procedure, and Section 273.6 of the Penal Code, relating to court orders.

[Approved by Governor July 13, 1981. Filed with Secretary of State July 13, 1981]

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

SECTION 1. Section 527 of the Code of Civil Procedure is amended to read:

527. (a) An injunction may be granted at any time before judgment upon a verified complaint, or upon affidavits if the complaint in the one case, or the affidavits in the other, show satisfactorily that sufficient grounds exist therefor. A copy of the complaint or of the affidavits, upon which the injunction was granted, must, if not previously served, be served therewith.

No preliminary injunction shall be granted without notice to the opposite party; nor shall any temporary restraining order be granted without notice to the opposite party, unless it shall appear from facts shown by affidavit or by the verified complaint that great or irreparable injury would result to the applicant before the matter can be heard on notice and, except when applying for an order under Section 546 or under Section 4357, 4359, or 7020 of the Civil Code, the applicant or the applicant's attorney certifies to the court under oath (i) that within a reasonable time prior to the application he or she informed the opposing party or his or her attorney at what time and where the application would be made; (ii) that he or she in good faith

attempted to inform the opposing party and his or her attorney but was unable to so inform the opposing party or his or her attorney, specifying the efforts made to contact them; or (iii) that for reasons specified he or she should not be required to so inform the opposing party or his or her attorney. In case a temporary restraining order shall be granted without notice, in the contingency above specified, the matter shall be made returnable on an order requiring cause to be shown why the injunction should not be granted, on the earliest day that the business of the court will admit of, but not later than 15 days or, if good cause appears to the court, 20 days from the date of the order. In cases under Section 4359 of the Civil Code the matter shall be made returnable not later than 20 days or if good cause appears to the court, 25 days from the date of the order. When the matter first comes up for hearing the party who obtained the temporary restraining order must be ready to proceed and must have served upon the opposite party at least two days prior to the hearing, a copy of the complaint and of all affidavits to be used in the application and a copy of the points and authorities in support of the application; if the party is not ready, or if he or she fails to serve a copy of his or her complaint, affidavits and points and authorities, as herein required, the court shall dissolve the temporary restraining order. The defendant, however, shall be entitled, as of course, to one continuance for a reasonable period, if he or she desires it, to enable him or her to meet the application for the preliminary injunction. The defendant may, in response to such order to show cause, present affidavits relating to the granting of the preliminary injunction, and if such affidavits are served on the applicant at least two days prior to the hearing, the applicant shall not be entitled to any continuance on account thereof. On the day upon which the order is made returnable, the hearing shall take precedence of all other matters on the calendar of the day, except older matters of the same character, and matters to which special precedence may be given by law. When the cause is at issue it shall be set for trial at the earliest possible date and shall take precedence of all other cases, except older matters of the same character, and matters to which special precedence may be given by law.

(b) The court may, upon the filing of an affidavit by the plaintiff that the defendant could not be served on time, reissue any temporary restraining order previously issued pursuant to Section 546 and dissolved by the court for failure to serve the defendant. Any order reissued under this subdivision shall state on its face the date of expiration of the order. No fees shall be charged for the issuance of any order under this subdivision, unless such order had been dissolved three times previously.

SEC. 2. Section 527.6 of the Code of Civil Procedure is amended to read:

527.6. (a) A person who has suffered harassment as defined in subdivision (b) may seek a temporary restraining order, and an injunction prohibiting harassment as provided in this section.

(b) For the purposes of this section, "harassment" is a knowing and willful course of conduct directed at a specific person which seriously alarms, annoys or harasses the person, and which serves no legitimate purpose. The course of conduct must be such as would cause a reasonable person to suffer substantial emotional distress, and must actually cause substantial emotional distress to the plaintiff. "Course of conduct" is a pattern of conduct composed of a series of acts over a period of time, however short, evidencing a continuity of purpose. Constitutionally protected activity is not included within the meaning of "course of conduct."

(c) Upon filing a petition for an injunction under this section, the plaintiff may obtain a temporary restraining order in accordance with the provisions of subdivision (a) of Section 527 of the Code of Civil Procedure. A temporary restraining order may be granted with or without notice upon an affidavit which, to the satisfaction of the court, shows reasonable proof of harassment of the plaintiff by the defendant, and that great or irreparable harm would result to the plaintiff. A temporary restraining order granted under this section shall remain in effect, at the court's discretion, for a period not to exceed 15 days, unless otherwise modified or terminated by the court.

(d) Within 15 days of the filing of the petition, a hearing shall be held on the petition for the injunction. The defendant may file a response which explains, excuses, justifies or denies the alleged harassment. At the hearing, the judge shall receive such testimony as is relevant, and may make an independent inquiry. If the judge finds by clear and convincing evidence that unlawful harassment exists, an injunction shall issue prohibiting the harassment. An injunction issued pursuant to this section shall have a duration of not more than three years. At any time within the three months before the expiration of the injunction, the plaintiff may apply for a renewal of the injunction by filing a new petition for an injunction under this section.

(e) Nothing in this section shall preclude either party from representation by private counsel or from appearing on his or her own behalf.

(f) Upon filing of a petition for an injunction under this section, the defendant shall be personally served with a copy of the petition, temporary restraining order, if any, and notice of hearing of the petition.

(g) The court shall order the plaintiff or the attorney for the plaintiff to deliver or the clerk to mail a copy of each temporary restraining order or injunction or modification or termination thereof, granted under this section, by the close of the business day on which the order was granted, to the law enforcement agencies within the court's discretion as are requested by the plaintiff. Each appropriate law enforcement agency shall make available information as to the existence and current status of these orders to law enforcement officers responding to the scene of reported

harassment.

(h) The prevailing party in any action brought under this section may be awarded court costs and attorney's fees, if any.

(i) Any willful disobedience of any temporary restraining order or injunction granted under this section shall be a misdemeanor pursuant to Section 273.6 of the Penal Code.

(j) This section shall not apply to any action covered by Section 4359 or 7020 of the Civil Code, or by Chapter 4 (commencing with Section 540) of this title, or by Title 1.6C (commencing with Section 1788) of the Civil Code. Nothing in this section shall preclude a plaintiff's right to utilize other existing civil remedies.

(k) The Judicial Council shall promulgate forms and instructions therefor, rules for service of process, scheduling of hearings, and any other matters required by this section. The petition and response forms shall be simple and concise.

SEC. 3. Section 546 of the Code of Civil Procedure is amended to read:

546. The court may issue ex parte any of the orders set forth in subdivision (a) of Section 4359 of the Civil Code, or in the case of a nonmarital relationship between the plaintiff and the defendant any of the orders set forth in paragraphs (2), (3) and (6) of subdivision (a) of Section 4359 of the Civil Code and where there is a minor child of the plaintiff and the defendant an order determining the temporary custody of such child. In the case in which a temporary restraining order is granted without notice, the matter shall be made returnable on an order requiring cause to be shown why the order should not be dissolved, on the earliest day that the business of the court will permit, but not later than 20 days or, if good cause appears to the court, 25 days from the date the temporary restraining order is granted. The court may on motion of the plaintiff or on its own motion shorten the time for service on the defendant of the order to show cause.

The court may issue an ex parte order pursuant to this article, excluding one party from a residence or dwelling only when the affidavit in support of an application for the order affirmatively shows facts sufficient for the court to ascertain that the plaintiff has a right under color of law to possession of the premises.

SEC. 4. Section 553 of the Code of Civil Procedure is amended to read:

553. (a) The court may, in its discretion, appoint counsel to represent the plaintiff in any proceeding to enforce the terms of an order issued pursuant to this chapter in accordance with the terms of paragraph (2), (3) or (6) of subdivision (a) of Section 4359 of the Civil Code.

(b) In any proceeding in which private counsel was appointed by the court pursuant to subdivision (a), the court may order the defendant to pay reasonable attorneys' fees and costs incurred by the plaintiff.

SEC. 5. Section 273.6 of the Penal Code is amended to read:

273.6. (a) Any willful and knowing violation of any of the following court orders, when obtained pursuant to Section 4359, 4458, 4516, 7020, or 7021 of the Civil Code, Section 527.6 of the Code of Civil Procedure, or Chapter 4 (commencing with Section 540) of Title 7 of Part 2 of the Code of Civil Procedure, shall be a misdemeanor punishable by a fine of not more than five hundred dollars ($500), or by imprisonment in the county jail for not more than 6 months or by both such fine and imprisonment:

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

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

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

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

CHAPTER 183

An act to add Section 11521.6 to the Insurance Code, relating to insurance.

[Approved by Governor July 13, 1981. Filed with Secretary of State July 13, 1981.]

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

SECTION 1. Section 11521.6 is added to the Insurance Code, to read:

11521.6. Nothing contained in Section 11521.1, 11521.2, or 11521.4 shall apply to any grants and annuities certificate holder that also holds a certificate of authority pursuant to Article 3 (commencing with Section 699) of Chapter 1 of Part 2 of Division 1.

CHAPTER 184

An act to amend Section 6052 of the Business and Professions Code, to amend Sections 1987 and 1989 of the Code of Civil Procedure, to amend Section 68093 of the Government Code, and to amend Section 1329 of the Penal Code, relating to witnesses.

[Approved by Governor July 14, 1981 Filed with Secretary of State July 14, 1981.]

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

SECTION 1. Section 6052 of the Business and Professions Code is amended to read:

6052. Any member of the board, or of any committee or unit or section thereof, having jurisdiction, may administer oaths and issue any subpoena.

Depositions may be taken and used as provided in the rules of procedure adopted by the board pursuant to this chapter.

SEC. 2. Section 1987 of the Code of Civil Procedure is amended to read:

1987. (a) Except as provided in Sections 68097.1 to 68097.8, inclusive, of the Government Code, the service of a subpoena is made by delivering a copy, or a ticket containing its substance, to the witness personally, giving or offering to him at the same time, if demanded by him, the fees to which he is entitled for travel to and from the place designated, and one day's attendance there. The service must be made so as to allow the witness a reasonable time for preparation and travel to the place of attendance. Such service may be made by any person.

(b) In the case of the production of a party to the record of any civil action or proceeding or of a person for whose immediate benefit in action or proceeding is prosecuted or defended or of anyone who is an officer, director, or managing agent of any such party or person, the service of a subpoena upon any such witness is not required if written notice requesting such witness to attend before a court, or at a trial of an issue therein, with the time and place thereof, is served upon the attorney of such party or person. Such notice shall be served at least 10 days before the time required for attendance unless the court prescribes a shorter time. If entitled thereto, such witness, upon demand, shall be paid witness fees and mileage before being required to testify. The giving of such notice shall have the same effect as service of a subpoena on the witness, and the parties shall have such rights and the court may make such orders, including the imposition of sanctions, as in the case of a subpoena for attendance before the court.

(c) If the notice specified in subdivision (b) is served at least 20 days before the time required for attendance, or within such shorter time as the court may order, it may include a request that such party or person bring with him books, documents or other things. The notice shall state the exact materials or things desired and that such party or person has them in his possession or under his control. Within five days thereafter, or such other period as the court may allow, the party or person of whom the request is made may serve and file written objections to the request or any part thereof, with a statement of grounds. Thereafter, upon noticed motion of the

requesting party, accompanied by a showing of good cause and of materiality of the items to the issues, the court may order production of items to which objection was made, unless the objecting party or person establishes good cause for nonproduction or production under limitations or conditions. The procedure of this subdivision is alternative to the procedure provided by Sections 1985 and 1987.5 in the cases herein provided for, and no subpoena duces tecum shall be required.

Subject to the provisions of this subdivision, the notice herein provided shall have the same effect as is provided in subdivision (b) as to a notice for attendance of such party or person.

SEC. 3. Section 1989 of the Code of Civil Procedure is amended to read:

1989. A witness, including a witness specified in subdivision (b) of Section 1987, is not obliged to attend as a witness before any court, judge, justice or any other officer, unless the witness is a resident within the state at the time of service.

SEC. 4. Section 68093 of the Government Code is amended to read:

68093. Except as otherwise provided by law, witness' fees for each day's actual attendance, when legally required to attend a civil action or proceeding in the superior, municipal, and justice courts, are thirty-five dollars ($35) a day and mileage actually traveled, both ways, twenty cents ($0.20) a mile.

SEC. 5. Section 1329 of the Penal Code is amended to read:

1329. (a) When a person attends before a magistrate, grand jury, or court, as a witness in a criminal case, whether upon a subpoena or in pursuance of an undertaking, or voluntarily, the court, at its discretion, if the attendance of the witness be upon a trial may by an order upon its minutes, or in any criminal proceeding, by a written order, direct the county auditor to draw his warrant upon the county treasurer in favor of such witness for witness' fees at the rate of twelve dollars ($12) for each day's actual attendance and for a reasonable sum to be specified in the order for the necessary expenses of such witness. The court, in its discretion, may make an allowance under this section, or under any appropriate section in Chapter 1 (commencing with Section 68070), Title 8, of the Government Code, other than Section 68093. The allowances are county charges.

(b) The court, in its discretion, may authorize payment to such a witness, if he is employed and if his salary is not paid by his employer during the time he is absent from his employment because of being such a witness, of a sum equal to his gross salary for such time, but such sum shall not exceed eighteen dollars ($18) per day. The sum is a county charge.

A person compensated under the provisions of this subdivision may not receive the payment of witness' fees as provided for in subdivision (a).

CHAPTER 185

An act to amend Sections 16430, 53601 and 53635 of the Government Code, relating to public funds.

[Approved by Governor July 14, 1981 Filed with Secretary of State July 14, 1981.]

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

SECTION 1. Section 16430 of the Government Code is amended to read:

16430. Eligible securities for the investment of surplus moneys shall be:

(a) Bonds or interest-bearing notes or obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(b) Bonds or interest-bearing notes on obligations that are guaranteed as to principal and interest by a federal agency of the United States.

(c) Bonds of this state, or those for which the faith and credit of this state are pledged for the payment of principal and interest.

(d) Bonds or warrants, including, but not limited to, revenue warrants, of any county, city, metropolitan water district, California water district, California water storage district, irrigation district in the State of California, municipal utility district, or school district of this state.

(e) Bonds, consolidated bonds, collateral trust debentures, consolidated debentures, or other obligations issued by federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended, in debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended, in bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act, in stock, bonds, debentures and other obligations of the Federal National Mortgage Association established under the National Housing Act as amended, and in the bonds of any federal home loan bank established under said act, obligations of the Federal Home Loan Mortgage Corporation, and in bonds, notes, and other obligations issued by the Tennessee Valley Authority under the Tennessee Valley Authority Act as amended.

(f) Commercial paper of "prime" quality as defined by a nationally recognized organization which rates such securities. Eligible paper is further limited to issuing corporations: (1) organized and operating within the United States; (2) having total assets in excess of five hundred million dollars ($500,000,000); and (3) approved by the Pooled Money Investment Board. Purchases of eligible commercial paper may not exceed 180 days' maturity,

represent more than 10 percent of the outstanding paper of an issuing corporation, nor exceed 30 percent of the resources of an investment program. At the request of the Pooled Money Investment Board, such investment shall be secured by the issuer by depositing with the Treasurer securities authorized by Section 53651 of a market value at least 10 percent in excess of the amount of the state's investment.

(g) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, which are eligible for purchase by the Federal Reserve System.

(h) Negotiable certificates of deposits issued by a nationally or state-chartered bank or savings and loan association or by a state-licensed branch of a foreign bank. For the purposes of this section, negotiable certificates of deposits do not come within the provisions of Chapter 4 (commencing with Section 16500) and Chapter 4.5 (commencing with Section 16600).

(i) The portion of bank loans and obligations guaranteed by the United States Small Business Administration or the United States Farmers Home Administration.

(j) Student loan notes insured under the Guaranteed Student Loan Program established pursuant to the Higher Education Act of 1965, as amended (20 U.S.C. 1001, et seq.) and eligible for resale to the Student Loan Marketing Association established pursuant to Section 133 of the Education Amendments of 1972, as amended (20 U.S.C. 1087-2).

(k) Obligations issued, assumed, or guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, or the Government Development Bank of Puerto Rico.

(*l*) Bonds, debentures, and notes issued by corporations organized and operating within the United States. Securities eligible for investment under this subdivision shall be within the top three ratings of a nationally recognized rating service.

SEC. 2. Section 53601 of the Government Code is amended to read:

53601. The legislative body of a local agency having money in a sinking fund of, or surplus money in, its treasury not required for the immediate necessities of the local agency may invest such portion of the money as it deems wise or expedient in:

(a) Bonds issued by it, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by it or by a department, board, agency, or authority thereof.

(b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the

state or by a department, board, agency, or authority thereof.

(d) Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority thereof.

(e) Obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks, the Federal Home Loan Bank Board, the Tennessee Valley Authority, or in obligations, participations, or other instruments of or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in guaranteed portions of Small Business Administration notes; or in obligations, participations, or other instruments of or issued by a federal agency or a United States government-sponsored enterprise.

(f) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, which are eligible for purchase by the Federal Reserve System. Purchases of bankers acceptances may not exceed 270 days maturity or 30 percent of the agency's surplus money which may be invested pursuant to this section.

The provisions of this subdivision shall not preclude a municipal utility district from investing any surplus money in its treasury in any manner authorized by the Municipal Utility District Act.

(g) Commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, Inc., or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars ($500,000,000) and having an "A" or higher rating for the issuer's debentures, other than commercial paper, as provided for by Moody's Investors Service, Inc., or Standard and Poor's Corporation. Purchases of eligible commercial paper may not exceed 180 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation. Purchases of commercial paper may not exceed 15 percent of the agency's surplus money which may be invested pursuant to this section.

No investment in securities described in this subdivision shall be made by a local agency having a population of less than 100,000.

(h) Negotiable certificates of deposits issued by a nationally or state-chartered bank or a state or federal savings and loan association. Purchases of negotiable certificates of deposit may not exceed 15 percent of the agency's surplus money which may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposits do not come within the provisions of Article 2 (commencing with Section 53630) of Chapter 4 of Part 1 of Division 2 of Title 5.

No investment in securities described in this subdivision shall be

made by a local agency having a population of less than 50,000.

(i) Investments in repurchase agreements or reverse repurchase agreements of any securities authorized by this section. For purposes of this section, the term "repurchase agreement" means a purchase of securities by the local agency pursuant to an agreement by which the seller will repurchase such securities on or before a specified date and for a specified amount.

For purposes of this section, the term "reverse repurchase agreement" means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase such securities on or before a specified date and for a specified amount.

SEC. 3. Section 53635 of the Government Code is amended to read:

53635. As far as possible, all money belonging to, or in the custody of, a local agency, including money paid to the treasurer or other official to pay the principal, interest, or penalties of bonds, shall be deposited for safekeeping in state or national banks or state or federal savings and loan associations in the state selected by the treasurer or other official having the legal custody of the money, or may be invested in the following unless otherwise directed by the legislative body pursuant to Section 53601:

(a) Bonds issued by it, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by it or by a department, board, agency, or authority thereof.

(b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority thereof.

(d) Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority thereof.

(e) Obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks, the Federal Home Loan Bank, the Tennessee Valley Authority, or in obligations, participations, or other instruments of or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in guaranteed portions of Small Business Administration notes; or in obligations, participations, or other instruments of or issued by a federal agency or a United States government-sponsored enterprise.

(f) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, which are eligible for purchase by the Federal Reserve System. Purchases

of bankers acceptances may not exceed 270 days maturity or 30 percent of the agency's surplus funds which may be invested pursuant to this section.

The provisions of this subdivision shall not preclude a municipal utility district from investing any surplus money in its treasury in any manner authorized by the Municipal Utility District Act.

(g) Commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, Inc., or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars ($500,000,000) and having an "A" or higher rating for the issuer's debentures, other than commercial paper, as provided for by Moody's Investors Service, Inc., or Standard and Poor's Corporation. Purchases of eligible commercial paper may not exceed 180 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation. Purchases of commercial paper may not exceed 15 percent of the agency's surplus money which may be invested pursuant to this section.

No investment in securities described in this subdivision shall be made by a local agency having a population of less than 100,000.

(h) Negotiable certificates of deposits issued by a nationally or state-chartered bank or a state or federal savings and loan association. Purchases of negotiable certificates of deposit may not exceed 15 percent of the agency's surplus money which may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposits do not come within the provisions of Article 2 (commencing with Section 53630) of Chapter 4 of Part 1 of Division 2 of Title 5.

No investment in securities described in this subdivision shall be made by a local agency having a population of less than 50,000.

(i) Investments in repurchase agreements or reverse repurchase agreements of any securities authorized by this section. For purposes of this section, the term "repurchase agreement" means a purchase of securities by the local agency pursuant to an agreement by which the seller will repurchase such securities on or before a specified date and for a specified amount.

For purposes of this section, the term "reverse repurchase agreement" means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase such securities on or before a specified date and for a specified amount.

Investment in a reverse purchase agreement shall be made only upon prior approval of the legislative body of the local agency.

CHAPTER 186

An act to amend Section 602 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 14, 1981. Filed with Secretary of State July 14, 1981]

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

SECTION 1. Section 602 of the Revenue and Taxation Code is amended to read:

602. This local roll shall show:

(a) The name and address, if known, of the assessee.

(b) Land, by legal description.

(c) A description of possessory interests sufficient to identify them.

(d) Personal property. A failure to enumerate personal property in detail does not invalidate the assessment.

(e) The assessed value of real estate, except improvements.

(f) The assessed value of improvements on the real estate.

(g) The assessed value of improvements assessed to any person other than the owner of the land.

(h) The assessed value of possessory interests.

(i) The assessed value of personal property, other than intangibles.

(j) The revenue district in which each piece of property assessed is situated.

(k) The total taxable value of all property assessed, exclusive of intangibles.

(*l*) Any other things required by the board.

CHAPTER 187

An act to amend Section 27361.7 of the Government Code, relating to recordation of documents.

[Approved by Governor July 14, 1981. Filed with Secretary of State July 14, 1981]

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

SECTION 1. Section 27361.7 of the Government Code is amended to read:

27361.7. Whenever the text of a document presented for record may be made out but is not sufficiently legible to reproduce a readable photographic record, the recorder may require the person presenting it for record to substitute a legible original document or

to prepare a legible copy of the first document by handwriting or typewriting and attach the same to the original as a part of the document for making the permanent photographic record. The handwritten or typewritten legible copy shall be certified by the party creating the copy under penalty of perjury as being a true copy of the original. As used in this section, the word "text" includes the notary seal, certificates, and other appendages thereto.

CHAPTER 188

An act to amend Section 903.1 of the Welfare and Institutions Code, relating to juvenile court law.

[Approved by Governor July 14, 1981. Filed with Secretary of State July 14, 1981]

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

SECTION 1. Section 903.1 of the Welfare and Institutions Code is amended to read:

903.1. The father, mother, spouse, or other person liable for the support of a minor, the estate of such a person, and the estate of the minor, shall be liable for the cost to the county of legal services rendered to the minor by the public defender pursuant to an order of the juvenile court, or for the cost to the county for the legal services rendered to the minor by an attorney in private practice appointed pursuant to an order of the juvenile court. The father, mother, spouse, or other person liable for the support of a minor and the estate of any such person shall also be liable for any cost to the county of legal services rendered directly to the father, mother, or spouse, of the minor or any other person liable for the support of the minor, in a dependency proceeding by the public defender pursuant to an order of the juvenile court, or by an attorney in private practice appointed pursuant to order of the juvenile court. The liability of such persons (in this article called relatives) and estates shall be a joint and several liability.

CHAPTER 189

An act to amend Section 1987.5 of the Code of Civil Procedure, relating to subpoenas.

[Approved by Governor July 14, 1981 Filed with Secretary of State July 14, 1981]

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

SECTION 1. Section 1987.5 of the Code of Civil Procedure is amended to read:

1987.5. The service of a subpoena duces tecum is invalid unless at the time of such service a copy of the affidavit upon which the subpoena is based is served on the person served with the subpoena. The original affidavit shall be filed with the court issuing the subpoena before the time designated for the appearance of the witness and production of the matters and things described in the subpoena, and in the case of a subpoena duces tecum which requires appearance and the production of matters and things at the taking of a deposition, the original shall be so filed not less than five days before such designated time, unless the court otherwise orders. In the case of a subpoena duces tecum which requires appearance and the production of matters and things at the taking of a deposition, the subpoena shall not be valid unless a copy of the affidavit upon which the subpoena is based and the designation of the materials to be produced, as set forth in the subpoena, is attached to the notice of taking the deposition served upon each party or its attorney as provided in Chapter 3 (commencing with Section 2002). If matters and things are produced pursuant to a subpoena duces tecum in violation of this section, any other party to the action may file a motion for, and the court may grant, an order providing appropriate relief, including, but not limited to, exclusion of the evidence affected by the violation, a retaking of the deposition notwithstanding any other limitation on discovery proceedings, or a continuance.

CHAPTER 190

An act to amend Sections 20622, 20630.5, 20640.8, and 20641.5 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 14, 1981 Filed with Secretary of State July 14, 1981.]

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

SECTION 1. Section 20622 of the Revenue and Taxation Code is amended to read:

20622. The claim for postponement shall be filed after May 15 of the calendar year in which the fiscal year for which postponement is claimed begins, and on or before December 10 of such fiscal year, if December 10th falls on Saturday, Sunday or a legal holiday, the date is extended to the next business day.

SEC. 2. Section 20630.5 of the Revenue and Taxation Code is amended to read:

20630.5. Claims made under this chapter shall be filed with the Controller after May 15 of the calendar year in which the fiscal year for which postponement is claimed begins, and on or before December 10 of such fiscal year. If December 10th falls on Saturday, Sunday or a legal holiday, the date is extended to the next business day. The claim shall be on a form supplied by the Controller and shall contain:

(a) Evidence acceptable to the Controller that the individual was an eligible claimant.

(b) A statement showing the household income for the period set forth in subdivision (b) of Section 20503.

(c) A statement describing the residential dwelling.

(d) Any other information necessary for the Controller to determine eligibility under this chapter.

SEC. 3. Section 20640.8 of the Revenue and Taxation Code is amended to read:

20640.8. The claim for postponement shall be filed after May 15 of the calendar year in which the fiscal year for which postponement is claimed begins, and on or before December 10 of such fiscal year. If December 10th falls on Saturday, Sunday or a legal holiday, the date is extended to the next business day.

SEC. 4. Section 20641.5 of the Revenue and Taxation Code is amended to read:

20641.5. If the Controller determines that good cause exists, a reasonable extension for filing a claim under Chapter 2 (commencing with Section 20581), Chapter 3 (commencing with Section 20625) or Chapter 3.5 (commencing with Section 20640) may be granted. However, no extension shall be granted beyond the fiscal year for which postponement is claimed.

CHAPTER 191

An act to amend Section 42806 of the Education Code, relating to county superintendents of schools.

[Approved by Governor July 14, 1981. Filed with Secretary of State July 14, 1981]

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

SECTION 1. Section 42806 of the Education Code is amended to read:

42806. The county superintendent of schools may, with the consent of the county board of education, establish a revolving cash fund for the use of the chief accounting officer of the county superintendent of schools, by adopting a resolution setting forth the necessity for the revolving cash fund, the officer for whom and the purposes for which the revolving cash fund shall be available, and the

amount of the fund. The purposes for which the revolving cash fund shall be available shall include the purposes specified in Section 45167. The amount of the fund shall not be more than 2 percent of the estimated expenditures of the county superintendent of schools for the current fiscal year and shall not in any event exceed thirty thousand dollars ($30,000). Three certified copies of the resolution shall be transmitted to the county board of education. If the county board of education approves the establishment of the fund, the chairman shall endorse his consent on the resolution and return one copy to the county superintendent of schools and transmit one copy to the county auditor.

CHAPTER 192

An act to amend Section 170.6 of the Code of Civil Procedure, relating to judges.

[Approved by Governor July 14, 1981 Filed with Secretary of State July 14, 1981.]

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

SECTION 1. Section 170.6 of the Code of Civil Procedure is amended to read:

170.6. (1) No judge, court commissioner, or referee of any superior, municipal or justice court of the State of California shall try any civil or criminal action or special proceeding of any kind or character nor hear any matter therein which involves a contested issue of law or fact when it shall be established as hereinafter provided that such judge or court commissioner is prejudiced against any party or attorney or the interest of any party or attorney appearing in such action or proceeding.

(2) Any party to or any attorney appearing in any such action or proceeding may establish such prejudice by an oral or written motion without notice supported by affidavit or declaration under penalty of perjury or an oral statement under oath that the judge, court commissioner, or referee before whom such action or proceeding is pending or to whom it is assigned is prejudiced against any such party or attorney or the interest of such party or attorney so that such party or attorney cannot or believes that he cannot have a fair and impartial trial or hearing before such judge, court commissioner, or referee. Where the judge, court commissioner, or referee assigned to or who is scheduled to try the cause or hear the matter is known at least 10 days before the date set for trial or hearing, the motion shall be made at least five days before that date. If directed to the trial of a cause where there is a master calendar, the motion shall be made to the judge supervising the master calendar not later than the time the cause is assigned for trial. In no

event shall any judge, court commissioner, or referee entertain such motion if it be made after the drawing of the name of the first juror, or if there be no jury, after the making of an opening statement by counsel for plaintiff, or if there be no such statement, then after swearing in the first witness or the giving of any evidence or after trial of the cause has otherwise commenced. If the motion is directed to a hearing (other than the trial of a cause), the motion must be made not later than the commencement of the hearing. In the case of trials or hearings not herein specifically provided for, the procedure herein specified shall be followed as nearly as may be. The fact that a judge, court commissioner, or referee has presided at or acted in connection with a pretrial conference or other hearing, proceeding or motion prior to trial and not involving a determination of contested fact issues relating to the merits shall not preclude the later making of the motion provided for herein at the time and in the manner hereinbefore provided.

(3) If such motion is duly presented and such affidavit or declaration under penalty of perjury is duly filed or such oral statement under oath is duly made, thereupon and without any further act or proof, the judge supervising the master calendar, if any, shall assign some other judge, court commissioner, or referee to try the cause or hear the matter. In other cases, the trial of the cause or the hearing of the matter shall be assigned or transferred to another judge, court commissioner, or referee of the court in which the trial or matter is pending or, if there is no other judge, court commissioner, or referee of the court in which the trial or matter is pending, the Chairman of the Judicial Council shall assign some other judge, court commissioner, or referee to try such cause or hear such matter as promptly as possible. Under no circumstances shall a party or attorney be permitted to make more than one such motion in any one action or special proceeding pursuant to this section; and in actions or special proceedings where there may be more than one plaintiff or similar party or more than one defendant or similar party appearing in the action or special proceeding, only one motion for each side may be made in any one action or special proceeding.

(4) Unless required for the convenience of the court or unless good cause is shown, a continuance of the trial or hearing shall not be granted by reason of the making of a motion under this section. If a continuance is granted, the cause or matter shall be continued from day to day or for other limited periods upon the trial or other calendar and shall be reassigned or transferred for trial or hearing as promptly as possible.

(5) Any affidavit filed pursuant to this section shall be in substantially the following form:

(Here set forth court and cause)

State of California,	} ss.	PEREMPTORY
County of	}	CHALLENGE

_____, being duly sworn, deposes and says: That he is a party (or attorney for a party) to the within action (or special proceeding). That _____ the judge, court commissioner, or referee before whom the trial of the (or a hearing in the) aforesaid action (or special proceeding) is pending (or to whom it is assigned), is prejudiced against the party (or his attorney) or the interest of the party (or his attorney) so that affiant cannot or believes that he cannot have a fair and impartial trial or hearing before such judge, court commissioner, or referee.

Subscribed and sworn to before me this
_____ day of _____, 19____.
(Clerk or notary public or other
officer administering oath)

(6) Any oral statement under oath or declaration under penalty of perjury made pursuant to this section shall include substantially the same contents as the affidavit above.

(7) Nothing in this section shall affect or limit the provisions of Section 170 and Title 4, Part 2, of this code and this section shall be construed as cumulative thereto.

(8) If any provision of this section or the application to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the section which can be given effect without the invalid provision or application and to this end the provisions of this section are declared to be severable.

CHAPTER 193

An act to amend Section 39802 of the Education Code, relating to school districts.

[Approved by Governor July 14, 1981 Filed with Secretary of State July 14, 1981]

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

SECTION 1. Section 39802 of the Education Code is amended to read:

39802. In order to procure the service at the lowest possible figure consistent with proper and satisfactory service, the governing board shall, whenever an expenditure of more than ten thousand dollars ($10,000) is involved, secure bids pursuant to Sections 39640 and 39641 whenever it be contemplated that a contract may be made with a person or corporation other than a common carrier or a

municipally owned transit system or a parent or guardian of the pupils to be transported. The governing board may let the contract for the service to other than the lowest bidder. No board shall make any purchase or enter into any contract for the service without securing the written approval of the county superintendent of schools.

CHAPTER 194

An act to amend Sections 39640 and 81640 of the Education Code, relating to education.

[Approved by Governor July 14, 1981 Filed with Secretary of State July 14, 1981]

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

SECTION 1. Section 39640 of the Education Code is amended to read:

39640. The governing board of any school district shall let any contracts involving an expenditure of more than twelve thousand dollars ($12,000) for work to be done or more than sixteen thousand dollars ($16,000) for materials or supplies to be furnished, sold, or leased to the district, to the lowest responsible bidder who shall give such security as the board requires, or else reject all bids. This section applies to all materials and supplies whether patented or otherwise.

SEC. 2. Section 81640 of the Education Code is amended to read:

81640. The governing board of any community college district shall let any contracts involving an expenditure of more than twelve thousand dollars ($12,000) for work to be done or more than sixteen thousand dollars ($16,000) for materials or supplies to be furnished, sold, or leased to the district, to the lowest responsible bidder who shall give such security as the board requires, or else reject all bids. This section applies to all materials and supplies whether patented or otherwise.

CHAPTER 195

An act to repeal Section 24251 of the Government Code, relating to counties.

[Approved by Governor July 14, 1981. Filed with Secretary of State July 14, 1981]

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

SECTION 1. Section 24251 of the Government Code is repealed.

CHAPTER 196

An act to amend Section 917.1 of the Code of Civil Procedure, relating to judgments and orders for money.

[Approved by Governor July 14, 1981 Filed with Secretary of State July 14, 1981.]

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

SECTION 1. Section 917.1 of the Code of Civil Procedure is amended to read:

917.1. The perfecting of an appeal shall not stay enforcement of the judgment or order in the trial court if the judgment or order is for money or directs the payment of money, whether consisting of a special fund or not, and whether payable by the appellant or another party to the action, unless an undertaking is given on condition that if the judgment or order or any part of it is affirmed or the appeal is withdrawn or dismissed, the party ordered to pay shall pay the amount of the judgment or order, or the part of it as to which the judgment or order is affirmed, as entered after the receipt of the remittitur, together with any interest which may have accrued pending the appeal and entry of the remittitur, and costs which may be awarded against the appellant on appeal. This section shall not apply in cases where the money to be paid is in the actual or constructive custody of the court; and such cases shall be governed, instead, by the provisions of Section 917.2. The undertaking shall be for double the amount of the judgment or order unless given by a corporate surety authorized to execute the same by Section 1056 in which event it shall be for one and one-half times the amount of the judgment or order. If the party ordered to pay does not make the payment within 30 days after the filing of the remittitur from the reviewing court and the trial court, on motion of the respondent, judgment may be entered in favor of the respondent on the undertaking for an amount as is appropriate hereunder. However, the surety shall not be held liable for an amount in excess of the undertaking.

If the judgment or order appealed from is for an amount in excess of two thousand dollars ($2,000) and the sureties do not state in their affidavits of justification accompanying the undertaking that they are each worth the amount specified in the undertaking, the stipulation may be that the judgment to be entered against the sureties shall be for such amounts only as in their affidavits they may state that they are severally worth, and judgment may be entered

against the sureties by the court from which the appeal is taken, pursuant to the stipulations herein designated.

CHAPTER 197

An act to amend Section 1005 of the Code of Civil Procedure, relating to notices.

[Approved by Governor July 14, 1981. Filed with Secretary of State July 14, 1981.]

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

SECTION 1. Section 1005 of the Code of Civil Procedure is amended to read:

1005. When a written notice of a motion is necessary, it shall be given at least 15 days before the time appointed for the hearing and shall be accompanied by all supporting points and authorities, declarations, and other supporting materials; provided that if the notice is served by mail, the required 15-day period of notice before the time appointed for the hearing shall be increased by five days if the place of address is within the State of California, 10 days if the place of address is outside the State of California but within the United States, and 20 days if the place of address is outside the United States. The provisions of subdivision (a) of Section 1013, extending the time within which a right may be exercised or an act may be done, do not apply to a notice of motion governed by this section. All papers opposing a motion so noticed shall be filed with the court and served on each party at least five days before the time appointed for the hearing.

The court, or a judge thereof, may prescribe a shorter time.

CHAPTER 198

An act to amend Section 45203 of the Education Code, relating to schools.

[Approved by Governor July 14, 1981. Filed with Secretary of State July 14, 1981.]

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

SECTION 1. Section 45203 of the Education Code is amended to read:

45203. All probationary or permanent employees a part of the classified service shall be entitled to the following paid holidays provided they are in a paid status during any portion of the working

day immediately preceding or succeeding the holiday: January 1, February 12 known as "Lincoln Day," the third Monday in February known as "Washington Day," the last Monday in May known as "Memorial Day," July 4, the first Monday in September known as "Labor Day," November 11 known as "Veterans Day," that Thursday in November proclaimed by the President as "Thanksgiving Day," December 25, every day appointed by the President, or the Governor of this state, as provided for in subdivisions (b) and (c) of Section 37220 for a public fast, thanksgiving or holiday, or any day declared a holiday under Section 1318 or 37222 for classified or certificated employees. School recesses during the Christmas, Easter, and mid-February periods shall not be considered holidays for classified employees who are normally required to work during that period. However, this shall not be construed as affecting vacation rights specified in this section.

Regular employees of the district who are not normally assigned to duty during the school holidays of December 25 and January 1 shall be paid for those two holidays provided that they were in a paid status during any portion of the working day of their normal assignment immediately preceding or succeeding the holiday period.

When a holiday listed in this section falls on a Sunday, the following Monday shall be deemed to be the holiday in lieu of the day observed. When a holiday listed in this section falls on a Saturday, the preceding Friday shall be deemed to be the holiday in lieu of the day observed. When a classified employee is required to work on any of these holidays, he or she shall be paid compensation, or given compensating time off, for such work, in addition to the regular pay received for the holiday, at the rate of time and one-half the employee's regular rate of pay.

The provisions of Article 3 (commencing with Section 37220) of Chapter 2 of Part 22 shall not be construed to in any way limit the provisions of this section, nor shall anything in this section be construed to prohibit the governing board from adopting separate work schedules for the certificated and the classified services, or from providing holiday pay for employees who have not been in paid status on the days specified herein. Notwithstanding the adoption of separate work schedules for the certificated and the classified services, on any schoolday during which pupils would otherwise have been in attendance but are not and for which certificated personnel receive regular pay, classified personnel shall also receive regular pay whether or not they are required to report for duty that day.

This section shall apply to districts that have adopted the merit system in the same manner and effect as if it were a part of Article 6 (commencing with Section 45240).

CHAPTER 199

An act to amend Section 26840.2 of the Government Code, relating to marriage licenses.

[Approved by Governor July 14, 1981. Filed with Secretary of State July 14, 1981.]

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

SECTION 1. Section 26840.2 of the Government Code is amended to read:

26840.2. Whenever the board of supervisors of a county makes provision by ordinance for the issuance of marriage licenses outside of the normal business hours, the board may establish a fee, in addition to that provided in Section 26840, not to exceed five dollars ($5), which shall be paid to the county treasury.

CHAPTER 200

An act to amend Section 25210.9c of the Government Code, relating to counties, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 14, 1981. Filed with Secretary of State July 14, 1981]

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

SECTION 1. Section 25210.9c of the Government Code is amended to read:

25210.9c. Pursuant to a resolution adopted by a four-fifths vote of all the members of its board of supervisors, a county may appropriate any of its available moneys to a revolving fund not to exceed one million dollars ($1,000,000) to be used for the acquisition of real or personal property, environmental impact studies, fiscal analysis, engineering services, salaries, wages, services, supplies, or the construction of structures or improvements needed in whole or in part to provide one or more extended services to a county service area located wholly within the county. The revolving fund shall be reimbursed from service fees, connection charges, tax revenues or other moneys available from the service area, and no sums shall be disbursed from the fund until the board has, by resolution, established the method by and term, not exceeding five years, within which the county service area is to reimburse the fund. The service area shall reimburse the fund for any amount disbursed to the service area within five years after such disbursement, together with interest at the current rate per annum received on similar types of

investments by the county as determined by the county treasurer.

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

The county revolving fund for county service areas permits immediate construction of badly needed public improvement projects, thereby avoiding escalating costs of construction and allowing use of the public improvements at a much earlier date. Public improvement construction costs in many instances exceed the revolving fund limit of five hundred thousand dollars ($500,000). Therefore, in order for the revolving fund to serve its purpose with respect to pending public improvement projects, it is necessary that the revolving fund limit be increased to one million dollars ($1,000,000) and that this increase become effective as soon as possible.

CHAPTER 201

An act to amend Section 65978 of the Government Code, relating to school facilities.

[Approved by Governor July 14, 1981 Filed with Secretary of State July 14, 1981]

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

SECTION 1. Section 65978 of the Government Code is amended to read:

65978. Any school district receiving funds pursuant to this chapter shall maintain a separate account for any fees paid and shall file a report with the city council or board of supervisors on the balance in the account at the end of the previous fiscal year and the facilities leased, purchased, or constructed during the previous fiscal year. In addition, the report shall specify which attendance areas will continue to be overcrowded when the fall term begins and where conditions of overcrowding will no longer exist. Such report shall be filed by October 15 of each year and shall be filed more frequently at the request of the board of supervisors or city council.

If overcrowding conditions no longer exist, the city or county shall cease levying any fee or requiring the dedication of any land pursuant to this chapter.

CHAPTER 202

An act to amend Section 3051 of the Civil Code, relating to liens.

[Approved by Governor July 14, 1981. Filed with Secretary of State July 14, 1981]

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

SECTION 1. Section 3051 of the Civil Code is amended to read:

3051. Every person who, while lawfully in possession of an article of personal property, renders any service to the owner thereof, by labor or skill, employed for the protection, improvement, safekeeping, or carriage thereof, has a special lien thereon, dependent on possession, for the compensation, if any, which is due to him from the owner for such service; a person who makes, alters, or repairs any article of personal property, at the request of the owner, or legal possessor of the property, has a lien on the same for his reasonable charges for the balance due for such work done and materials furnished, and may retain possession of the same until the charges are paid; and foundry proprietors and persons conducting a foundry business, have a lien, dependent on possession, upon all patterns in their hands belonging to a customer, for the balance due them from such customers for foundry work; and plastic fabricators and persons conducting a plastic fabricating business, have a lien, dependent on possession, upon all patterns and molds in their hands belonging to a customer, for the balance due them from such customer for plastic fabrication work; and laundry proprietors and persons conducting a laundry business, and drycleaning establishment proprietors and persons conducting a drycleaning establishment, have a general lien, dependent on possession, upon all personal property in their hands belonging to a customer, for the balance due them from such customer for laundry work, and for the balance due them from such customers for drycleaning work, but nothing in this section shall be construed to confer a lien in favor of a wholesale drycleaner on materials received from a drycleaning establishment proprietor or a person conducting a drycleaning establishment; and veterinary proprietors and veterinary surgeons shall have a lien dependent on possession, for their compensation in caring for, boarding, feeding, and medical treatment of animals.

This section shall have no application to any vessel as defined in Section 21 of the Harbors and Navigation Code or to any vehicle as defined in Section 670 of the Vehicle Code which is subject to registration pursuant to that code.

CHAPTER 203

An act to amend Section 933 of the Penal Code, relating to grand juries.

[Approved by Governor July 14, 1981 Filed with Secretary of State July 14, 1981.]

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

SECTION 1. Section 933 of the Penal Code is amended to read:

933. (a) No later than one month after the end of each fiscal year of a county, each grand jury impaneled during that fiscal year shall submit to the presiding judge of the superior court a final report of its findings and recommendations that pertain to county government matters other than fiscal matters during the fiscal year.

(b) No later than six months after the end of each fiscal year, each grand jury impaneled during that fiscal year shall submit to the presiding judge of the superior court a final report of its findings and recommendations that pertain to fiscal matters of county government during the fiscal year of the county.

(c) No later than 90 days after the grand jury submits any final report, the board of supervisors shall comment on the findings and recommendations of the grand jury that pertain to county government matters under the control of the board and every elective county officer shall report to the board of supervisors on the findings and recommendations pertaining to such county officer. All such comments and reports shall forthwith be submitted to the presiding judge of the superior court who impaneled the grand jury for the fiscal year. A copy thereof shall be placed on file with the county clerk and shall remain on file in the office of the county clerk.

CHAPTER 204

An act to add Section 978.5 to the Penal Code, relating to bench warrants.

[Approved by Governor July 14, 1981 Filed with Secretary of State July 14, 1981]

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

SECTION 1. Section 978.5 is added to the Penal Code, to read:

978.5. (a) A bench warrant of arrest may be issued whenever a defendant fails to appear in court as required by law including, but not limited to, the following situations:

(1) If the defendant is ordered by a judge or magistrate to personally appear in court at a specific time and place.

(2) If the defendant is released from custody on bail and is ordered by a judge or magistrate, or other person authorized to accept bail, to personally appear in court at a specific time and place.

(3) If the defendant is released from custody on his own recognizance and promises to personally appear in court at a specific time and place.

(4) If the defendant is released from custody or arrest upon citation by a peace officer or other person authorized to issue citations and the defendant has signed a promise to personally appear in court at a specific time and place.

(5) If a defendant is authorized to appear by counsel and the court or magistrate orders that the defendant personally appear in court at a specific time and place.

(6) If an information or indictment has been filed in the superior court and the court has fixed the date and place for the defendant personally to appear for arraignment.

(b) The bench warrant may be served in any county in the same manner as a warrant of arrest.

CHAPTER 205

An act to add Section 824 to the Penal Code, relating to juvenile court law.

[Approved by Governor July 14, 1981. Filed with Secretary of State July 14, 1981.]

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

SECTION 1. Section 824 is added to the Penal Code, to read:

824. When an adult willfully misrepresents himself or herself to be a minor under 18 years of age when taken into custody and this misrepresentation effects a material delay in investigation which prevents the filing of a criminal complaint against him or her in a court of competent jurisdiction within 48 hours, the complaint shall be filed within 48 hours from the time the true age is determined, excluding nonjudicial days.

CHAPTER 206

An act to amend Section 33080.1 of, and to add Section 33080.4 to, the Health and Safety Code, relating to redevelopment.

[Approved by Governor July 14, 1981. Filed with Secretary of State July 14, 1981]

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

SECTION 1. Section 33080.1 of the Health and Safety Code is amended to read:

33080.1. Every redevelopment agency shall present a report to its legislative body within six months of the end of the agency's fiscal year. The report shall contain all of the following:

(a) An independent financial audit report for the previous fiscal year. "Audit report" means an examination of, and opinion on, the financial statements of the agency which present the results of the operations and financial position of the agency. Such audit shall be conducted in accordance with generally accepted auditing standards and the rules governing audit reports promulgated by the State Board of Accountancy. The audit report shall also include an opinion of the agency's compliance with laws, regulations and administrative requirements governing activities of the agency.

However, the legislative body may elect to omit from inclusion in the audit report, any distinct activity of the agency which is funded exclusively by the federal government and which is subject to audit by an agency or instrumentality of the federal government.

(b) A work program for the coming year, including goals.

(c) An examination of the previous year's achievements and a comparison of the achievements with the goals of the previous year's work program.

(d) Recommendations for needed legislation to carry on properly a program of housing and community development in California.

(e) A description of the agency's activities affecting housing and displacement.

SEC. 2. Section 33080.4 is added to the Health and Safety Code, to read:

33080.4. For the purposes of compliance with paragraph (e) of Section 33080.1, the description of the agency's activities shall contain the following information irrespective of whether or not each activity is funded exclusively by the state or federal government:

(a) The total number of households that were displaced or moved from their dwelling units as part of a redevelopment project of the agency during the previous fiscal year.

(b) The total number of households that the agency estimates will be displaced or will move from their dwellings as part of a redevelopment project of the agency during the present fiscal year.

(c) The total number of dwelling units housing persons and families of low and moderate income which have been destroyed or removed from the low-or moderate-income housing market during the previous fiscal year as part of a redevelopment project of the agency.

(d) The total number of dwelling units which the agency has caused to be constructed, rehabilitated, or developed during the previous fiscal year for occupancy at an affordable housing cost by persons and families of low and moderate income.

CHAPTER 207

An act to amend the heading of Chapter 15.5 (commencing with Section 19280) of Part 4 of Division 14 of, and to amend Section 19280 of, the Streets and Highways Code, relating to highway lighting districts.

[Approved by Governor July 14, 1981 Filed with Secretary of State July 14, 1981]

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

SECTION 1. The heading of Chapter 15.5 (commencing with Section 19280) of Part 4 of Division 14 of the Streets and Highways Code is amended to read:

CHAPTER 15.5. DISSOLUTION UPON ANNEXATION TO MAINTENANCE DISTRICT OR ESTABLISHMENT OF A COUNTY SERVICE AREA

SEC. 2. Section 19280 of the Streets and Highways Code is amended to read:

19280. (a) A district organized under this part may be dissolved by resolution of the board of supervisors if all of the territory in the district has been annexed to a maintenance district for street lighting organized pursuant to Chapter 26 (commencing with Section 5820), Part 3, Division 7 and which shall provide service to the area and shall assume all of the assets and liabilities of the dissolved district.

Subsequent to annexation into a maintenance district for street lighting, and the dissolution of the highway lighting district formed pursuant to this part, all of the property tax revenues that would have accrued to the highway lighting district formed pursuant to this part, if it had remained a highway lighting district, shall accrue to the annexing maintenance district.

(b) A district organized under this part may be dissolved by a resolution of the board of supervisors, after a public hearing, where a county service area has been established to provide service to all the territory in the district and will assume all the assets and liabilities of the dissolved district.

CHAPTER 208

An act to amend Section 72706.1 of the Government Code, relating to court commissioners.

[Approved by Governor July 14, 1981. Filed with Secretary of State July 14, 1981]

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

SECTION 1. Section 72706.1 of the Government Code is amended to read:

72706.1. A commissioner of the municipal court may conduct arraignment proceedings in the court if directed to perform such duties by the presiding or sole judge of the court, including the issuance and signing of bench warrants.

CHAPTER 209

An act to add Section 2541.1 to the Penal Code, relating to correctional facilities personnel.

[Approved by Governor July 14, 1981. Filed with Secretary of State July 14, 1981.]

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

SECTION 1. Section 2541.1 is added to the Penal Code, to read:

2541.1. (a) No police officer, member of a sheriff's department, employee of a police department or sheriff's department, or employee of a city or county jail, or other city or county custodial correctional facility, shall, without permission of the police department or sheriff's department, make any gift or present to a prisoner or arrestee, or receive any gift or present from a prisoner or arrestee, or have any barter or dealings with a prisoner or arrestee.

(b) No officer, member, or employee of a police or sheriff's department shall be interested, directly or indirectly, in any contract or purchase made or authorized to be made by anyone for or on behalf of a county or city jail, or other county or city custodial correctional facility.

(c) For any violation of this section the officer, member, or employee shall be subject to the penalties set forth in Section 2540.

CHAPTER 210

An act to amend Section 4703 of the Labor Code, relating to workers' compensation death benefits.

[Approved by Governor July 14, 1981 Filed with Secretary of State July 14, 1981]

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

SECTION 1. Section 4703 of the Labor Code is amended to read:

4703. Subject to the provisions of Section 4704, this section shall

determine the right to a death benefit.

If there is any person wholly dependent for support upon a deceased employee, that person shall receive a full death benefit as set forth in Section 4702 for one total dependent, and any additional partial dependents shall receive a death benefit as set forth in subdivision (b) of Section 4702 to a maximum aggregate amount of twenty-five thousand dollars ($25,000).

If there are two or more persons wholly dependent for support upon a deceased employee, those persons shall receive the death benefit set forth in subdivision (a) of Section 4702, and any person partially dependent shall receive no part thereof.

If there is more than one person wholly dependent for support upon a deceased employee, the death benefit shall be divided equally among them.

If there is more than one person partially dependent for support upon a deceased employee, and no person wholly dependent for support, the amount allowed as a death benefit shall be divided among the persons so partially dependent in proportion to the relative extent of their dependency.

CHAPTER 211

An act to amend Section 8101 of the Health and Safety Code, and to add Section 594.3 to the Penal Code, relating to crime, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 16, 1981. Filed with Secretary of State July 19, 1981]

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

SECTION 1. Section 8101 of the Health and Safety Code is amended to read:

8101. (a) Every person is guilty of a crime and punishable by imprisonment in the state prison or by imprisonment in the county jail for not exceeding one year, who maliciously does any of the following:

(1) Destroys, cuts, mutilates, effaces, or otherwise injures, tears down, or removes any tomb, monument, memorial, or marker in a cemetery, or any gate, door, fence, wall, post or railing, or any inclosure for the protection of a cemetery or mortuary or any property in a cemetery or mortuary.

(2) Obliterates any grave, vault, niche, or crypt.

(3) Destroys, cuts, breaks or injures any mortuary building or any building, statuary, or ornamentation within the limits of a cemetery.

(4) Disturbs, obstructs, detains or interferes with any person carrying or accompanying human remains to a cemetery or funeral establishment, or engaged in a funeral service, or an interment.

(b) A court shall require as a condition of probation for any person convicted under this section, except in any case in which the court makes a finding and states on the record its reasons that such condition would be inappropriate, that such person wash, paint, repair, or replace the defaced, damaged, or destroyed property, or otherwise make restitution to the property owner. If restitution is found to be inappropriate, the court shall require as a condition of probation, except in any case in which the court makes a finding and states on the record its reasons that such condition would be inappropriate, that the defendant perform specified community service. Nothing in this section shall be construed to limit the authority of a court to grant or deny probation or provide conditions of probation.

SEC. 2. Section 594.3 is added to the Penal Code, to read:

594.3. Any person who knowingly commits any act of vandalism to a church, synagogue, 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 is guilty of a crime punishable by imprisonment in the state prison or by imprisonment in the county jail for not exceeding one year.

SEC. 3. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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:

Vandalism in cemeteries and in places of worship is a growing problem which is of paramount concern to the people of California. In order to permit agencies which are presently confronted with situations involving vandalism in cemeteries and to places of worship to take immediate and stringent action, it is necessary that this act go into effect immediately.

CHAPTER 212

An act to amend Sections 23104.4 and 23104.5 of, and to add Section 24045.8 to, the Business and Professions Code, relating to alcoholic beverages, and making an appropriation therefor.

[Approved by Governor July 18, 1981. Filed with Secretary of State July 19, 1981.]

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

SECTION 1. Section 23104.4 of the Business and Professions Code is amended to read:

23104.4. An executor or administrator of the estate of a deceased person who was not a licensee at the time of his death but in whose estate there is included an inventory of alcoholic beverages, or the guardian or conservator of the estate of an incompetent person in whose estate there is included an inventory of alcoholic beverages, is authorized to sell such alcoholic beverages to a licensee authorized to sell the same in accordance with regulations prescribed by the department. Nothing in this division prevents or restricts the sale to a nonlicensee of bottled wine included among such inventory of alcoholic beverages by such executor, administrator, guardian, conservator, or an auctioneer acting as an agent of any of the foregoing when the sale is in compliance with Section 24045.8.

SEC. 2. Section 23104.5 of the Business and Professions Code is amended to read:

23104.5. A sheriff or any other person appointed by a court of competent jurisdiction may sell alcoholic beverages pursuant to a writ of execution to satisfy a judgment, or to execute a court order, to licensees authorized to sell such alcoholic beverages. Nothing in this division prevents or restricts the sale to a nonlicensee of bottled wine included among such alcoholic beverages by such sheriff or court appointee, when such sale is in compliance with Section 24045.8.

SEC. 3. Section 24045.8 is added to the Business and Professions Code, to read:

24045.8. (a) The department may issue a special temporary off-sale wine license (1) to an executor, administrator, guardian or conservator of an estate, or to an auctioneer acting as an agent of any of the foregoing for the purpose of conducting a sale or auction of bottled wine to nonlicensees pursuant to Section 23104.4, or (2) to a sheriff or a person appointed by the court to execute a court order or writ of execution, for the purpose of conducting a sale of bottled wine to nonlicensees pursuant to Section 23104.5. An applicant for such a license shall accompany the application with a fee of one hundred dollars ($100).

(b) Such a license shall only entitle the licensee to sell or auction bottled wine included in the inventory of alcoholic beverages.

(c) Such a license shall be for the period required to dispose of the bottled wine to be sold or auctioned, or until the closing of the estate or execution of the court order or writ of execution, whichever occurs first.

(d) The department shall adopt such rules as it determines to be necessary to implement and administer the provisions of this section.

CHAPTER 213

An act to amend Section 68043 of the Government Code, relating to litter, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 18, 1981 Filed with Secretary of State July 19, 1981]

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

SECTION 1. Section 68043 of the Government Code is amended to read:

68043. (a) Thirty-two and one-half percent of the fund shall be available for grants to cities, counties, and public agencies or private entities designated by cities and counties, for expenditure for the cleanup or abatement of litter in public places, for public information and education activities to prevent and control littering and to reduce waste, for litter law enforcement, and for the purchase and maintenance of litter receptacles. Of the total amount allocated pursuant to this subdivision, 50 percent shall be allocated for expenditure within each county in proportion to the ratio of the population of such county to the total population of the state according to the most recent annual estimates published by the Department of Finance, and 50 percent shall be allocated for expenditure within each county in proportion to the ratio of the mileage of city and county streets and highways within such county to the total city and county street and highway mileage in the state based on the most recent estimates of the Department of Transportation.

The total funds allocated for expenditure within each county shall be distributed by either of the two following procedures:

(1) Fifty percent to the respective cities and the county in proportion to the ratio of the population residing in the respective cities and the unincorporated area to the total population of the county, and 50 percent to the respective cities and the county in proportion to the ratio of the city and county streets and highway mileage within the respective cities and the unincorporated area to the total city and county street and highway mileage within the county; or

(2) In accordance with a plan developed by the county and the cities and approved by the county board of supervisors and by at least 50 percent of the cities representing at least 50 percent of the total population residing within the cities in the county.

(b) To be eligible to receive a grant, every city or county or combination thereof shall submit to the board a letter of intent to participate in programs that will accomplish one or more of the objectives specified in subdivision (a). The letter of intent shall entitle the applicant to receive funds pursuant to this section for the

duration of the program authorized in this title. Any city or county or combination thereof may submit a letter of intent on or before September 1 of any fiscal year and become eligible to participate in the funds for the duration of the program authorized in this title.

(c) Any city or county or combination thereof eligible to receive funds pursuant to this section may grant funds received by it to any public agency or private entity capable of accomplishing one or more of the objectives specified in subdivision (a) unless, upon a specific finding, the board orders otherwise.

SEC. 2. Section 1 of this act shall become operative July 1, 1981.

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 cities and counties may be eligible for certain funds during the 1981–82 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 214

An act to amend Sections 216, 218, 222, 224, and 228 of, and to add Section 224.5 to, the Public Utilities Code, relating to gas.

[Approved by Governor July 18, 1981. Filed with Secretary of State July 19, 1981.]

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

SECTION 1. The Legislature hereby finds and declares that it is the policy of this state to encourage and facilitate the production and utilization of gas generated in conjunction with sanitary landfill projects, and that this is consistent with the established policy of this state relating to cogeneration technology.

SEC. 2. Section 216 of the Public Utilities Code is amended to read:

216. (a) "Public utility" includes every common carrier, toll bridge corporation, pipeline corporation, gas corporation, electrical corporation, telephone corporation, telegraph corporation, water corporation, sewer system corporation, wharfinger, and heat corporation, where the service is performed for or the commodity delivered to the public or any portion thereof.

(b) Whenever any common carrier, toll bridge corporation, pipeline corporation, gas corporation, electrical corporation, telephone corporation, telegraph corporation, water corporation, sewer system corporation, wharfinger, or heat corporation performs a service or delivers a commodity to the public or any portion thereof for which any compensation or payment whatsoever is received, such common carrier, toll bridge corporation, pipeline corporation,

gas corporation, electrical corporation, telephone corporation, telegraph corporation, water corporation, sewer system corporation, wharfinger, or heat corporation, is a public utility subject to the jurisdiction, control, and regulation of the commission and the provisions of this part.

(c) When any person or corporation performs any service or delivers any commodity to any person, private corporation, municipality or other political subdivision of the state, which in turn either directly or indirectly, mediately or immediately, performs such service or delivers such commodity to or for the public or some portion thereof, such person or corporation is a public utility subject to the jurisdiction, control, and regulation of the commission and the provisions of this part.

(d) In no event shall ownership or operation of a facility which employs cogeneration technology or producing power from other than a conventional power source or the ownership or operation of a facility which employs landfill gas technology be deemed to make a corporation or person a public utility, within the meaning of this section, solely because of the ownership or operation of such a facility.

SEC. 3. Section 218 of the Public Utilities Code is amended to read:

218. "Electrical corporation" includes every corporation or person owning, controlling, operating, or managing any electric plant for compensation within this state, except where electricity is generated on or distributed by the producer through private property alone solely for his own use or the use of his tenants and not for sale to others.

"Electrical corporation" shall not include a corporation or person employing cogeneration technology or producing power from other than a conventional power source solely for the generation of electricity for its own use or the use of its tenants or for sale to an electrical corporation or state or local public agency, but not for sale to others, unless such corporation or person is otherwise an electrical corporation.

"Electrical corporation" shall not include a corporation or person employing landfill gas technology for the generation of electricity for its own use or the use of its tenants or for sale to an electrical corporation or state or local public agency.

SEC. 4. Section 222 of the Public Utilities Code is amended to read:

222. "Gas corporation" includes every corporation or person owning, controlling, operating, or managing any gas plant for compensation within this state, except where gas is made or produced on and distributed by the maker or producer through private property alone solely for his own use or the use of his tenants and not for sale to others.

"Gas corporation" shall not include a corporation or person employing landfill gas technology for the production of gas for its

own use or the use of its tenants or for sale to a gas corporation or state or local public agency, except that if the gas produced is of such insufficient quality or heating value that it is unacceptable for introduction into the line, plant, or system of a gas corporation or state or local public agency, the person or corporation employing landfill gas technology may without becoming a gas corporation for purposes of this part sell the gas so produced to not more than four other corporations or persons.

SEC. 5. Section 224 of the Public Utilities Code is amended to read:

224. "Heat corporation" includes every corporation or person owning, controlling, operating, or managing any heating plant for compensation within this state, except where heat is generated on or distributed by the producer through private property alone solely for his own use or the use of his tenants and not for sale to others.

"Heat corporation" shall not include a corporation or person employing landfill gas technology for the production or generation of heat for its own use or the use of its tenants or for sale to a heat corporation or state or local public agency.

SEC. 6. Section 224.5 is added to the Public Utilities Code, to read:

224.5. "Landfill gas technology" means the process of extraction of gas or gaseous compounds from sanitary landfill areas which gas or compound was generated as a byproduct of the materials composing the landfill. For purposes of this division, real estate, fixtures, and personal property including gas extraction wells, engines and compressors for gas removal or storage, gas cleaning or rectifying equipment, equipment for the generation or production of steam, electricity, heat, or other form of energy through the use of landfill gas, and facilities for the transmission or distribution of landfill gas or other form of energy generated or produced therefrom shall not be considered an electrical, gas, or heat plant or pipe line.

SEC. 7. Section 228 of the Public Utilities Code is amended to read:

228. "Pipeline corporation" includes every corporation or person owning, controlling, operating, or managing any pipeline for compensation within this state.

"Pipeline corporation" shall not include a corporation or person employing landfill gas technology and owning, controlling, operating, or managing any pipeline solely for the transmission or distribution of landfill gas or other form of energy generated or produced therefrom.

CHAPTER 215

An act to amend Section 36 of the Code of Civil Procedure, relating to the trial of actions.

[Approved by Governor July 18, 1981. Filed with Secretary of State July 19, 1981.]

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

SECTION 1. Section 36 of the Code of Civil Procedure is amended to read:

36. (a) A civil case shall be entitled to preference upon the motion of any party to such action who has reached the age of 70 years unless the court finds that the party does not have a substantial interest in the case as a whole.

(b) Unless the court otherwise orders, notice of a motion for preference shall be served with the memorandum to set or the at-issue memorandum by the party serving the memorandum, or 10 days after such service by any other party; or thereafter during the pendency of the action upon the application of a party who reaches the age of 70 years.

(c) In its discretion, the court may also grant a motion for preference served with the memorandum to set or the at-issue memorandum and accompanied by clear and convincing medical documentation which concludes that one of the parties suffers from an illness or condition raising substantial medical doubt of survival of that party beyond six months, and which satisfies the court that the interests of justice will be served by granting such preference.

(d) Notwithstanding any other provision of law, the court may in its discretion grant a motion for preference served with the memorandum to set or the at-issue memorandum and accompanied by a showing of cause which satisfies the court that the interests of justice will be served by granting such preference.

(e) Upon the granting of such a motion for preference, the clerk shall set the case for trial not more than 120 days from that date and there shall be no continuance beyond 120 days from the granting of the motion for preference except for physical disability of a party or a party's attorney, or upon a showing of good cause stated in the record. No such continuance shall be for more than 15 days, nor shall more than one such continuance be granted to any party.

CHAPTER 216

An act to add Section 25208.1 to the Water Code, and to amend Section 33.1 of the Kings River Conservation District Act (Chapter 931 of the Statutes of 1951), relating to water agencies, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 18, 1981. Filed with Secretary of State July 19, 1981.]

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

SECTION 1. Section 25208.1 is added to the Water Code, to read:

25208.1. Notwithstanding the provisions of Section 25208 of the Water Code and any other provisions of law, the Board of Directors of the Solano Irrigation District may determine and provide, in any resolution providing for the issuance of bonds pursuant to this division, for the bonds to bear interest at a rate or rates not exceeding 18 percent a year if, before the issuance of the bonds, the board determines, to the best of its knowledge and belief, that the interest on the bonds will be subject to federal income taxation under then existing law.

SEC. 2. Section 33.1 of the Kings River Conservation District Act (Chapter 931 of the Statutes of 1951) is amended to read:

Sec. 33.1. Notwithstanding the provisions of Sections 54382 and 54402 of the Government Code and any other provisions of law, the board may determine and provide, in any resolution providing for the issuance of bonds pursuant to the Revenue Bond Law of 1941 (commencing with Section 54300 of the Government Code), for interest on the bonds at a rate or rates not exceeding 18 percent a year, payable annually or semiannually, if, before the issuance of the bonds, the board determines, to the best of its knowledge and belief, that the interest on the bonds will be subject to federal income taxation under then existing law.

SEC. 3. The Solano Irrigation District has a potential source of energy in a proposed district project which is urgently needed to provide an adequate energy supply to the residents of the district. This proposed source of energy is not common to other irrigation districts. The Legislature therefore finds and declares that a special law is necessary with respect to the Solano Irrigation District, that the provisions of Section 1 of this act are needed to meet the special circumstances within the district, and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

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

In order that the Solano Irrigation District and the Kings River Conservation District may be able to sell their bonds to finance necessary projects to carry out their purposes, it is necessary that this act take effect immediately.

CHAPTER 217

An act to amend Section 27282 of the Government Code, relating to state tax liens, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 18, 1981 Filed with Secretary of State July 19, 1981]

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

SECTION 1. Section 27282 of the Government Code is amended to read:

27282. (a) The following documents may be recorded without acknowledgment, certificate of acknowledgment, or further proof:

(1) A judgment affecting the title to or possession of real property, authenticated by the certificate of the clerk of the court in which the judgment was rendered.

(2) A notice of location of mining claim.

(3) Certificates of amounts of taxes, interest and penalties due, notices of state tax liens and extensions thereof executed by the state, county, or city taxing agencies or officials pursuant to Chapter 14 (commencing with Section 7150) of Division 7 of Title 1 of the Government Code, and Sections 2191.3, 2191.4, and 11495 of the Revenue and Taxation Code, and releases, partial releases, and subordinations executed pursuant to Chapter 14 (commencing with Section 7150) of Division 7 of Title 1 of the Government Code, and Sections 2191.4, 11496, 14307, and 14308 of the Revenue and Taxation Code.

(4) Notices of lien for postponed property taxes executed pursuant to Section 16182.

(5) A release, discharge, or subordination of a lien for postponed property taxes as authorized by Chapter 6 (commencing with Section 16180) of Part 1 of Division 4 of Title 2.

(6) A fixture filing as defined by paragraph (b) of subdivision (1) of Section 9313 of the Commercial Code.

(b) Any document described in this section, from the time it is filed with the recorder for record, is constructive notice of the contents thereof to subsequent purchasers and mortgagees.

SEC. 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 600 of the Statutes of 1980, among other things, repealed various state tax lien provisions contained in the Revenue and Taxation Code and the Unemployment Insurance Code and consolidated such provisions into the Government Code. In doing so, Chapter 600 would also have amended Section 27282 of the Government Code by making various conforming cross-references.

However, subsequent legislation chaptered out the amendments to Section 27282 proposed by Chapter 600 and, thus, Section 27282 will contain inaccurate cross-references to the provisions of law relating to state tax liens. In order to alleviate any confusion which may be caused by those inaccurate cross-references, it is necessary that this act take immediate effect.

CHAPTER 218

An act to amend Section 1381 of the Financial Code, relating to banks.

[Approved by Governor July 18, 1981 Filed with Secretary of State July 19, 1981.]

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

SECTION 1. Section 1381 of the Financial Code is amended to read:

1381. A commercial bank accepting savings deposits shall provide by its bylaws or by contract with its savings depositors the time and condition on which repayment is to be made to such depositors. The bank shall not waive any requirement of notice before payment of any savings deposit except as to all savings deposits.

Whenever there is any call by savings depositors for repayment of a greater amount than the bank may have disposable for that purpose, the bank must not make any new loan or investment until such excess call has ceased.

CHAPTER 219

An act to amend Sections 8000 and 48985 of the Education Code, relating to education.

[Approved by Governor July 18, 1981 Filed with Secretary of State July 19, 1981]

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

SECTION 1. Section 8000 of the Education Code is amended to read:

8000. The California Advisory Council on Vocational Education, hereinafter referred to as the council in this article, is hereby created, consisting of the Director of the Employment Development Department or his or her representative, the Director of the Department of Rehabilitation, or his or her representative, the Secretary of the Youth and Adult Correctional Agency, or his or her

representative, the Chairperson of the Comprehensive Employment and Training Council, or his or her designee, a member of the Assembly Education Committee appointed by the Speaker of the Assembly, a member of the Senate Education Committee appointed by the Senate Committee on Rules and 19 members appointed by the Governor.

Appointed council members shall be appointed for terms of three years or until a successor has been appointed except that members appointed for the fiscal year 1978-79, one-third of the membership shall be appointed for terms of one year each and one-third shall be appointed for terms of two years each, and appointments to fill vacancies shall be for such terms as remain unexpired. The council shall have as a majority of its members lay persons who are not professional educators or administrators currently in the field of education.

Nothing in this article shall prevent the reappointment or replacement of any individual serving on the council, provided any such reappointment is in conformity to all of the criteria established in this article. Any individual serving on the council on the operative date of the amendment to this section enacted in 1977 may continue to serve beyond October 1, 1977, or until a replacement is appointed or the individual is reappointed, but in no event may such an individual serve more than 90 days after such operative date.

Any members of the council missing three consecutive meetings, not through sickness or absence from the state, shall forfeit their office, thereby creating a vacancy.

SEC. 2. Section 48985 of the Education Code is amended to read:

48985. When 15 percent or more of the pupils enrolled in a public school that provides instruction in kindergarten or any of grades 1 through 12 speak a single primary language other than English, as determined from the census data submitted to the Department of Education pursuant to Section 52164 in the preceding year, all notices, reports, statements, or records sent to the parent or guardian of any such pupil by the school or school district shall, in addition to being written in English, be written in such primary language, and may be responded to either in English or the primary language.

CHAPTER 220

An act to add Sections 315.3 and 315.5 to the Fish and Game Code, relating to fishing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 1981. Filed with Secretary of State July 20, 1981.]

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

SECTION 1. Section 315.3 is added to the Fish and Game Code, to read:

315.3. The commission may, at any time when facts are presented to the commission which were not presented to the commission at the time of its December meeting held pursuant to Section 209, open any stream, lake, or other inland waters, or portions thereof, to the taking of any species or subspecies of fish for the proper utilization of the fish, for such time as the commission may designate or until such time as new legislation thereon enacted by the Legislature may become effective.

SEC. 2. Section 315.5 is added to the Fish and Game Code, to read:

315.5. Notwithstanding the 10-day review period established by subdivision (b) of Section 11349.6 of the Government Code, emergency regulations adopted pursuant to Section 315 or 315.3 shall go into effect immediately but shall otherwise be subject to review by the Office of Administrative Law conducted pursuant to Article 6 (commencing with Section 11349) of Chapter 3.5 of Part 1 of Division 3 of Title 2 of the Government Code.

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

The Fish and Game Commission became aware of the need and advantages to opening the Ten Mile River in northern California to sport fishing for Spring Run King Salmon after the deadline to promulgate new regulations for the 1981 season had passed. Thus, in order to permit sport fishing for salmon in the Ten Mile River as soon as possible after the start of the run in March 1981, it is necessary that this act take effect immediately.

CHAPTER 221

An act to amend Sections 39140 and 81130 of the Education Code, relating to school building, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 1981. Filed with Secretary of State July 20, 1981.]

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

SECTION 1. Section 39140 of the Education Code is amended to read:

39140. The Department of General Services under the police power of the state shall supervise the design and construction of any

school building or, if the estimated cost exceeds twenty thousand dollars ($20,000), the reconstruction or alteration of or addition to any school building, to ensure that plans and specifications comply with the rules and regulations adopted pursuant to this article and building standards published in Title 24 of the California Administrative Code, and to ensure that the work of construction has been performed in accordance with the approved plans and specifications, for the protection of life and property. Nothing in this section shall be construed to allow a school district to perform work with its own forces in excess of the limitations set forth in Sections 39640 and 39649.

Whenever repairs due to fire damage must be made to any school building previously approved by the Department of General Services, the approved plans and specifications used in the original work under then existing rules, regulations, and building standards may be used without modification, providing all other provisions of this article are carried out.

SEC. 2. Section 81130 of the Education Code is amended to read:

81130. The Department of General Services under the police power of the state shall supervise the design and construction of any school building or, if the estimated cost exceeds twenty thousand dollars ($20,000), the reconstruction or alteration of or addition to any school building, to ensure that plans and specifications comply with the rules and regulations adopted pursuant to this article and building standards published in Title 24 of the California Administrative Code, and to ensure that the work of construction has been performed in accordance with the approved plans and specifications, for the protection of life and property. Nothing in this section shall be construed to allow a community college district to perform work with its own forces in excess of the limitations set forth in Sections 81640 and 81649.

Whenever repairs due to fire damage must be made to any school building previously approved by the Department of General Services, the approved plans and specifications used in the original work under then existing rules, regulations, and building standards may be used without modification, providing all other provisions of this article are carried out.

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 enable districts to contract to make necessary repairs, such as repairs due to fire damage, in a timely manner at the lowest possible cost, it is necessary that this act go into immediate effect.

CHAPTER 222

An act making an appropriation for payment of a claim for the psychiatric expenses of crime victim Linda J. Ennis, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 1981 Filed with Secretary of State July 20, 1981.]

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

SECTION 1. There is hereby appropriated from the Indemnity Fund the sum of two thousand five hundred dollars ($2,500) to the State Board of Control for payment of a claim for the psychiatric expenses related to the rape and assault of Linda J. Ennis.

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

In order to pay the claim for the psychiatric expenses related to the rape and assault of Linda J. Ennis and ending a hardship to such person as quickly as possible, it is necessary that this act take effect immediately.

CHAPTER 223

An act to add Sections 26666 and 72114 to the Government Code, relating to counties.

[Approved by Governor July 19, 1981 Filed with Secretary of State July 20, 1981.]

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

SECTION 1. Section 26666 is added to the Government Code, to read:

26666. Notwithstanding any other provision of law, the board of supervisors of San Diego County may find, after holding a public hearing on the issue, that cost savings can be realized by consolidation of court-related services provided by the marshal and sheriff within that county. If such finding is made, there shall be conducted among all of the judges of the superior and municipal courts of such county an election to determine the agency, either the marshal or the sheriff, under which court-related services shall be consolidated. The outcome shall be determined by a simple majority of votes cast; provided that the total number of votes cast exceeds 50 percent of the number of superior and municipal judges in the county, by at least one vote. The registrar of voters shall administer

such election and tabulate the results thereof. The results of such election shall be reported within 15 days following the election period, by the registrar of voters to the board of supervisors and to the judges of the superior and municipal courts of such county. The board of supervisors shall immediately commence and, within a reasonable time not to exceed 90 days, implement the determination made by a majority of the judges of the superior and municipal courts of such county in such election. If an election is not conducted within 90 days of notification of the board of supervisors' finding, or if the results of the election are evenly divided, the board of supervisors of such county shall determine under which agency, either the marshal or the sheriff, court-related services shall be consolidated; and shall proceed to implement such consolidation as if on the basis of a majority vote of the judges of the superior and municipal courts of such county.

SEC. 2. Section 72114 is added to the Government Code, to read:

72114. Notwithstanding any other provision of law, the board of supervisors of San Diego County may find, after holding a public hearing on the issue, that cost savings can be realized by consolidation of court-related services provided by the marshal and sheriff within that county. If such finding is made, there shall be conducted among all of the judges of the superior and municipal courts of such county an election to determine the agency, either the marshal or the sheriff, under which court-related services shall be consolidated. The outcome shall be determined by a simple majority of votes cast; provided that the total number of votes cast exceeds 50 percent of the number of superior and municipal judges in the county, by at least one vote. The registrar of voters shall administer such election and tabulate the results thereof. The results of such election shall be reported within 15 days following the election period by the registrar of voters to the board of supervisors and to the judges of the superior and municipal courts of such county. The board of supervisors shall immediately commence and, within a reasonable time not to exceed 90 days, implement the determination made by a majority of the judges of the superior and municipal courts of such county in such election. If an election is not conducted within 90 days of notification of the board of supervisors' finding, or if the results of the election are evenly divided, the board of supervisors of such county shall determine under which agency, either the marshal or the sheriff, court-related services shall be consolidated, and shall proceed to implement such consolidation as if on the basis of a majority vote of the judges of the superior and municipal courts of such county.

SEC. 3. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act.

SEC. 4. Notwithstanding Section 2231.5 of the Revenue and Taxation Code, this act does not contain a repealer, as required by that section; therefore, the provisions of this act shall remain in effect unless and until they are amended or repealed by a later enacted act.

CHAPTER 224

An act to repeal Chapter 13 (commencing with Section 13300) of Division 5 of the Business and Professions Code, and to add Part 8 (commencing with Section 7100) to Division 4 of the Civil Code, relating to pricing consumer commodities.

[Approved by Governor July 19, 1981 Filed with Secretary of State July 20, 1981]

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

SECTION 1. Chapter 13 (commencing with Section 13300) of Division 5 of the Business and Professions Code is repealed.

SEC. 2. Part 8 (commencing with Section 7100) is added to Division 4 of the Civil Code, to read:

PART 8. AUTOMATIC CHECKOUT SYSTEM

7100. (a) Every retail grocery store or grocery department within a general retail merchandise store which uses an automatic checkout system shall cause to have a clearly readable price indicated on 85 percent of the total number of packaged consumer commodities offered for sale which are not exempt pursuant to subdivision (b).

The management of any such retail grocery store or grocery department shall determine the number of consumer commodities normally offered for sale on a daily basis, shall determine the consumer commodities to be exempted pursuant to this subdivision, and shall maintain a list of those consumer commodities exempt pursuant to this subdivision. The list shall be made available to a designated representative of the appropriate local union, the members of which are responsible for item pricing, in those stores or departments that have collective bargaining agreements, seven days prior to an item or items being exempted pursuant to this subdivision. In addition, the list shall be available and posted in a prominent place in the store seven days prior to an item or items being exempted pursuant to this subdivision.

(b) The provisions of this section shall not apply to any of the following:

(1) Any consumer commodity which was not generally item-priced on January 1, 1977, as determined by the Department of Food and Agriculture pursuant to subdivision (c) of Section 12604.5

of the Business and Professions Code, as in effect July 8, 1977.

(2) Any unpackaged fresh food produce, or to consumer commodities which are under three cubic inches in size, weigh less than three ounces, and are priced under forty cents ($0.40).

(3) Any consumer commodity offered as a sale item or as a special.

(4) Any business which has as its only regular employees the owner thereof, or the parent, spouse, or child of such owner, or, in addition thereto, not more than two other regular employees.

(5) Identical items within a multi-item package.

(6) Items sold through a vending machine.

(c) For the purposes of this section:

(1) "Automatic checkout system" means a computer capable of interpreting the universal product code or any other code which is on an item offered for sale to determine the price of items being purchased, regardless of whether the code entry is accomplished manually by a human or automatically by a machine.

(2) "Consumer commodity" includes:

(A) Food, including all material whether solid, liquid, or mixed, and whether simple or compound, which is used or intended for consumption by human beings or domestic animals normally kept as household pets, and all substances or ingredients added to any such material for any purpose. This definition shall not apply to individual packages of cigarettes or individual cigars.

(B) Napkins, facial tissues, toilet tissues, foil wrapping, plastic wrapping, paper toweling, and disposable plates and cups.

(C) Detergents, soaps, and other cleaning agents.

(D) Pharmaceuticals, including nonprescription drugs, bandages, female hygiene products, and toiletries.

(3) "Grocery department" means an area within a general retail merchandise store which is engaged primarily in the retail sale of packaged food, rather than food prepared for immediate consumption on or off the premises.

(4) "Grocery store" means a store engaged primarily in the retail sale of packaged food, rather than food prepared for consumption on the premises.

(5) "Sale item or special" means any consumer commodity offered in good faith for a period of 14 days or less, on sale at a price below the normal price that item is usually sold for in that store. The Department of Food and Agriculture shall determine the normal length of a sale held for consumer commodities generally item priced on January 1, 1977, in stores regulated pursuant to this chapter, and that period shall be used for the purposes of this subdivision. The department's determination as to the normal length of a sale shall be binding for the purposes of this section, but each such determination shall not exceed seven days.

7101. (a) The intentional violation of Section 7100 is punishable by a civil penalty of not less than twenty-five dollars ($25) nor more than five hundred dollars ($500).

(b) Failure to have a clearly readable price indicated on 12 units

of the same item required to be item-priced of the same commodity shall constitute a presumption of intent to violate Section 7100.

(c) Every additional 12 units of the same item required to be item-priced that fail to have a price indicated on them shall constitute a presumption of intent to violate Section 7100.

(d) Each day that a violation continues shall also constitute a separate violation after notification thereof to the manager or assistant manager of the retail grocery store or the grocery department of the general retail merchandise store and shall constitute a presumption of intent to violate Section 7100.

(e) Notwithstanding any other provision of law, any person may bring an action to enjoin a violation of Section 7100.

7102. Any person, firm, corporation, or association who violates Sections 7100 and 7101 shall be liable to any person injured for any losses and expenses thereby incurred, and for the sum of fifty dollars ($50) in addition thereto. The remedy set forth herein is applicable only to actions brought in the name of, and on behalf of, a single plaintiff and shall not be applicable in multiple plaintiff or class actions.

7103. Improper pricing on the shelf or on the item due to unintentional error shall not constitute a violation of this division.

7104. The remedies set forth in Sections 7101 and 7102 are the exclusive remedies available to any person, state or local agency or law enforcement official.

7105. This part shall be known and may be cited as the Rosenthal-Roberti Item Pricing Act.

7106. It is the intention of the Legislature that this part shall occupy the field with regard to item pricing and shall preempt all local ordinances, rules, or regulations concerning item pricing.

CHAPTER 225

An act to amend Section 2033 of the Code of Civil Procedure, relating to discovery of evidence.

[Approved by Governor July 19, 1981 Filed with Secretary of State July 20, 1981]

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

SECTION 1. Section 2033 of the Code of Civil Procedure is amended to read:

2033. (a) After service of summons or the appearance of a party, any other party who has appeared in the action may serve upon any party who has been served or who has appeared a written request for the admission by the latter of the genuineness of any relevant documents described in the request or of the truth of any relevant matters of fact set forth in the request. If a plaintiff desires to serve

a request within 10 days after the service of summons or the appearance, leave of court, granted with or without notice, shall be obtained. Copies of the documents shall be served with the request unless copies have already been furnished, and upon request the originals shall be made available for inspection. Each of the matters of which an admission is requested shall be deemed admitted, provided that the original request contained substantially the following words at the end thereof: "If you fail to comply with the provisions of Section 2033 of the Code of Civil Procedure with respect to this request for admissions, each of the matters of which an admission is requested will be deemed admitted", unless, within the period designated in the request, not less than 30 days after service thereof or within a shorter time as the court may allow for good cause on motion and notice to the party to whom the request is directed or within such longer time as the court may allow for good cause and with or without notice, but in no event later than 60 days prior to the date of trial, the party to whom the request is directed serves upon the party requesting the admission either (1) a sworn statement denying specifically the matters of which an admission is requested or setting forth in detail the reasons why the party cannot truthfully admit or deny those matters or (2) written objections on the ground that some or all of the requested admissions are privileged or irrelevant or that the request is otherwise improper in whole or in part. If written objections to a part of the request are made, the remainder of the request shall be answered within the period designated in the request. A denial shall fairly meet the substance of the requested admission, and when good faith requires that a party deny only a part of a matter of which an admission is requested, or that the party qualify his or her response thereto, the party shall specify so much of it as is true and deny or qualify only the remainder. If the party who has submitted the requests for admissions deems that further response is required, he or she may move the court for an order requiring further response. The motion shall be upon notice given within 30 days from date of service of the responses unless the court, on motion and notice, and for good cause shown, enlarges the time. Otherwise, the party submitting the requests for admissions shall be deemed to have waived the right to compel further responses pursuant to this section. Copies of all requests for admissions and of all responses thereto shall be served upon all other parties to the action who have appeared; but the court on motion with or without notice may waive this requirement if the court determines that enforcement thereof would be unduly expensive, oppressive, or burdensome. At any time prior to final judgment and upon written request, the party originating requests for admissions or responses thereto shall provide within 30 days of the written request a copy thereof to any other party for any reason not previously served.

The party responding to the request for admissions shall serve the original responses made under oath upon the party serving the

request for admissions. The party serving the request for admissions shall retain the original thereof with the original proof of service affixed thereto and the original responses for at least six months after the judgment has become final.

Upon failure of a party served with requests for admissions pursuant to this section either to answer or to file objections within the period as designated in the request or as extended by the court, the party making the request may serve upon the other party a notice in writing by certified or registered mail, return receipt requested, notifying the party so served that the genuineness of the documents or the truth of the facts has been deemed admitted. Once the notice is served, the party upon whom the notice is served shall not have the right to apply for relief under the provisions of Section 473 unless a motion requesting relief is served and filed within 30 days after service of the notice.

(b) The number of requests for admissions or of sets of requests for admissions to be served is not limited except as justice requires to protect the party from annoyance, expense, embarrassment, or oppression. The provisions of subdivision (b) of Section 2019 are applicable for the protection of the party from whom the admissions are requested under this section.

(c) Any admission made by a party pursuant to such request is for the purpose of the pending action only and neither constitutes an admission by the party for any other purpose nor may be used against the party in any other action.

(d) Service upon a party of any request for admission or response under this section may be made upon any party or the party's attorney in the manner provided in Chapter 5 (commencing with Section 1010) of Title 14 of Part 2.

CHAPTER 226

An act to amend Section 1306 of the Penal Code, relating to bail bonds.

[Approved by Governor July 19, 1981 Filed with Secretary of State July 20, 1981]

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

SECTION 1. Section 1306 of the Penal Code is amended to read:

1306. When any bond is forfeited and the period of time specified in Section 1305 has elapsed without the forfeiture having been set aside, the court which has declared the forfeiture, regardless of the amount of the bail, shall enter a summary judgment against each bondsman named in the bond in the amount for which the bondsman has bound himself. In no event shall the judgment exceed the amount of the bond, with costs and notwithstanding any other

provision of law, no penalty assessments shall be levied or added to the judgment.

If, because of the failure of any court to promptly perform the duties enjoined upon it pursuant to this section, summary judgment is not entered within 90 days after the date upon which it may first be entered, the right to do so expires and the bail is exonerated.

A dismissal of the complaint, indictment or information after the default of the defendant shall not release or affect the obligation of the bail bond or undertaking.

Within five days after the summary judgment becomes final, the district attorney or civil legal adviser of the board of supervisors shall demand immediate payment of the judgment. If the judgment remains unpaid for a period of 20 days after demand has been made, he shall forthwith cause a writ of execution to issue and be levied upon the property of the judgment debtor, and shall take any other steps necessary to collect the judgment.

The right to enforce a summary judgment entered against a bondsman pursuant to this section shall expire two years after the entry of the judgment.

CHAPTER 227

An act to amend Section 1985.3 of the Code of Civil Procedure, relating to subpoenas, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 1981. Filed with Secretary of State July 20, 1981]

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

SECTION 1. Section 1985.3 of the Code of Civil Procedure is amended to read:

1985.3. (a) For purposes of this section, the following definitions apply:

(1) "Personal records" means the original or any copy of books, documents or other things pertaining to a consumer and which are maintained by any "witness" which is a physician, hospital, state or national bank, state or federally chartered savings and loan association, state or federal credit union, trust company, insurance company, attorney, or accountant.

(2) "Consumer" means any individual, partnership of five or fewer persons, association, or trust which has transacted business with or has used the services of such witness or for whom the witness has acted as agent or fiduciary.

(3) "Subpoenaing party" means the person or persons causing a subpoena duces tecum to be issued or served in connection with any civil action or proceeding commenced pursuant to this code, but

shall not include the state or local agencies described in Section 7465 of the Government Code, or any entity provided for under Article VI of the California Constitution in any proceeding maintained before an adjudicative body of that entity pursuant to the provisions of Chapter 4 (commencing with Section 6000) of Division 3 of the Business and Professions Code.

(b) The date specified in a subpoena duces tecum for the production of personal records shall not be less than 15 days from the date the subpoena is issued. Except as provided in subdivision (e) or (f), at least 15 days prior to the date called for in the subpoena duces tecum for the production of personal records, the subpoenaing party shall do both of the following:

(1) Give constructive notice to the consumer whose records are being sought by delivering a copy of the subpoena duces tecum, of the affidavit supporting the issuance of the subpoena, and of the notice described in subdivision (c) to him personally, or at his last known address, or in accordance with Chapter 5 (commencing with Section 1010) of Title 14 of Part 3, or, if he is a party, to his attorney of record.

(2) Simultaneously with service of the subpoena duces tecum, serve upon the witness a certificate signed by the subpoenaing party or his attorney, attesting to compliance with paragraph (1).

(c) Every copy of the subpoena duces tecum and affidavit served on a consumer or his attorney in accordance with paragraph (1) of subdivision (b) shall be accompanied by a notice in a typeface designed to call attention to the notice indicating that (1) records about the consumer are being sought from the witness named on the attached subpoena; (2) if the consumer objects to the witness furnishing the records to the party seeking the records, the consumer must file papers with the court within 10 days from the receipt of the subpoena; and (3) if the party who is seeking the records will not agree in writing to cancel or limit the subpoena, an attorney should be consulted about the consumer's interest in protecting the right of privacy.

(d) Any consumer whose personal records are sought by a subpoena duces tecum may, within 10 days from the receipt of the subpoena, bring a motion under Section 1987.1 to quash or modify the subpoena duces tecum. No witness shall be required to produce personal records after receipt of a notice that such a motion has been brought, except upon order of the court in which the action is pending or by agreement of the parties, witnesses, and consumers affected.

(e) Upon good cause shown and provided that the rights of witnesses and consumers are preserved, a subpoenaing party shall be entitled to obtain an order shortening the time for service of a subpoena duces tecum or waiving the requirements of subdivision (b) where due diligence by the subpoenaing party has been shown.

(f) Nothing contained in this section shall be construed to apply to any subpoena duces tecum which does not request the records of

any particular consumer or consumers and which does require a custodian of records to delete all information which would in any way identify any consumer whose records are to be produced.

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

In order to exempt the organization established by Article VI of the California Constitution, such as the State Bar, from the requirements of Section 1985.3 of the Code of Civil Procedure which will become effective July 1, 1981, it is necessary that this act go into effect immediately.

SEC. 3. This act shall become operative July 1, 1981.

CHAPTER 228

An act to amend Section 12701 of the Business and Professions Code, relating to weights and measures.

[Approved by Governor July 19, 1981 Filed with Secretary of State July 20, 1981]

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

SECTION 1. Section 12701 of the Business and Professions Code is amended to read:

12701. The following shall not be construed to be public weighmasters:

(a) Retailers weighing, measuring, or counting commodities for sale by them in retail stores directly to consumers. The provisions of this exemption shall not apply to persons, firms, or corporations weighing bulk lot commodities on vehicle or hopper scales, or selling such commodities by volume, when the purchaser is not present at the time the weight or measure determination is made.

(b) Producers of agricultural commodities or livestock, weighing commodities produced or purchased by them or by their producer neighbors, when no charge is made for such weighing, or no signed or initialed statement or memorandum is issued of the weight upon which a purchase or sale of the commodity is based; except that when such weight is to be used by a processor or conditioner as a basis of payment there shall be no exception to the provisions of Section 12734.

(c) Common carriers issuing waybills or bills of lading on which are recorded, for the purpose of computing transportation charges, the weights of commodities offered for transportation, including carriers of household goods when transporting shipments weighing less than 1,000 pounds.

(d) Weighers licensed under the provisions of Section 35161 of the

Food and Agricultural Code when performing the duties for which they are licensed.

(e) Employees of the department authorized to weigh agricultural products under the provisions of Chapter 8 (commencing with Section 12801) of Division 5, when performing the duties authorized thereby.

(f) Persons who measure the amount of oil, gas, or other fuels for purposes of royalty computation and payment, or other operations of fuel and oil companies and their retail outlets.

(g) Employees of newspaper publishers weighing or counting newspapers for sale to dealers or distributors.

(h) Textile maintenance establishments weighing, counting, or measuring any articles in connection with the business of such establishments.

(i) Employees of garbage and refuse disposal districts operating pursuant to Chapter 1.5 (commencing with Section 4170) of Part 2 of Division 5 of the Health and Safety Code and county sanitation districts operating pursuant to Chapter 3 (commencing with Section 4700) of Part 3 of Division 5 of the Health and Safety Code, which are authorized by their respective governing boards to utilize scales in determining charges for the disposal of liquid and solid wastes and employees of operators of solid waste disposal facilities, as defined in Section 66720.1 of the Government Code.

(j) Persons who purchase scrap metal or salvage materials pursuant to a nonprofit cycling program.

(k) Persons operating under a license issued pursuant to Section 11701 of the Food and Agricultural Code.

(*l*) Retailers weighing, measuring, or counting salvage or returnable materials for purchase or redemption by them in retail stores directly from and in the presence of the seller.

(m) For the purposes of this section, "retailer" means an entity which derives 90 percent or more of its income from the sale of small quantities of food and nonfood items directly to consumers, and "salvage materials" means used paper products and used containers made of aluminum, tin, glass, or plastic.

CHAPTER 229

An act to amend Sections 35066 and 35067 of the Government Code, relating to municipal organizations.

[Approved by Governor July 19, 1981 Filed with Secretary of State July 20, 1981]

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

SECTION 1. Section 35066 of the Government Code is amended to read:

35066. The conducting authority, or any member or members of the conducting authority authorized by it, or any individual voter or bona fide association of citizens entitled to vote on the incorporation, change of organization, or municipal reorganization, or any combination of such voters and bona fide association of citizens may file a written argument for, or a written argument against, the question to be submitted to the voters.

Arguments shall not exceed 300 words in length and shall be filed with the clerk of the conducting authority no later than the last day for submission of arguments specified by Section 35067.

SEC. 2. Section 35067 of the Government Code is amended to read:

35067. On the basis of the time reasonably necessary to prepare and print the arguments, analysis, and sample ballots for the election, the clerk of the conducting authority shall fix and determine a reasonable date prior to the election after which no arguments for or against the measure may be submitted for printing and distribution to the voters. Notice of the date fixed shall be published in accordance with Section 6061 in a newspaper of general circulation which is circulated in the affected territory. Arguments may be changed until and including the date fixed by the clerk.

The notice shall contain the following:

(a) A statement of the proposition to be voted on and a general description of the boundaries of the affected territory;

(b) An invitation to any registered voter or bona fide association of citizens entitled to vote on the proposal to submit and file with the clerk for printing and distribution in the ballot pamphlet, an argument for or an argument against the proposal;

(c) The date of the election;

(d) A statement that only one argument for and one argument against shall be selected and printed in the ballot pamphlet; and

(e) A statement that arguments shall not exceed 300 words in length and shall be accompanied by not more than three signatures.

CHAPTER 230

An act to amend Section 70031 of the Education Code, to amend Sections 3517.6, 3532, 3572.5, 11007.6, 11030.1, 11030.2, 11031, 11552, 13920, 14876, 18000, 18575, 18714, 18861, 19100, 19143, 19143.5, 19172, 19261, and 19572 of, to add Part 2.6 (commencing with Section 19815) to Division 5 of Title 2 of, and to repeal Sections 13924, 13926, 18001, 18002, 18002.5, 18004, 18005, 18005.5, 18006, 18007, 18705, 18709, 18709.5, 19251, 19252, 19258, 19258.5 and 19259 of, to repeal Chapter 4 (commencing with Section 13950) of Division 3 of Title 2, Article 2 (commencing with Section 18020) of Chapter 1 of Part 1 of Division

5 of Title 2, Article 3 (commencing with Section 18030) of Chapter 1 of Part 1 of Division 5 of Title 2, Article 4 (commencing with Section 18041) of Chapter 1 of Part 1 of Division 5 of Title 2, Chapter 2 (commencing with Section 18050) of Part 1 of Division 5 of Title 2, Chapter 3 (commencing with Section 18100) of Part 1 of Division 5 of Title 2, Chapter 3.5 (commencing with Section 18120) of Part 1 of Division 5 of Title 2, Chapter 3.6 (commencing with Section 18135) of Part 1 of Division 5 of Title 2, Article 1 (commencing with Section 18250) of Chapter 6 of Part 1 of Division 5 of Title 2, Chapter 7 (commencing with Section 18300) of Part 1 of Division 5 of Title 2, Chapter 8 (commencing with Section 18310) of Part 1 of Division 5 of Title 2, Article 4 (commencing with Section 18730) of Chapter 2 of Part 2 of Division 5 of Title 2, Chapter 4 (commencing with Section 18850) of Part 2 of Division 5 of Title 2, Article 4 (commencing with Section 19120) of Chapter 6 of Part 2 of Division 5 of Title 2, Article 8 (commencing with Section 19220) of Chapter 6 of Part 2 of Division 5 of Title 2, Article 2 (commencing with Section 19300) of Chapter 7 of Part 2 of Division 5 of Title 2, Article 3 (commencing with Section 19330) of Chapter 7 of Part 2 of Division 5 of Title 2, Article 4 (commencing with Section 19360) of Chapter 7 of Part 2 of Division 5 of Title 2, Article 5 (commencing with Section 19450) of Chapter 7 of Part 2 of Division 5 of Title 2, Article 6 (commencing with Section 19460) of Chapter 7 of Part 2 of Division 5 of Title 2, Article 1 (commencing with Section 19500) of Chapter 8 of Part 2 of Division 5 of Title 2, Article 2 (commencing with Section 19530) of Chapter 8 of Part 2 of Division 5 of Title 2, and Article 2.5 (commencing with Section 19555) of Chapter 8 of Part 2 of Division 5 of Title 2 of, the Government Code, relating to state employees.

[Approved by Governor July 19, 1981 Filed with Secretary of State July 20, 1981.]

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

SECTION 1. Section 70031 of the Education Code is amended to read:

70031. (a) The Department of Personnel Administration shall establish and adjust the salaries of the superintendent, members of the teaching staff, officers and employees of the California Maritime Academy in the same manner and following the same procedures as in the establishment and adjustment of state civil service salaries.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5 of the Government Code, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget

Act.

SEC. 1.3. Section 3517.6 of the Government Code is amended to read:

3517.6. In any case where the provisions of Section 70031 of the Education Code, or subdivision (h) of Section 3513, or Section 14876, 18714, 19080.5, 19100, 19143, 19261, 19819.1, 19820, 19822, 19824, 19826, 19827, 19828, 19829, 19830, 19831, 19832, 19833, 19834, 19835, 19836, 19837, 19838, 19839, 19840, 19841, 19842, 19843, 19844, 19845, 19846, 19847, 19848, 19849, 19849.1, 19849.4, 19850.1, 19850.2, 19850.3, 19850.4, 19850.5, 19850.6, 19851, 19853, 19854, 19856, 19856.1, 19858.1, 19858.2, 19859, 19860, 19861, 19862, 19862.1, 19863, 19863.1, 19864, 19866, 19869, 19870, 19871, 19871.1, 19872, 19873, 19874, 19875, 19876, 19877, 19877.1, 19878, 19879, 19880, 19880.1, 19881, 19882, 19883, 19884, 19885, 19886, 19886.1, 19886.2, 19887, 19887.1, 19887.2, 19888, 19990, 19991, 19991.1, 19991.2, 19991.3, 19991.4, 19991.5, 19991.6, 19991.7, 19992, 19992.1, 19992.2, 19992.3, 19992.4, 19993, 19994.1, 19994.2, 19994.3, 19994.4, 19995, 19995.1, 19995.2, 19995.3, 19996.1, 19996.2, 19998, 19998.1, 20750.11, 21400, 21402, 21404, 21405, 22825, or 22825.1 are in conflict with the provisions of a memorandum of understanding, the memorandum of understanding shall be controlling without further legislative action. In any case where the provisions of Section 19997.2, 19997.3, 19997.8, 19997.9, 19997.10, 19997.11, 19997.12, 19997.13, or 19997.14 are in conflict with the provisions of a memorandum of understanding, the terms of the memorandum of understanding shall be controlling unless the State Personnel Board finds those terms to be inconsistent with merit employment principles as provided for by Article VII of the California Constitution. Where such finding is made, the provisions of the Government Code shall prevail until those affected sections of the memorandum of understanding are renegotiated to resolve the inconsistency. If any provision of the memorandum of understanding requires the expenditure of funds, those provisions of the memorandum of understanding shall not become effective unless approved by the Legislature in the annual Budget Act. If any provision of the memorandum of understanding requires legislative action to permit its implementation by amendment of any section not cited above, those provisions of the memorandum of understanding shall not become effective unless approved by the Legislature.

SEC. 1.5. Section 3532 of the Government Code is amended to read:

3532. The state may adopt reasonable rules and regulations for the administration of employer-employee relations under this chapter.

Such rules and regulations may include provisions for (a) verifying that an organization does in fact represent employees of the state (b) verifying the official status of employee organization officers and representatives (c) access of employee organization officers and representatives to work locations (d) use of official bulletin boards and other means of communication by employee organizations (e)

furnishing nonconfidential information pertaining to employment relations to employee organizations (f) such other matters as are necessary to carry out the purposes of this chapter.

For employees in the state civil service, rules and regulations in accordance with this section may be adopted by the Department of Personnel Administration.

SEC. 2. Section 3572.5 of the Government Code is amended to read:

3572.5. In the case where the following provisions of law are in conflict with a memorandum of understanding, the memorandum of understanding shall be controlling.

(a) Part 13 (commencing with Section 22000) of Division 1 of Title 1 of, Sections 66609, 89007, 89039, 89500, 89502, 89503, 89504, 89505, 89506, 89507, 89508, 89509, 89510, 89512, 89513, 89514, 89515, 89516, 89517, 89518, 89519, 89520, 89531, 89532, 89533, 89534, 89537, 89541, 89542, 89542.5, 89543, 89544, 89545, 89546, 89550, 89551, 89552, 89553, 89554, 89555, 89556, 89700 and 89701 of, the Education Code.

(b) Sections 825, 825.2, 825.6, 3569.5, 6700, 11020, and 11021 of, Chapter 4 (commencing with Section 18150) of Part 1 of Division 5 of Title 2 of, Sections 18200, 19823, 19830, 19831, 19839, 19841, 19842, 19847, 19848, 19850.1, 19850.2, 19850.3, 19850.4, 19850.5, 19850.6, 19851, 19852, 19853, 19854, 19856.1, 19858, 19858.1, 19859, 19861, 19862, 19863, 19863.1, 19864, 19866, and 19867 of, Article 4 (commencing with Section 19869) and Article 5 (commencing with Section 19878) of Chapter 2.5 of Part 2.6 of Division 5 of Title 2 of, the Government Code.

(c) Sections 395, 395.01, 395.05, 395.1 and 395.3 of the Military and Veterans Code.

SEC. 2.1. Section 11007.6 of the Government Code is amended to read:

11007.6. Any state agency may, subject to rules and regulations of the Board of Control, insure its officers and employees not covered by Part 2.6 (commencing with Section 19815) of Division 5 against injury or death incurred while flying on state business in any except regularly scheduled passenger aircraft.

SEC. 2.2. Section 11030.1 of the Government Code is amended to read:

11030.1. When a state employee not covered by Part 2.6 (commencing with Section 19815) of Division 5 dies while traveling on official state business the state shall, under rules and regulations adopted by the Board of Control, pay the traveling expenses necessary to return the body to his or her official headquarters or the place of burial in the State of California, whichever is the smaller amount. This subdivision shall not be construed to authorize the payment of the traveling expenses, either going or returning, of one accompanying such body.

SEC. 2.3. Section 11030.2 of the Government Code is amended to read:

11030.2. Any state officer or employee not covered by Part 2.6

(commencing with Section 19815) of Division 5 when working overtime at his or her headquarters on state business may receive his or her actual and necessary expenses, during his or her regular work week, subject to rules and regulations adopted by the Board of Control limiting the amount of the expenses and prescribing the conditions under which the expenses may be paid; provided, however, that each state agency may determine the necessity for and limit such expenses of its employees in such manner as does not conflict with and is within the limitations prescribed by the Board of Control.

SEC. 2.4. Section 11031 of the Government Code is amended to read:

11031. The headquarters of heads of departments, elective constitutional officers (other than Member of the Legislature), and members of all boards and commissions not covered by Part 2.6 (commencing with Section 19815) of Division 5 , unless fixed by law, shall be determined and fixed by the State Board of Control, and the headquarters of all other officers, agents and employees not covered by Part 2.6 (commencing with Section 19815) of Division 5 shall be determined and fixed by the appointing power.

SEC. 2.5. Section 11552 of the Government Code is amended to read:

11552. An annual salary of thirty thousand dollars ($30,000) shall be paid to each of the following:

(a) Superintendent of Banks
(b) Commissioner of Corporations
(c) Insurance Commissioner
(d) Director of Transportation
(e) Real Estate Commissioner
(f) Savings and Loan Commissioner
(g) Director of Social Services
(h) Director of Water Resources
(i) Director of Corrections
(j) Director of General Services
(k) Director of Motor Vehicles
(*l*) Director of the Youth Authority
(m) Members of the Public Utilities Commission
(n) Director of Employment Development
(o) Director of Alcoholic Beverage Control
(p) Director of Housing and Community Development
(q) Director of Alcohol and Drug Abuse
(r) Director of the Office of Statewide Health Planning and Development
(s) Director of the Department of Personnel Administration.

SEC. 3. Section 13920 of the Government Code is amended to read:

13920. By a majority vote, the board shall adopt general rules and regulations:

(a) Limiting the amount, time, and place of expenses and

allowances to be paid to elected state officers while traveling on official state business.

(b) Governing such matters as are specifically committed to its jurisdiction.

(c) Governing the presentation and audit of claims against the state for which an appropriation has been made or for which a state fund is available.

(d) Governing the computation of pay in the case of any elected state officer on a monthly basis salary who is entitled to less than a full month's pay.

SEC. 3.5. Section 13924 of the Government Code is repealed.

SEC. 4. Section 13926 of the Government Code is repealed.

SEC. 5. Chapter 4 (commencing with Section 13950) of Part 4 of Division 3 of Title 2 of the Government Code is repealed.

SEC. 6. Section 14876 of the Government Code is amended to read:

14876. (a) Pressmen, typographers, linotypers, compositors, bookbinders, lithographers, engravers, apprentices and assistants and all other employees of the Office of State Printing employed in allied work shall be paid on an hourly wage basis. The basic wage of such employees shall be the prevailing hourly wage paid to persons identified by the Department of Personnel Administration to be in similar and comparable employment by private printers in the major metropolitan areas in California. The Department of Personnel Administration shall accept and give validity to certified copies of agreed upon contracts submitted by either the employer, the employer group, or the employee organization.

The Department of Personnel Administration shall survey only major employers where there are agreed upon contracts. Where any such contract contains any provision or provisions which do not reflect the actual practice of the employer, the Department of Personnel Administration shall disregard such provision or provisions.

If the Department of Personnel Administration finds that salary relationships between surveyed classes do not accurately reflect relationships in duties and responsibilities of employees of the Office of State Printing, the department shall adjust such wage rates on an equitable basis notwithstanding the survey findings.

As used in this section, prevailing wages and prevailing benefits means wages and benefits arrived at through negotiation between an employer or employer organization, and an employee organization which is the bona fide representative of the employer's employees and certified as such by the Director of Industrial Relations. In order to be so certified, the employee organization shall be free from employer influence and domination.

(b) In addition to such wages, and the rights and privileges afforded state employees under the provisions of the State Civil Service Act, and other statutes, there shall be paid to each such employee of the Office of State Printing, either directly or to a health

and welfare fund on his or her behalf, an amount equal to the prevailing individual contributions paid to health and welfare plans for employees in similar and comparable employment by private printers in the major metropolitan areas. Where such contracts do not disclose the dollar value of health and welfare benefits, the state shall provide the same or substantially the same level of benefits as provided for in such agreed upon contracts. Any adjustments made pursuant to subdivisions (a) and (b) of this section shall be effective as of March 1, 1977, and each March 1, thereafter.

(c) As an alternative to subdivision (b), persons employed and retired from employment in the Office of State Printing may elect within 90 days of October 1, 1977, to be covered under the Public Employees' Medical and Hospital Care Act pursuant to Section 22754.2.

A person first employed to any position described in subdivision (a) after October 1, 1977, may elect to become an "employee" as defined in Section 22754.2 within 90 days of commencing such employment.

Any person who is a member of a health and welfare plan described in subdivision (b) who loses eligibility for participation in such plan, or if the plan of which the person is a member ceases to exist, such person may elect to become an "employee" as defined in Section 22754.2 within 90 days of the date such eligibility is lost or the plan ceases to exist.

(d) In no instance shall the wages and the health and welfare contributions paid by the state to the persons covered under this section be less than the dollar amount paid as of the effective date of this section.

(e) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 7. Section 18000 of the Government Code is amended to read:

18000. The salary fixed by law for each state officer, elective or appointive, is compensation in full for that office and for all services rendered in any official capacity or employment whatsoever, during his or her term of office, and he or she shall not receive for his or her own use any fee or perquisite for the performance of any official duty. The provisions of Section 19839 do not apply to any state officer whose salary is fixed by statute.

SEC. 8. Section 18001 of the Government Code is repealed.

SEC. 9. Section 18002 of the Government Code is repealed.

SEC. 10. Section 18002.5 of the Government Code is repealed.

SEC. 11. Section 18004 of the Government Code is repealed.

SEC. 12. Section 18005 of the Government Code is repealed.

SEC. 13. Section 18005.5 of the Government Code is repealed.

SEC. 14. Section 18006 of the Government Code is repealed.

SEC. 15. Section 18007 of the Government Code is repealed.

SEC. 16. Article 2 (commencing with Section 18020) of Chapter 1 of Part 1 of Division 5 of Title 2 of the Government Code is repealed.

SEC. 17. Article 3 (commencing with Section 18030) of Chapter 1 of Part 1 of Division 5 of Title 2 of the Government Code is repealed.

SEC. 18. Article 4 (commencing with Section 18041) of Chapter 1 of Part 1 of Division 5 of Title 2 of the Government Code is repealed.

SEC. 19. Chapter 2 (commencing with Section 18050) of Part 1 of Division 5 of Title 2 of the Government Code is repealed.

SEC. 20. Chapter 3 (commencing with Section 18100) of Part 1 of Division 5 of Title 2 of the Government Code is repealed.

SEC. 21. Chapter 3.5 (commencing with Section 18120) of Part 1 of Division 5 of Title 2 of the Government Code is repealed.

SEC. 22. Chapter 3.6 (commencing with Section 18135) of Part 1 of Division 5 of Title 2 of the Government Code is repealed.

SEC. 23. Article 1 (commencing with Section 18250) of Chapter 6 of Part 1 of Division 5 of Title 2 of the Government Code is repealed.

SEC. 24. Chapter 7 (commencing with Section 18300) of Part 1 of Division 5 of Title 2 of the Government Code is repealed.

SEC. 25. Chapter 8 (commencing with Section 18310) of Part 1 of Division 5 of Title 2 of the Government Code is repealed.

SEC. 26. Section 18575 of the Government Code is amended to read:

18575. Whenever any notice, paper, or other document, except a subpoena, is directed to be given to or served upon any person or state agency, such notice, paper, or document may be personally served or it may be served by mail to the last known residence or business address of the addressee. Unless otherwise specifically provided in this part the giving of notice of matters to be heard or considered by the board or the Department of Personnel Administration shall be governed by board or department rule.

Service by mail of the charges in a disciplinary proceeding, the notice of an employee's suspension, and the notice of a probationer's rejection is made by the enclosure of such charges or notice in a sealed envelope, addressed to the last known address of the person to be served, registered with return receipt requested, and the depositing of it in the United States mail with postage fully prepaid. Service is complete on mailing. Service by mail of any other notice, paper, or document is made in the manner provided by Sections 1012 and 1013 of the Code of Civil Procedure. Proof of service, either personal or by mail, shall be made by affidavit.

SEC. 27. Section 18705 of the Government Code is repealed.

SEC. 28. Section 18709 of the Government Code is repealed.

SEC. 29. Section 18709.5 of the Government Code is repealed.

SEC. 30. Section 18714 of the Government Code is amended to read:

18714. (a) Nothing in this part shall preclude the Department of Personnel Administration from providing by rule for a system of adjusting employee grievances which shall be administered within the departments before recourse to any remedy provided in this part.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 31. Article 4 (commencing with Section 18730) of Chapter 2 of Part 2 of Division 5 of Title 2 of the Government Code is repealed.

SEC. 32. Chapter 4 (commencing with Section 18850) of Part 2 of Division 5 of Title 2 of the Government Code is repealed.

SEC. 33. Section 18861 of the Government Code is amended to read:

18861. (a) The Department of Personnel Administration shall develop objective criteria for determining the application of the state safety category of membership in the Public Employees' Retirement System to positions in the state civil service and shall then determine which classes of positions meet all or part of the elements of the criteria and shall list the positions in order based upon the degree in which their duties meet the criteria. The Public Employees' Retirement System and employing agencies shall assist and cooperate with the department in preparation of the report.

The department shall transmit a report thereon to the Legislature at the commencement of each session of the Legislature. The department shall initially give immediate priority to a study of the employees of the Departments of Corrections and Youth Authority and transmit a report thereon to the Legislature on or before January 1, 1975.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 34. Section 19100 of the Government Code is amended to read:

19100. For persons employed on an intermittent or irregular time base, the vacation and sick leave privileges, salary, and other conditions of employment governed by this part shall be subject to

the Department of Personnel Administration rule.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 35. Article 4 (commencing with Section 19120) of Chapter 6 of Part 2 of Division 5 of Title 2 of the Government Code is repealed.

SEC. 36. Section 19143 of the Government Code is amended to read:

19143. Notwithstanding any other provision of the law to the contrary, except as provided in Section 19143.5, an employee whose continuity of employment in the state service as either an exempt or civil service employee is broken for six months or longer by a permanent separation such as resignation, dismissal, or rejection during a probationary period, and who is subsequently reemployed after December 31, 1949, shall not be credited for service prior to such separation for purposes of layoff or sick leave, nor shall the employee be credited with any sick leave which the employee had accumulated prior to his or her separation, and he or she shall again serve the months required to qualify for vacation credit. The Department of Personnel Administration shall adopt rules governing the crediting of service before and after such a break in service for purposes of vacation as specified in Section 19858.1 and the keeping of service records related thereto.

When an employee has a break in the continuity of his or her state employment because of a temporary separation such as layoff, suspension, leave of absence, military leave, disability retirement, or medical termination, his or her prior service shall be counted upon his or her return to state service for purposes of layoff, sick leave and vacation.

If an employee had a break in the continuity of his or her state employment because of absence occasioned by his or her evacuation and relocation pursuant to orders issued by the commanding officer of the Western Defense Command in March 1942, for the evacuation of persons of Japanese descent from such area, where such employee was in state service on March 5, 1942, and returned to state service on or before December 31, 1949, the time of absence during which such orders were in effect shall be counted for purposes of layoff.

SEC. 37. Section 19143.5 of the Government Code is amended to read:

19143.5. When a civil service employee has a break of six months or longer in the continuity of his or her state employment which is not because of dismissal, or rejection during a probationary period, and such break does not exceed three years, the employee shall receive one-half the seniority credit for layoff purposes accumulated

for service prior to any such break in service. Seniority credit for layoff purposes shall not be given for service prior to breaks of more than three years in the continuity of state employment.

It is the responsibility of the employee to inform the Department of Personnel Administration in writing that the provisions of this section apply to his or her service credit calculations. The employee must certify under what conditions he or she is eligible to receive this portion of the service credit. The department shall verify the adequacy of the employee's certification and calculate the seniority credits accordingly.

The provisions of this section shall apply only to seniority scores computed after the effective date of the bill that amended this section during the second year of the 1979–80 Regular Session.

SEC. 38. Section 19172 of the Government Code is amended to read:

19172. During the probationary period the appointing power or his or her officially delegated representative shall evaluate the work and efficiency of a probationer in the manner and at such periods as the Department of Personnel Administration rules may require.

SEC. 39. Article 8 (commencing with Section 19220) of Chapter 6 of Part 2 of Division 5 of Title 2 of the Government Code is repealed.

SEC. 40. Section 19251 of the Government Code is repealed.

SEC. 41. Section 19252 of the Government Code is repealed.

SEC. 42. Section 19258 of the Government Code is repealed.

SEC. 43. Section 19258.5 of the Government Code is repealed.

SEC. 44. Section 19259 of the Government Code is repealed.

SEC. 45. Section 19261 of the Government Code is amended to read:

19261. (a) The Department of Personnel Administration may establish standards of health and safety in state agencies and may develop a comprehensive health and safety program designed to improve the efficiency and raise the morale of state employees.

Nothing in this section or in the standards established thereunder shall discriminate against treatment by prayer or spiritual means nor require physical examination of any employee who files with the board an affidavit setting forth that he or she depends exclusively upon prayer for healing in accordance with the teachings of a bona fide religious sect, denomination or organization and that he or she is to the best of his or her knowledge and belief in good health and that he or she claims exemption on such grounds, except that when there is probable cause to believe that such employee is not physically able to perform the duties of his or her employment, the board may require a physical examination of the employee sufficient to indicate whether or not he or she is able to perform the duties of his or her employment.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be

controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 46. Article 2 (commencing with Section 19300) of Chapter 7 of Part 2 of Division 5 of Title 2 of the Government Code is repealed.

SEC. 47. Article 3 (commencing with Section 19330) of Chapter 7 of Part 2 of Division 5 of Title 2 of the Government Code is repealed.

SEC. 48. Article 4 (commencing with Section 19360) of Chapter 7 of Part 2 of Division 5 of Title 2 of the Government Code is repealed.

SEC. 49. Article 5 (commencing with Section 19450) of Chapter 7 of Part 2 of Division 5 of Title 2 of the Government Code is repealed.

SEC. 50. Article 6 (commencing with Section 19460) of Chapter 7 of Part 2 of Division 5 of Title 2 of the Government Code is repealed.

SEC. 51. Article 1 (commencing with Section 19500) of Chapter 8 of Part 2 of Division 5 of Title 2 of the Government Code is repealed.

SEC. 52. Article 2 (commencing with Section 19530) of Chapter 8 of Part 2 of Division 5 of Title 2 of the Government Code is repealed.

SEC. 53. Article 2.5 (commencing with Section 19555) of Chapter 8 of Part 2 of Division 5 of Title 2 of the Government Code is repealed.

SEC. 54. Section 19572 of the Government Code is amended to read:

19572. Each of the following constitutes cause for discipline of an employee, or person whose name appears on any employment list:

(a) Fraud in securing appointment.

(b) Incompetency.

(c) Inefficiency.

(d) Inexcusable neglect of duty.

(e) Insubordination.

(f) Dishonesty.

(g) Drunkenness on duty.

(h) Intemperance.

(i) Addiction to the use of narcotics or habit-forming drugs.

(j) Inexcusable absence without leave.

(k) Conviction of a felony or conviction of a misdemeanor involving moral turpitude. A plea or verdict of guilty, or a conviction following a plea of nolo contendere, to a charge of a felony or any offense involving moral turpitude is deemed to be a conviction within the meaning of this section.

(*l*) Immorality.

(m) Discourteous treatment of the public or other employees.

(n) Improper political activity.
(o) Willful disobedience.
(p) Misuse of state property.
(q) Violation of this part or board rule.
(r) Violation of the prohibitions set forth in accordance with Section 19990.
(s) Refusal to take and subscribe any oath or affirmation which is required by law in connection with his employment.
(t) Other failure of good behavior either during or outside of duty hours which is of such a nature that it causes discredit to his agency or his employment.
(u) Any negligence, recklessness, or intentional act which results in the death of a patient of a state hospital serving the mentally disabled or the developmentally disabled.
(v) The use during duty hours, for training or target practice, of any material which is not authorized therefor by the appointing power.

SEC. 55. Part 2.6 (commencing with Section 19815) is added to Division 5 of Title 2 of the Government Code, to read:

PART 2.6. PERSONNEL ADMINISTRATION

CHAPTER 1. DEPARTMENT OF PERSONNEL ADMINISTRATION

Article 1. General

19815. As used in this part:
(a) "Department" means the Department of Personnel Administration.
(b) "Director" means the Director of the Department of Personnel Administration.
(c) "Division" means the Division of Labor Relations.
(d) "Employee" or "state employee," except where otherwise indicated, means employees subject to the State Employer-Employee Relations Act (Chapter 10.3 (commencing with Section 3512), Division 4, Title 1), supervisory employees as defined in Section 3522.1, managerial employees as defined in subdivision (e) of Section 3513, confidential employees as defined in subdivision (f) of Section 3513, employees of the Legislative Counsel Bureau, employees of the Public Employment Relations Board, employees of the California Maritime Academy, nonclerical employees of the State Personnel Board engaged in technical or analytical personnel functions, conciliators employed by the State Conciliation Service within the Department of Industrial Relations, and all employees of the executive branch of government who are not elected to office.

19815.1. As used in this chapter, "employee" or "state employee," except where otherwise indicated, also means employees subject to the Higher Education Employer-Employee Relations Act (Chapter

12 (commencing with Section 3560), Division 4, Title 1), managerial employees as defined in subdivision (*l*) of Section 3562, and confidential employees as defined in subdivision (e) of Section 3562.

19815.2. There is hereby created the Department of Personnel Administration, for the purposes of managing the nonmerit aspects of the state's personnel system.

19815.3. With the consent of the Senate, the Governor shall appoint, to serve at his pleasure, an executive officer who shall be director of the department. The director shall be appointed wholly on the basis of training, demonstrated ability, experience, and leadership in personnel administration and labor relations. The director shall receive the salary provided for by Chapter 6 (commencing with Section 11550) of Part 1 of Division 3 of Title 2. In addition thereto, the Governor shall appoint a deputy director and a chief counsel for the department. Both appointments shall be subject to confirmation by the Senate.

19815.4. The director shall:

(a) Be responsible for the management of the department.

(b) Administer and enforce the laws pertaining to personnel.

(c) Observe and report to the Governor on the conditions of the nonmerit aspects of personnel.

(d) Formulate, adopt, amend, or repeal rules, regulations, and general policies affecting the purposes, responsibilities, and jurisdiction of the department and which are consistent with the law and necessary for personnel administration.

All regulations relating to personnel administration heretofore adopted pursuant to this part by the State Personnel Board, State Board of Control, Department of General Services, and the Department of Finance, and in effect on the operative date of this part, shall remain in effect and shall be fully enforceable unless and until readopted, amended, or repealed by the director.

(e) Hold hearings, subpoena witnesses, administer oaths, and conduct investigations concerning all matters relating to the department's jurisdiction.

(f) Act on behalf of the department and delegate powers to any authorized representative.

(g) Serve as the Governor's designated representative pursuant to the provisions of Section 3517.

(h) Perform such other duties as may be prescribed by law, and such other administrative and executive duties as have by other provisions of law been previously imposed.

19815.5. Subject to the State Civil Service Act, the director shall appoint such other assistants and other employees as are necessary for the administration of the affairs of the department and shall prescribe their duties.

19815.6. Notwithstanding the provisions of Sections 11042 and 11043, the chief counsel shall represent the department in all legal matters in which the department is interested, before any administrative agency or court of law.

Article 2. Powers and Duties

19816. Except as provided by Section 19816.5, the department succeeds to and is vested with the duties, purposes, responsibilities, and jurisdiction exercised by the State Personnel Board with respect to the administration of salaries, hours and other personnel related matters, training, performance evaluations, and layoffs and grievances.

The department succeeds to and is vested with the duties, purposes, responsibilities, and jurisdiction exercised by the State Board of Control and the Department of General Services with respect to the administration of miscellaneous employee entitlements.

The department succeeds to and is vested with the duties, purposes, responsibilities, and jurisdiction exercised by the Department of Finance with respect to the administration of salaries of employees exempt from civil service and within range salary adjustments.

19816.5. Notwithstanding any other provision of this part, regulations and other provisions pertaining to the layoff or demotion of civil service employees that are established or agreed to by the department shall be subject to review by the State Personnel Board for consistency with merit employment principles as provided for by Article VII of the California Constitution.

19817. The department shall have possession and control of all records, papers, offices, equipment, supplies, moneys, funds, appropriations, land, and other property real or personal held for the benefit or use by the State Personnel Board, the State Board of Control, the Department of General Services, and the Department of Finance in the performance of the duties, powers, purposes, responsibilities, and jurisdiction that are vested in the department by Section 19816.

19818. All officers and employees of the State Personnel Board, the State Board of Control, the Department of General Services, and the Department of Finance, who, on the operative date of this part, are serving in the state civil service, other than as temporary employees, and engaged in the performance of a function vested in the department by Section 19816 shall be transferred to the department. The status, positions, and rights of such persons shall not be affected by the transfer and shall be retained by them as officers and employees of the department pursuant to the State Civil Service Act, except as to positions exempt from civil service.

19819. The department may expend, in accordance with law, all moneys made available for its use or for the administration of any statute administered by it.

19819.1. (a) In order to secure substantial justice and equality among employees in the state civil service, the department may provide by rule for days, hours and conditions of work, taking into consideration the varying needs and requirements of the different

state agencies and the prevailing practices for comparable services in other public employment and in private business.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

Article 3. Division of Labor Relations

19819.5. There is in the Department of Personnel Administration, the Division of Labor Relations.

19819.6. The Governor shall appoint a deputy director from a list of nominees submitted by the director. Such deputy director shall be in addition to the deputy director appointed pursuant to Section 19815.3 and shall be chief of the division. The Governor shall also appoint from such list, such number of labor relations officers as is necessary to perform the functions of the division, who shall be exempt from civil service. The total number of exempt positions in this division shall not exceed ten.

19819.7. Notwithstanding any other provisions of the law, it shall be the function of the division to represent the Governor regarding all the relevant provisions of law with respect to state employees found in Section 3517 and to represent the Governor by attending the meeting and conferring as required by Section 3572. The duties of the Deputy Director of the Division of Labor Relations and the labor relations officers shall be limited to the department's professional functions and responsibilities in labor relations matters pursuant to Chapter 10.3 (commencing with Section 3512) and Chapter 12 (commencing with Section 3560) of Division 4 of Title 1.

CHAPTER 2. ADMINISTRATION OF SALARIES

Article 1. Claims for Reimbursement

19820. The director shall adopt general rules and regulations:

(a) Limiting the amount, time, and place of expenses and allowances to be paid to officers and employees of the state while traveling on official state business. The rules and regulations shall provide for reasonable reimbursement to an officer or employee of the state for expenses incurred by him or her to repair a privately owned vehicle which was damaged through no fault of the officer or employee; provided that the damage occurred while the vehicle was used on official state business with the permission or authorization of an employing agency.

As used in this subdivision, "officers and employees of the state" means all officers and employees of the state other than elected state

officers and shall not be limited by subdivision (d) of Section 19815.

(b) Governing such matters as are specifically committed to the jurisdiction of the department.

(c) Governing the computation of pay in the case of any employee on a monthly basis salary who is entitled to less than a full month's pay.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19822. (a) The director shall determine the fair and reasonable value of maintenance, living quarters, housing, lodging, board, meals, food, household supplies, fuel, laundry, domestic servants and other services furnished by the state as an employer to its employees.

The value so determined shall constitute the charges to be made to state employees for any such maintenance or other services furnished by the state, unless the employee is entitled thereto as compensation for his or her services or as actual and necessary expenses incurred in the performance of the state's business. Whenever a state employee is entitled to such maintenance or other services as part or full compensation for services rendered, the value thereof for retirement purposes, as defined by Section 20022, and for salary or wage fixing purposes, shall also be determined in accordance with the values established by the department hereunder. The director, by rule, shall provide for reasonable opportunity to be heard by departments or employees affected by this section.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

Article 2. Employee Awards

19823. The department may make awards to state employees who:

(a) Propose procedures or ideas which hereafter have been adopted and which will result in eliminating or reducing state expenditures or improving operations; provided, such proposals are placed in effect; or

(b) Perform special acts or special services in the public interest; or

(c) By their superior accomplishments, make exceptional

contributions to the efficiency, economy or other improvement in the operations of the state government.

Awards for superior accomplishments shall be made in accordance with procedures and standards established by the department.

Any award made by the department under the provisions of this section may be paid from the appropriation available to the state agency affected by the award.

The director may adopt rules and regulations to carry out the provisions of this section, and may appoint merit award boards made up of state officers, employees, or citizens to consider employee proposals, special acts, special services, or superior accomplishments, and to make recommendations to the department as to the merits of the proposals, special acts, special services, or superior accomplishments, and whether or not the proposals, special acts, special services, or superior accomplishments justify an award.

Any award granted under the provisions of this section shall be limited to one thousand dollars ($1,000) unless a larger award is approved by concurrent resolution of the Legislature.

Any expenditures made or costs incurred heretofore or hereafter by the director for the purposes of this section may be paid from funds available for the support of the department.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provision shall not become effective unless approved by the Legislature in the annual Budget Act.

Article 3. Salary Classification

19824. (a) Unless otherwise provided by law, the salaries of state officers shall be paid monthly out of the General Fund.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19825. (a) Unless the Legislature specifically provides that approval of the department is not required, whenever any state agency is authorized by special or general statute to fix the salary or compensation of an employee or officer, which salary is payable in whole or in part out of state funds, the salary is subject to the approval of the department before it becomes effective and payable, except as provided in subdivision (b).

(b) Whenever any state court or other judicial agency is

authorized by statute to fix the salary of an employee or officer who is exempt from civil service under subdivision (b) of Section 4 of Article VII of the Constitution, the salary is subject to the approval of the Chairman of the Judicial Council before it becomes effective and payable.

19826. (a) The department shall establish and adjust salary ranges for each class of position in the state civil service subject to any merit limits contained in Article VII of the California Constitution. The salary range shall be based on the principle that like salaries shall be paid for comparable duties and responsibilities. In establishing or changing such ranges consideration shall be given to the prevailing rates for comparable service in other public employment and in private business. The department shall make no adjustments which require expenditures in excess of existing appropriations which may be used for salary increase purposes. The department may make a change in salary range retroactive to the date of application for such change.

(b) Notwithstanding any other provision of law, the department shall not establish, adjust, or recommend a salary range for any employees in an appropriate unit where an employee organization has been chosen as the exclusive representative pursuant to Section 3520.5.

(c) On or before January 10 of each year, the department shall submit to the parties meeting and conferring pursuant to Section 3517 and to the Legislature, a report containing the department's findings relating to the salaries of employees in comparable occupations in private industry and other governmental agencies.

(d) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19827. (a) Notwithstanding any other provision of law to the contrary, the department shall base recommendations for the salaries of highway patrolmen on the estimated average salaries as of July 1 of the year in which the recommendations are made for each corresponding rank for the Los Angeles Police Department, the Los Angeles Sheriff's office, the San Diego Police Department, the Oakland Police Department, and the San Francisco Police Department.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19827.5. For purposes of Section 18539.5, there is allocated from the salary or wage paid to a minister of the gospel in an amount up to 25 percent of the gross salary, as either of the following:

(a) The rental value of a home furnished to him.

(b) The rental allowance paid to him to rent or provide a home.

19828. (a) Reasonable opportunity to be heard shall be provided by the department to any employee affected by a change in the salary range for the class of his or her position.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19829. (a) Salary ranges shall consist of minimum and maximum salary limits. The department shall provide for intermediate steps within such limits to govern the extent of the salary adjustment which an employee may receive at any one time; provided, that in classes and positions with unusual conditions or hours of work or where necessary to meet prevailing rates and practices for comparable services in other public employment and in private business the department may establish more than one salary range or rate or method of compensation within a class.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19830. (a) The minimum and maximum salary limits for laborers, workers, and mechanics employed on an hourly or per diem basis need not be uniform throughout the state, but the appointing power shall ascertain and report to the department, as to each such position, the general prevailing rate of such wages in the various localities of the state.

In fixing such minimum and maximum salary limits within the various localities of the state, the department shall take into account the prevailing rates of wages in the localities in which the employee is to work and other relevant factors, and shall not fix the minimum salary limits below the general prevailing rate so ascertained and reported for the various localities.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the

expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19831. (a) The department may authorize payments into a private fund to provide health and welfare benefits to nonpermanent employees in classes compensated in accordance with the provisions of Section 19830 where the department finds as to any such position that:

(1) Such payments by employers are the prevailing practice in comparable employment in the locality of the work and the payments are for the purpose of providing to employees specified benefits such as, but not limited to, hospital, medical, surgical and life insurance; sick leave, vacation allowance, pensions, supplementary unemployment and disability compensation, and other similar or related health and welfare benefits, or any combination thereof.

(2) Participation in the benefits provided by such funds is not limited to state employees.

(3) The provisions of the plans which provide the benefits meet the standards established by the department.

(b) Payments made by the state to any such fund on behalf of any employee shall be in lieu of benefits such as vacation allowance, sick leave, and retirement which are now or may hereafter be granted directly by the state in accordance with law.

(c) The department is empowered to determine the equitable application of this section to insure that the employees receive benefits comparable to, but not in excess of those provided in comparable private employment.

(d) The payments authorized by this section shall be a proper charge against any funds available for the support of the employing agency.

(e) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19832. (a) After completion of the first year in a position, each employee shall receive a merit salary adjustment equivalent to one of such intermediate steps during each year when he or she meets such standards of efficiency as the department by rule shall prescribe.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19833. (a) When the compensation of an employee is established at a fixed amount per unit of work with a maximum limit for his or her total annual or monthly compensation as an alternative method of compensation for the salary fixed for the class, the department shall provide for annual increases in the maximum limit equal in amount and payable under the same conditions as for other employees.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19834. (a) Automatic salary adjustments shall be made for employees in the state civil service in accordance with this chapter and department rule adopted pursuant hereto, notwithstanding the power now or hereafter conferred on any officer to fix or approve the fixing of salaries, unless there is not sufficient money available for the purpose in the appropriation from which such salary shall be paid and the director shall so certify.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19835. (a) The right of an employee to automatic salary adjustments is cumulative for a period not to exceed two years and he or she shall not, in the event of such an insufficiency of appropriation, lose his or her right to such adjustments for the intermediate steps to which he or she may be entitled for such period.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19835.5. In submitting budgetary requirements to the Director of Finance, each appointing power shall carefully estimate and call attention to the need for money sufficient to provide for appropriate salary adjustments for the employees under his or her jurisdiction.

19836. (a) The department may authorize payment at any step above the minimum salary limit to classes or positions in order to meet recruiting problems, to obtain a person who has extraordinary qualifications, to correct salary inequities resulting from actions by

the department or State Personnel Board, or to give credit for prior state service in connection with appointments, promotions, reinstatements, transfers, reallocations, or demotions. Other salary adjustments within the salary range for the class may be made upon the application of the appointing power and with the approval of the director. Adjustments within the salary range authorized by this section may be either permanent or temporary and may be made retroactive to the date of application for such change.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19837. (a) Employees in a class shall receive a salary within the limits established for that class; provided, that when a position has been allocated to a lower class or the salary range or rate of pay of the class is reduced, the department may authorize the payment of a rate above the maximum of the class; and provided further, that when an employee is moved to a position in a lower class because of reductions in force or other management-initiated changes, the department may, when recommended by the appointing power, authorize the payment of a rate above the maximum of the class for such time as the department may designate to the employee whose service has been fully satisfactory, who has completed a minimum of 10 years of state service, and who meets other eligibility standards established by the department. "State service," for the purpose of this section, may include up to one year during which the employee was off the state payroll while laid off, or on leave of absence for the purpose of lessening the effect of impending layoff or demotion. It is the responsibility of the employee to request credit for such time from the department. Such service shall not be credited for retirement purposes.

The department may, upon recommendation of the appointing power, apply the provisions of this section to employees who, prior to the effective date of the amendments to this section made at the 1971 Regular Session of the Legislature, moved to a position in a lower class because of reductions in force or other management-initiated changes, provided such employees have more than 30 years state service prior to the effective date of such amendments and were so demoted on July 1, 1968.

During such time as an employee's salary remains above the maximum rate of pay for his or her class, the employee shall not receive further salary increases.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such

provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19838. (a) The department shall develop objective criteria for determining the application of the state safety category of membership in the Public Employees' Retirement System to positions in the state civil service and shall then determine which classes of positions meet all or part of the elements of the criteria and shall list the positions in order based upon the degree in which their duties meet the criteria. The Public Employees' Retirement System and employing agencies shall assist and cooperate with the department in preparation of the report.

The department shall transmit a report thereon to the Legislature at the commencement of each session of the Legislature.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

Article 4. Miscellaneous Compensation

19839. (a) Upon separation from service without fault on his part, a person is entitled to a lump-sum payment as of the time of separation for any unused or accumulated vacation or for any time off to which he or she is entitled by reason of previous overtime work where compensating time off for overtime work is provided for by the appointing power or by rules of the department. Such sum shall be computed by projecting the accumulated time on a calendar basis so that the lump sum will equal the amount which the employee would have been paid had he or she taken the time off but not separated from the service.

(b) Persons separated from service through fault of their own are entitled to a lump-sum payment for such compensating time off for overtime work, and in addition, such portion, if any, of unused vacation as the department may determine. The computation of such sum shall be based on actual accumulated time without projection as provided in (a).

(c) Lump-sum payment for vacation shall not be made to a person who separates from a position for the purpose of accepting another position in the state service except:

(1) Upon movement to a position in which vacation credits are neither accrued nor used or (2) upon reassignment of an employee of the Trustees of the California State Colleges, subsequent to January 1, 1965, from a position other than an academic year position, to an academic year position. However, a lump-sum payment shall not be made to a person who returns to a position in the same class

and agency within 15 working days of the date of his or her resignation.

(d) Except for payment authorized or excluded under subdivision (c) an employee who returns to state service during the period through which his or her lump-sum payment was computed may refund the amount of lump-sum payment which exceeds his or her break in service and have the balance of credits restored as though he or she had remained in state service and taken the time off.

(e) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19840. (a) Any time off to which an employee is entitled by reason of overtime worked prior to June 9, 1948, may be compensated by a lump sum payment in the manner provided in Section 19839 at any time prior to the separation of the employee from service or upon such separation. Payment shall be at the rate established for the position as of the date of payment or the date of separation as the case may be.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19841. (a) Notwithstanding the provisions of Section 11030, whenever a state officer or employee is required by the appointing power because of a change in assignment, promotion or other reason related to his or her duties to change his or her place of residence, such officer, agent or employee shall receive his or her actual and necessary moving, traveling, lodging and meal expenses, incurred by him or her both before and after and by reason of such change of residence. The maximum allowances for such expenses shall be as follows: the costs of packing, transporting, and unpacking 11,000 pounds of household effects, traveling, lodging, and meal expenses for 60 days while locating a permanent residence, storage of household effects for 60 days, and additional miscellaneous allowances not in excess of two hundred dollars ($200). The maximum allowances may be exceeded in those particular instances where the director determines in advance that the change of residence will result in unusual and unavoidable hardship for the officer or employee, and in such cases the director shall determine the maximum allowances to be received by such officer or employee.

(b) If such change of residence reasonably requires the sale of

residence or the settlement of an unexpired lease, such officer or employee may be reimbursed for any of the following expenses:

(1) The settlement of the unexpired lease to a maximum of one year. Upon the date of surrender of the premises by the employee who is the lessee, the rights and obligations of the parties to the lease shall be as determined by Section 1951.2 of the Civil Code.

The state shall be absolved of responsibility for an unexpired lease if the department determines the employee knew or reasonably should have known that a transfer involving physical move was imminent before entering into the lease agreement.

(2) In the event of residence sale, reimbursement for brokerage and other related selling fees or charges, as determined by regulations of the department, adopted pursuant to the Administrative Procedure Act (commencing with Section 11420) customarily charged for like services in the locality where the residence is located.

(c) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19842. (a) For the purpose of facilitating the recruitment of professional and technically trained persons to fill positions for which there is a shortage of qualified applicants, the department may authorize payment of all or a part of the travel expense of applicants who are called for interview and all or a part of the travel and moving expense of persons who change their place of residence to accept employment with the state. In the case of applicants for employment by the Trustees of the California State University and Colleges, such payments shall be authorized only upon the certification of the trustees that the expenditure is necessary in order to recruit qualified persons needed by the California State University and Colleges. In the case of all other applicants, such payments shall be authorized only upon the certification of the appointing power and the department that the expenditure is necessary in order to recruit qualified persons needed by the state.

If, for reasons that do not meet the approval of the state department concerned, the employee or applicant for employment does not accept or continue such employment for a period of two years, he or she shall reimburse the state department for such moving and travel expenses for the full or proportionate amount.

For the purposes of this section satisfactory reasons for not completing two years of employment shall be death, prolonged illness, disability, unacceptability of the applicant or employee to the state department, and similar eventualities beyond the control of the applicant or employee.

(b) If the provisions of this section are in conflict with the

provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19843. (a) For each class or position for which a monthly or annual salary range is established by the department or by the Department of Finance, the department shall establish and adjust workweek groups and shall assign each class or position to a workweek group. The department, after considering the needs of the state service and prevailing overtime compensation practices, may establish workweek groups of different lengths or of the same length but requiring different methods of recognizing or providing compensation for overtime. The department may also provide for the payment of overtime in designated classes for work performed after the normal scheduled workday or normal scheduled workweek.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19844. (a) The department shall provide the extent to which, and establish the method by which, ordered overtime or overtime in times of critical emergency is compensated. The department may provide for cash compensation at a rate not to exceed 1½ times the regular rate of pay, and the rate may vary within a class depending upon the conditions of work, or the department may provide for compensating time off at a rate not to exceed 1½ hours of time off for each hour of overtime worked. The provisions made under this section shall be based on the practices of private industry and other public employment, the needs of state service, and internal relationships.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19845. (a) Notwithstanding any other provision of this chapter, the department is authorized to provide for overtime payments as prescribed by the Federal Fair Labor Standards Act to state employees.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be

controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19846. (a) It is the policy of the state that the normal workweek of permanent employees in fire suppression classes of the Division of Forestry shall not exceed 84 hours a week. Work in excess of the designated normal workweek may be compensated for in cash or compensating time off in accordance with the regulations of the department.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19847. (a) Every state agency in which there are employees not subject to state civil service shall submit to the department all information necessary for determination of the workweek for each employee. For each class or position for which a monthly or annual salary range is established by the Trustees of the California State University and Colleges, the trustees shall establish and adjust workweek groups and shall assign each class or position to a workweek group.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19848. (a) The granting of compensating time off in lieu of cash compensation is not prohibited where compensating time off can be granted within 12 calendar months following the month in which the overtime was worked and without impairing the services rendered by the employing state agency.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19849. (a) The department shall adopt rules governing hours of work and overtime compensation and the keeping of records related thereto, including time and attendance records. Each appointing

power shall administer and enforce such rules.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19849.1. (a) The department may provide by rule for compensation to employees who are required to report back to work after completion of the normal workday, workweek, or when otherwise off duty. In determining the rate and method of compensation, the department shall take into consideration the needs of state service and the practices prevailing in private business and other public employment.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19849.2. Any state agency may, subject to rules and regulations of the department, insure its employees against injury or death incurred while flying on state business in any except regularly scheduled passenger aircraft.

19849.3. When a state employee dies while traveling on official state business the state shall, under rules and regulations adopted by the department, pay the traveling expenses necessary to return the body to his or her official headquarters or the place of burial in the State of California, whichever is the smaller amount. This subdivision shall not be construed to authorize the payment of the traveling expenses, either going or returning, of one accompanying such body.

19849.4. (a) Any state employee when working overtime at his or her headquarters on state business may receive his or her actual and necessary expenses, during his or her regular workweek, subject to rules and regulations adopted by the department limiting the amount of the expenses and prescribing the conditions under which the expenses may be paid; provided, however, that each state agency may determine the necessity for and limit such expenses of its employees in such manner as does not conflict with and is within the limitations prescribed by the department.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19849.5. The headquarters of members of all boards and commissions who are employees pursuant to this part, unless fixed by law, shall be determined and fixed by the department, and the headquarters of all other employees shall be determined and fixed by the department.

19849.6. Any person who vacates a position in the state civil service to accept appointment by the Governor or by the Legislature to a position or an office for which the salary is fixed by statute and who thereafter is reinstated to his or her former position as provided by Section 19141 shall be credited only with such accumulated sick leave, and with such unused or accumulated vacation for which he or she did not receive a lump sum payment, as he or she was entitled to at the time he or she vacated the position.

19849.7. Each state agency shall at the time of each payment of salary or wages furnish each employee an itemized statement in writing showing all deductions made from such salary or wages.

19849.8. The department in which an employee is employed may pay the cost of replacing or repairing eyeglasses, hearing aids, dentures, watches, or articles of clothing necessarily worn or carried when damaged in the line of duty without fault of the employee. If the eyeglasses, hearing aids, dentures, watches or clothes are damaged beyond repair, the department may pay the actual value of such eyeglasses, hearing aids, dentures, watches or clothing. The value of such eyeglasses, hearing aids, dentures, watches or clothing shall be determined as of the time of the damage thereto.

19849.9. Any appointing power may present to an employee who has completed 25 or more years of state service a certificate, plaque or other suitable memento and the cost of the same shall be a proper charge against the support appropriation of the department or office in which the employee serves; provided, that the cost of any such certificate, plaque or memento shall not exceed the sum of fifteen dollars ($15). Such presentation may likewise be made to a retired employee who on the date of his or her retirement had completed 25 or more years of state service.

Article 5. Uniform and Equipment Allowances

19850. As used in this article:

(a) "Uniform" means outer garments, excluding shoes, which are required to be worn exclusively while carrying out the duties and responsibilities of the position and which are different from the design or fashion of the general population. This definition includes items that serve to identify the person, agency, functions performed, rank, or time in service.

(b) "Work clothes" means attire that is worn over, or in place of, regular clothing and is necessary to protect the employee's clothing from damage or stains which would be present in the normal performance of his or her duties, for example, aprons, lab smocks, shop coats, or coveralls; or is necessary for the required sanitary

conditions, for example, agriculture inspectors, surgery personnel, or food service.

(c) "Safety equipment" means equipment or attire worn over, in place of, or in addition to, regular clothing, which is necessary to protect the employees' health and welfare, for example, helmets, goggles, safety harnesses, and fireman "turnout gear."

(d) "Police protective equipment" means equipment or attire worn by law enforcement personnel for the purpose of protecting themselves or the public from overt actions of others or to assist in the carrying out of related duties, for example, handgun, baton, billy, handcuffs, flashlight, whistle, leather belt, holster and cases or attachments.

(e) "State employees" means employees of the state and its agencies, but does not include employees of the University of California.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19850.1. (a) State employees shall be responsible for the purchase of uniforms required as a condition of employment. The state shall provide for an allowance not to exceed two hundred fifty dollars ($250) per year to state employees for the replacement of uniforms.

When such employees are not required to wear uniforms on a full-time basis, the state allowance shall not exceed one hundred fifty dollars ($150) per year.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19850.2. Each state employee, including employees having probationary status, employed in a position which is permanent and full time, or employed in a position which is less than full time for the equivalent of one year, shall receive the allowance for uniforms provided for in Section 19850.1, if:

(a) The uniform is clearly necessary for ready visual identification by the public for law enforcement, public safety, or other closely related purposes; and

(b) The employee is required by his or her appointing power to wear the uniform for the regular performance of his or her duties;

and

(c) The uniform is authorized for wear only in an official capacity.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19850.3. To implement the provisions of Sections 19850.1 and 19850.2, the department shall:

(a) Establish a procedure to determine what articles are to be included in calculating the amount of the uniform allowance.

(b) Determine the average annual replacement cost for each type of uniform based on required standards and taking into consideration normal uniform life. The allowance shall be the average annual replacement cost or two hundred fifty dollars ($250), whichever is less.

(c) Annually review uniform allowances and adjust them when necessary.

(d) Determine procedure for and frequency of payment.

(e) Determine when new employees become eligible.

(f) Determine the need for changes in uniforms based on requests from appointing powers.

(g) Determine what degree of need for identification is necessary to support a uniform requirement.

(h) Establish procedures and make determinations as required.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19850.4. Subject to the availability of funds appropriated specifically for that purpose, each state employee shall be furnished work clothes if:

(a) The work clothes are required for purposes of sanitation or cleanliness; and

(b) The work clothes are required by the appointing power; and

(c) The work clothes are of a standard size instead of a measured size.

Work clothes provided pursuant to this section will be maintained and owned by the state. Items lost or damaged due to the negligence of the employee, shall be replaced by the employee at his or her expense.

If the provisions of this section are in conflict with the provisions

of a memorandum of understanding reached pursuant to Section 3517.5, or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19850.5. (a) The state shall furnish the initial issuance of all safety equipment and police protective equipment required by the employing state agency. All safety equipment and police protective equipment provided pursuant to this section shall remain the property of the state. Items lost or damaged due to the negligence of the employee, shall be replaced by the employee at his or her expense.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19850.6. The state department in which an employee is employed may pay the cost of replacing personal tools or other equipment required in the employee's work when stolen from the jobsite without fault of the employee. The department shall adopt rules setting forth the criteria under which payment may be made, including the method of payment, determination of cost, and conditions which constitute absence of fault by the employee.

CHAPTER 2.5. DAYS AND HOURS OF WORK

Article 1. Workweek

19851. (a) It is the policy of the state that the workweek of the state employee shall be 40 hours, and the workday of state employees eight hours, except that workweeks and workdays of a different number of hours may be established in order to meet the varying needs of the different state agencies. It is the policy of the state to avoid the necessity for overtime work whenever possible. This policy does not restrict the extension of regular working-hour schedules on an overtime basis in those activities and agencies where such is necessary to carry on the state business properly during a manpower shortage.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such

provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19852. (a) When the Governor determines that the best interests of the state would be served thereby, the Governor may require that the 40-hour workweek established as the state policy in Section 19851 shall be worked in four days in any state agency or part thereof.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19853. (a) All employees shall be entitled to the following holidays: the first day of January, the 12th day of February, the third Monday in February, the last Monday in May, the fourth day of July, the first Monday in September, the ninth day of September, the second Monday in October, the 11th day of November, the 25th day of December, the day chosen by an employee pursuant to the provisions of Section 19854, and every day appointed by the Governor of this state for a public fast, thanksgiving, or holiday.

When a day herein listed falls on a Sunday, the following Monday shall be deemed to be the holiday in lieu of the day observed. If November 11th falls upon a Saturday, the preceding Friday shall be deemed to be the holiday in lieu of the day observed. Any employee who may be required to work on any of the holidays herein mentioned, and who does work on any of such holidays, shall be entitled to be paid compensation or given compensating time off for such work within the meaning of this article. For the purpose of computing the number of hours worked, time during which an employee is excused from work because of holidays, sick leave, vacation, or compensating time off, shall be considered as time worked by the employee.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19854. (a) Every employee shall be entitled to one personal holiday per calendar year. The employer may require the employee to provide five working days' notice in advance of the personal holiday. The department may provide by rule for the granting of such holiday for employees.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19855. Any state employee who was laid off from the Department of Employment on the 31st day of December 1941 and thereafter entered the employ of the United States Employment Service and who returned to state service prior to November 16, 1946 and any person who entered the employ of the United States Employment Service after December 31, 1941 and who, prior to November 16, 1946, entered the state service in the Department of Employment may have the department determine the extent, if any, to which such employee shall be entitled to have credited to him in the state civil service, seniority credit, sick leave and accumulated vacation because of service in the United States Employment Service. The department shall limit such determination to the time any such employee was actually employed in the United States Employment Service, including time spent in war service in another federal department if such employee was transferred from the United States Employment Service to another federal department for war service and such employee subsequently entered the employ of the Department of Employment prior to November 16, 1946, and such seniority credits and accumulated sick leave and accumulated vacation shall not exceed that to which each employee would be entitled if he had been continuously employed by the State of California.

The foregoing provisions shall likewise apply to former employees of the Department of Employment who although otherwise entitled to such determinations entered recognized military service from federal employment and were reemployed by the Department of Employment within six months after their release from the military service and within six months from the termination of the state military emergency as proclaimed by the Governor. Such time spent in the military service shall be construed as time spent on military leave from the state civil service.

Article 2. Vacations

19856. (a) The department shall provide by rule for the regulation and accumulation of vacations for civil service employees and may provide for vacations for such employees who are employed less than full time. The department shall prescribe the methods by which employees leaving the employment of one state agency and entering the employment of another state agency may be compensated for, transfer, or otherwise receive proper credit for

their accumulated vacation privileges.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19856.1. (a) It shall be within the discretion of the department to define the effect of an absence from the payroll of 10 working days or less in any calendar month upon credit for vacation.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19857. The appointing power of any officer or employee not a member of the civil service may promulgate regulations governing vacations for such officers or employees. In the absence of such regulations, the rules of the department relating to the regulation and methods of accumulation of vacation for civil service employees shall govern.

19858. (a) Any employee of a state college who, immediately prior to becoming such employee was an employee of a state college auxiliary organization as provided in Section 24054 of the Education Code and whose functions and employment were, subsequent to January 1, 1969, transferred to and assumed by a state college, shall be entitled to accumulate credit for vacation at the rate to which he or she would have been entitled if his or her employment by such state college auxiliary organization had been employment by a state college.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19858.1. (a) Following completion of six months of continuous service, for each completed calendar month of service, except as provided in Section 19858.2, each state officer and employee who is employed full time shall receive credit for vacation with pay in accordance with the following schedule:

1 month to 3 years	5/6 days per month

37 months to 10 years	1¼ days per month
121 months to 15 years	1⅝ days per month
181 months to 24 years	1⅞ days per month
289 months and over	1⅔ days per month

The computation of credit for the month of January, 1964 and each month thereafter shall be based upon the schedule provided by this section, provided that the rate of vacation credit allowed shall not be reduced for any officer or employee employed prior to January 1, 1964. The time when vacation shall be taken shall be determined by the appointing power of the officer or employee.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19858.2. The department may provide by rule for the regulation and accumulation of vacation credits on an hourly basis to conform to the frequency of the pay period for all or certain designated employees. For those employees whose vacation credits are accrued on an hourly basis pursuant to this section, the rate of accrual shall be in substantial proportion to the schedule provided in Section 19858.1.

Article 3. Sick Leave

19859. (a) Following completion of one month of continuous service, except as otherwise provided in Section 19863.1, each state officer and employee who is employed full time shall be allowed one day of credit for sick leave with pay. Thereafter, for each additional calendar month of service, except as provided in Section 19861, one day of credit for sick leave with pay shall be allowed. Each state officer or employee is entitled to such leave with pay, on the submission of satisfactory proof of the necessity for sick leave as provided by rule of the department. For purposes of computing sick leave, each employee shall be considered to work not more than five days each week. The department shall provide by rule for the regulation and method of accumulation of sick leave for civil service employees, and may provide sick leave for those who work less than full time. Subject to department rule sick leave may be granted to employees for the purpose of physical examinations.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such

provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19860. The department may provide by rule for the regulation and accumulation of sick leave credits on an hourly basis for all or certain designated employees. The rate of accrual shall be substantially proportionate to eight hours per month, with amounts earned credited at the end of each pay period.

19861. (a) It shall be within the discretion of the department to define the effect of an absence from the payroll of 10 working days or less in any calendar month upon credit for sick leave.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19862. (a) Sick leave may be accumulated, and no additional sick leave with pay beyond that accumulated shall be granted, except as provided in Section 19863.1.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19862.1. (a) The department may provide by rule for crediting to the sick leave account of an employee formerly employed in a state position exempt from civil service any unused sick leave standing to the employee's credit at the time of separation from such a position; provided, the employee entered other state service not more than six months after separating from his exempt employment; and provided, such credit may not exceed the amount it would have been if such employment had been in the state civil service.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19863. (a) A state officer or employee who is or may be entitled to temporary disability indemnity under Division 4 (commencing with Section 3200) or Division 4.5 (commencing with Section 6100) of the Labor Code shall receive any accumulated sick leave, or

accumulated compensable overtime, or accumulated vacation for such absence. The appointing power shall decrease the charge of sick leave, or compensable overtime, or vacation in the amount of temporary disability payment received so that the state officer or employee shall not receive payment in excess of full salary or wage.

If a state officer or employee does not wish to use his or her accumulated sick leave, or accumulated compensable overtime, or accumulated vacation, he or she shall notify his or her appointing power within 15 days after the injury is reported to the appointing power. After the 15 days his or her accumulations shall be used until the date he or she notifies the appointing power in writing that he or she no longer wishes to use the accumulations. When computing sick leave, or overtime, or vacation under this section the employee shall be given credit for any holidays that occur during the period of absence hereunder.

He or she is nevertheless entitled to medical, surgical, and hospital treatment as provided in the Labor Code. When his or her accumulated sick leave, or overtime, or vacation, or all, are exhausted, he or she is still entitled to receive disability indemnity.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19863.1. (a) Notwithstanding any other provision of the law to the contrary, a state officer or employee who is entitled to temporary disability indemnity under Division 4 or Division 4.5 of the Labor Code as a result of an industrial accident occurring during a period of employment for which he or she is not earning sick leave credit shall have sick leave credit of one day for each completed month of service during the time that he or she is not earning sick leave credit. If the employee is disabled because of an industrial injury arising out of said employment during said period the employee may elect to draw sick leave credit during such period of disability, such credit not to exceed one day of sick leave for each completed month of service that he or she is not earning sick leave credit and not to exceed a total of six days.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19864. (a) The department may provide by rule for sick leave

without pay for those employees who have used all sick leave with pay to which they are entitled.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19865. No state employee who is an inmate or member of any state institution and who is employed on a full or part time basis shall be entitled to receive pay for any absence attributable to sickness.

19865.1. When an employee uses sick leave or vacation, or both, because of an injury compensable under the Labor Code, and the state is reimbursed by a third person for its damages by reason of such use, there shall be granted, for credit to the employee's sick leave or vacation account, sick leave or vacation equivalent to the amount so used or proportionately if reimbursement is only in part. If the state does not collect from the third person the full amount of the compensation paid and other damages for which it is liable to the employee and if the amount collected is not itemized so that there may be ascertained the amount collected in reimbursement for the sick leave or vacation used, the sick leave or vacation to be credited shall be in the same ratio to the sick leave or vacation used as the total amount collected bears to the total amount of the state's damages. "Sick leave" or "vacation" as used in this rule includes sick leave or vacation credit used to augment disability indemnity.

19866. (a) The appointing power of any officer or employee not a member of the civil service shall administer the sick leave authorized by this part for such officers or employees in accordance with the rules of the department. For each class or position for which a monthly or annual salary range is established by the Trustees of the California State University and Colleges, the trustees shall establish and adjust rules for the administration of sick leave.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19867. (a) Any employee of a state college who, immediately prior to becoming such employee, was an employee of a state college auxiliary organization as provided in Section 24054 of the Education Code and whose functions and employment were, subsequent to January 1, 1969, transferred to and assumed by a state college, shall be entitled to retain accumulated sick leave, and to accumulate sick

leave credit, as if his or her employment by such state college auxiliary organization had been employment by a state college.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19868. Any employee of the State Department of Health performing functions which, prior to July 1, 1973, were vested in the Department of Mental Hygiene and who is transferred on and after July 1, 1972, to county or local mental health programs as a result of state hospital closures or scheduled state hospital closures or as a result of a county undertaking the performance of mental health functions previously performed by the State Department of Health shall be entitled while employed in a county or local mental health program, to use for a period of five years following transfer any unused sick leave balance the employee had accumulated while in state employment and had remaining to his or her credit at the time of termination of state employment. Such sick leave shall be held in a reserve account by the state to be used, if necessary, only at such time as the transferred employee's sick leave benefits accrued as a county employee become exhausted. When county sick leave benefits are exhausted such employee shall be entitled to utilize his or her state reserve account sick leave, until exhausted. The state reserve account for sick leave shall be administered according to the sick leave provisions of Division 5 (commencing with Section 18000) of Title 2 and corresponding department rules. Upon reemployment with the state, a transferred employee's sick leave credits will be reduced by the number of hours used from the state reserve during his or her employment in the county or local mental health program. The cost of preserving and paying for the state reserve account sick leave shall be totally funded by the state.

19868.1. For the purposes of Sections 19859, 19860, 19861, 19862, 19862.1, 19863, 19863.1, 19864, 19865.1, 19866, 19867, and 19868, sick leave benefits provided to state employees pursuant to the state sick leave system shall be construed to mean compensation paid to employees on approved leaves of absence on account of sickness.

19868.2. Notwithstanding any other provision of law to the contrary, whenever sick leave benefits are provided to state employees pursuant to the state sick leave system, such benefits shall be construed to mean compensation paid to employees on approved leaves of absence on account of sickness.

Article 4. Industrial Disability Leave

19869. This article applies to state officers and employees who are members of the Public Employees' Retirement System or the State Teachers' Retirement System in compensated employment on and after the effective date of this article and to state officers and employees, whether or not members of such systems, who are employees of the Legislature and are not members of the civil service.

This article does not apply to state officers and employees who are included in the provisions of Article 6 (commencing with Section 4800) of Chapter 2 of Part 2 of Division 4 of the Labor Code.

19869.1. If the provisions of this article are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19870. As used in this article:

(a) "Industrial disability leave" means temporary disability as defined in Divisions 4 (commencing with Section 3201) and 4.5 (commencing with Section 6100) of the Labor Code and includes any period in which the disability is permanent and stationary and the disabled employee is undergoing vocational rehabilitation.

(b) "Full pay" means the gross base salary earnable by the employee and subject to retirement contribution if he had not vacated his position.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19871. (a) When a state officer or employee is temporarily disabled by illness or injury arising out of and in the course of state employment, he or she shall become entitled, regardless of his or her period of service, to receive industrial disability leave and payments, in lieu of workers' compensation temporary disability payments and payments under Section 19863, for a period not exceeding 52 weeks within two years from the first day of disability. Such payments shall be in the amount of the employees full pay less withholding based on his or her exemptions in effect on the date of his or her disability for federal income taxes, state income taxes, and social security taxes not to exceed 22 working days of disability subject to Section 19875. Thereafter, the payment shall be two-thirds of full pay. Payments will be additionally adjusted to offset disability benefits, excluding

those disability benefits payable from the State Teachers' Retirement System, the employee may receive from other employer-subsidized programs, except that no adjustment will be made for benefits to which the employee's family is entitled up to a maximum of three-quarters of full pay. Contributions to the Public Employees' Retirement System or the State Teachers' Retirement System shall be deducted in the amount based on full pay. Discretionary deductions of the employee including those for coverage under a state health benefits plan in which the employee is enrolled shall continue to be deducted unless canceled by the employee. State employer contribution to the Public Employees' Retirement System and state employer normal retirement contributions to the State Teachers' Retirement System shall be made on the basis of full pay and state contribution pursuant to Sections 22825.1 and 22826 of this code because of the employee's enrollment in a health benefits plan shall continue.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act

19871.1. (a) A state officer or employee who is receiving industrial disability leave benefits, shall continue to receive all employee benefits which he or she would have received had he or she not incurred disability.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19872. (a) The disabled employee shall not receive temporary disability indemnity or sick leave with pay for any period for which he or she receives industrial disability leave; however, he or she may elect to waive the provisions of this article and to receive disability indemnity pursuant to Divisions 4 (commencing with Section 3201) and 4.5 (commencing with Section 6100) of the Labor Code and to payments under Section 19863 in lieu of the benefits provided in this article. If the amount of the employee's benefits payable under this article is less than the amount he would receive under Divisions 4 (commencing with Section 3201) and 4.5 (commencing with Section 6100) of the Labor Code, the employee shall be deemed to have rejected the benefits of this article and shall be paid benefits pursuant to Divisions 4 (commencing with Section 3201) and 4.5 (commencing with Section 6100) of the Labor Code.

(b) If the provisions of this section are in conflict with the

provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19873. (a) Division 4.7 (commencing with Section 6200) of the Labor Code shall not apply to employees to which this article applies.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19874. (a) If the employee continues to be temporarily disabled after termination of benefits under this article, he or she shall be entitled to the benefits provided by Divisions 4 (commencing with Section 3201) and 4.5 (commencing with Section 6100) of the Labor Code and to payments under Section 19863.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19875. (a) If an illness or injury causes temporary disability, the employee shall be placed on industrial disability leave on the fourth calendar day after the injured employee leaves work as a result of the illness or injury, except that in case the injury causes disability of more than 14 days or necessitates hospitalization, the employee shall be placed on industrial disability leave from the first day he or she leaves work or is hospitalized as a result of the injury.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19876. (a) Payments shall be contingent on the complete medical certification of the illness or injury including diagnosis and any prognosis of recovery. Further, payments shall be contingent on the employee's agreement to cooperate and participate in a reasonable and appropriate vocational rehabilitation plan when furnished by the state subject to appropriate medical approval as determined by the department or, for employees of the California State University and Colleges, as determined by the Trustees of the

California State University and Colleges.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19877. The department shall adopt any rules and regulations necessary for the administration of this article. The Trustees of the California State University and Colleges shall adopt any rules and regulations necessary for the administration of this article for employees of the California State University and Colleges.

The appointing power of any officer or employee not a member of the civil service shall adopt any rules and regulations necessary for the administration of this article for such officers or employees.

19877.1. (a) The provisions of this article shall be effective upon the adoption of applicable rules and regulations, but not later than January 1, 1975.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

Article 5. Nonindustrial Disability Leave

19878. As used in this article:

(a) "Employee" means any of the following:

(1) A permanent or probationary full-time state officer or employee, regardless of period of service, who is a member of the Public Employees' Retirement System or the State Teachers' Retirement System in compensated employment on and after October 1, 1976. Commencing January 1, 1979, it also means a full-time state officer or employee, whether or not a member of such systems, who is an employee of the Legislature and is not a member of the civil service.

(2) A permanent or probationary part-time or intermittent state officer or employee, with at least the equivalent of six monthly compensated pay periods of service in the 18 months of pay periods immediately preceding the pay period in which the disability begins, who is a member of the Public Employees' Retirement System or the State Teachers' Retirement System, in compensated employment on or after January 1, 1979.

(3) In addition to those eligible under subdivision (1) of this section, an employee of the Trustees of the California State University and Colleges appointed half-time or more for one year of

service or one academic year, as defined by the trustees, or more, who is a member of the Public Employees' Retirement System or the State Teachers' Retirement System, in compensated employment on or after January 1, 1979.

(b) "Full pay" means the gross base salary earnable by the employee, and subject to retirement contribution on the date of the commencement of his or her disability.

(c) "Disability" or "disabled" includes mental or physical illness and mental or physical injury, including any illness or injury resulting from pregnancy, childbirth, or related medical condition. An employee is deemed disabled on any day in which, because of his or her physical, mental, or medical condition, he or she is unable to perform his or her regular or customary work.

(d) "Disability benefit period", with respect to any individual, means the continuous period of disability beginning with the first day with respect to which the individual files a valid claim for nonindustrial disability benefits. For the purposes of this article, two consecutive periods of disability due to the same or related cause or condition and separated by a period of not more than 14 days shall be considered as one disability benefit period.

(e) "Appeals board" means the California Unemployment Insurance Appeals Board.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19878.1. If the provisions of this article are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19879. (a) When an employee is disabled, whether temporarily or permanently, the employee shall become entitled, subject to the provisions of this article, to receive nonindustrial disability benefits in an amount equal to one-half full pay, but not to exceed one hundred twenty-five dollars ($125) per week, payable monthly for a period not exceeding 26 weeks for any one disability benefit period, but in no case shall benefits be payable for any day on and after death or separation or retirement from state service.

(b) For purposes of this section, the "full pay" of a part-time or intermittent employee only shall be established in accordance with the following:

(1) Where the part-time employment is regularly scheduled and

is a fixed proportion of the established workweek, the payments shall be determined on the basis of that proportionate part of the monthly rate.

(2) Where employment is intermittent or irregular, the payments shall be determined on the basis of the proportionate part of a monthly rate established by the total hours actually employed in the 18 monthly pay periods immediately preceding the pay period in which the disability begins as compared to the regular rate for a full-time employee in the same group or class.

(c) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19880. A disabled employee is eligible to receive nonindustrial disability benefits under this article equal to one-seventh of his or her weekly benefit amount specified in Section 19879 for each full day during which he or she is unemployed due to a disability only if the Director of Employment Development finds that:

(a) He or she has made a claim for disability benefits as required by authorized regulations.

(b) He or she has been disabled for a waiting period of seven consecutive days during each disability benefit period with respect to which waiting period no benefits under this article are payable except for confinement in a hospital or nursing home for at least one day.

(c) He or she has exhausted all such leave to which he or she was entitled under Article 3 (commencing with Section 19859) of this part.

(d) Except for an individual described in Section 2709 of the Unemployment Insurance Code, he or she has submitted to such reasonable examinations as the Director of Employment Development may require for the purpose of determining his or her mental or physical disability.

(e) He or she has filed a certificate described in Section 2708 or 2709 of the Unemployment Insurance Code.

(f) Except as otherwise provided, he or she meets, in all other respects, the eligibility requirements imposed on individuals by Part 2 (commencing with Section 2601) of Division 1 of the Unemployment Insurance Code for receipt of unemployment compensation disability benefits.

In case of any conflict between the provisions of Part 2 (commencing with Section 2601) of the Unemployment Insurance Code and the provisions of this chapter, the provisions of this chapter shall prevail.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section

3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19880.1. (a) A disabled employee shall be eligible to receive nonindustrial disability benefits under this article without being required to use any vacation leave accrued under Article 2 (commencing with Section 19856) of this part, unless the employee, in his or her sole discretion, elects to use such vacation leave in lieu of receiving benefits under this article, in which case benefits under this article shall not commence until the employee has exhausted such accrued vacation leave.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19881. (a) An employee is not eligible for disability benefits under this article with respect to any period for which the Director of Employment Development finds that he or she has received or is entitled to receive unemployment compensation benefits under Part 1 (commencing with Section 100) of Division 1 of the Unemployment Insurance Code or under an unemployment compensation act of any other state or of the federal government.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19882. (a) Except as provided in this section, an individual is not eligible for disability benefits under this article for any day of unemployment and disability for which he or she has received, or is entitled to receive "other benefits" in the form of cash payments.

(b) "Other benefits" as used in this section means:

(1) Temporary disability indemnity under a workers' compensation law of this state or of any other state or of the federal government or under Article 4 (commencing with Section 19869) of this part.

(2) Temporary disability benefits under any employer's liability law of this state or of any other state or of the federal government.

(c) If such "other benefits" are less than the amount an individual would otherwise receive as disability benefits under this article, he or she shall be entitled to receive, for such day, if otherwise eligible, disability benefits under this article reduced by the amount of such

"other benefits." If after receipt of, or determination of entitlement to receive, such other benefits, a claim for disability benefits under this article is filed during the same continuous period of disability, because of a disability for which a claim for such other benefits was made, the maximum amount of disability benefits payable under this article during the disability benefit period thereby established shall be reduced by the amount of such "other benefits" which the claimant has received or has been determined to be entitled to receive.

(d) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19883. (a) Discretionary deductions of the employee, including those for coverage under a state health benefits plan in which the employee is enrolled, shall be deducted from the disability benefits under this article unless canceled by the employee. If an employee deduction under a state health benefits plan is continued, the state employer contribution shall also continue.

An employee shall not receive service credit under the Public Employees' Retirement System or the State Teachers' Retirement System during the period of receipt of disability benefits under this article and contributions to the Public Employees' Retirement System or the State Teachers' Retirement System shall not be deducted. State employer contributions shall also not be made to either system during such period.

An employee shall not accrue sick leave or vacation credit or service credit for any other purpose during the period of receipt of disability benefits under this article.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19884. (a) Filing, determination, and payment of disability benefit claims under this article shall be made in accordance with the procedures prescribed by Article 4 (commencing with Section 2701) of Chapter 2 of Part 2 of Division 1 of the Unemployment Insurance Code.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the

expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19885. The department shall adopt any rules and regulations necessary for the administration of this article. The Trustees of the California State University and Colleges shall adopt any rules and regulations necessary for the administration of this article for employees of the California State University and Colleges.

The appointing power of any officer or employee of the Legislature, who is not a member of the civil service, shall adopt any rules and regulations necessary for the administration of this article for such officers or employees.

Article 6. Firefighters

19886. (a) As used in this article the term "fireman of the state" or "fireman" shall be deemed to include a member of a fire department or fire service of the state, including the University of California, whether such members are volunteer, partly paid, or fully paid, excepting those whose principal duties are clerical, such as stenographers, telephone operators and other officeworkers. Such firemen shall be regularly employed or in the case of a volunteer shall be regularly enrolled as such.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19886.1. (a) Whenever any fireman of the state dies or is disabled from performing his or her duties as a fireman by reason of his or her proceeding to or engaging in a fire-suppression or rescue operation, or the protection or preservation of life or property, anywhere in this state, including the jurisdiction in which he or she is employed, but is not at the time acting under the immediate direction of his or her employer, he or she, or his or her dependents, as the case may be, shall be accorded by his or her employer all of the same benefits of the workers' compensation law, which he, she, or they would have received had that fireman been acting under the immediate direction of his or her employer. Any injury, disability or death incurred under the circumstances described in this section shall be deemed to have arisen out of and been sustained in the course of employment for purposes of workers' compensation and all other benefits.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the

expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19886.2. Nothing in this article shall be deemed to:

(a) Require the extension of any benefits to a fireman who at the time of his injury, death, or disability is acting for compensation from one other than the state.

(b) Require the extension of any benefits to a fireman employed by the state where by state departmental regulation whether now in force or hereafter enacted or promulgated, the activity giving rise to the injury, disability or death, is expressly prohibited.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

Article 7. The Clerical Pool

19887. (a) The department may establish a clerical pool in any locality where the demand for temporary clerical help warrants it. Such pool shall be established by the employment of sufficient clerical employees by the office to fill the needs of various appointing powers for temporary help from time to time.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19887.1. (a) Upon a request from any appointing power for temporary help which can be filled from those employed by the department in the clerical pool, the department shall assign such persons as are needed.

Upon such assignment the appointing power may be charged pursuant to Section 11253 or Sections 11256 to 11263, inclusive, for the cost of the services.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19887.2. (a) For all purposes of this part such persons are employees of the department and not of the appointing power to which they are assigned. The department shall make all necessary

rules to carry out the purposes of this article. The procedure authorized by this article for procuring temporary clerical help is an alternative to other procedures for that purpose authorized by this part or department rule and nothing in this article, nor in the rules made hereunder, prevents an appointing power from following such other procedures.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

Article 8. Emergency

19888. Service under emergency appointment shall be credited for purposes of vacation, sick leave, and salary adjustment only if and as provided by department rule.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19888.1. The appointing power, to prevent the stoppage of public business when an actual emergency arises, or because the work will be of limited duration, not to exceed 60 working days, may make emergency appointments without utilizing persons on employment lists and, if necessary, without regard to existing classes. The method of selection and the qualification standards for an emergency employee shall be determined by the appointing power. The frequency of appointment, length of employment, and the circumstances appropriate for the appointment of an individual under emergency appointments shall be restricted by the State Personnel Board by rule so as to prevent the use of emergency appointments to circumvent employment lists.

Service under emergency appointment shall be credited for purposes of layoff only if and as provided by department rule.

Article 9. Career Executive Assignments

19889. It is the purpose of this article to encourage the development and effective use in the civil service of well-qualified and carefully selected executives. In order to carry out this purpose the State Personnel Board shall establish by rule a system of merit personnel administration specifically suited to the selection and placement of managerial personnel. The department shall be

responsible for the motivation and training of managerial personnel. For the purpose of administering this system there is established herewith a category of civil service appointment called "career executive assignments." The department may designate positions of a high administrative and policy influencing character for inclusion in or removal from this category with the approval of the State Personnel Board, except that the department shall not so designate a position in which there is an incumbent already appointed under the provisions of this part governing employees other than career executives.

19889.2. The provisions of this part governing the selection, classification, tenure, and other conditions of employment of employees in the regular civil service shall not apply in administering managerial personnel through a merit system utilizing "career executive assignments" unless such application is provided by State Personnel Board rule. The provisions of this part relating to punitive actions shall apply to employees serving in career executive assignments, except that termination of a career executive assignment as provided for in Section 19889.3 is not a punitive action. With reference to termination of career executive assignments, the department rules shall, as a minimum, afford an employee a right of appeal to the State Personnel Board for restoration of his or her assignment when he or she alleges that his or her termination was for reasons prohibited in Chapter 10 (commencing with Section 19680) of Part 2.

19889.3. Eligibility for appointment to positions in the career executive assignment category shall be established as a result of competitive examination of persons with permanent status in the civil service who meet such minimum qualifications as the State Personnel Board may determine are requisite to the performance of high administrative and policy influencing functions. No person employed in a career executive assignment shall be deemed to acquire as a result of such service any rights to or status in positions governed by the provisions of this part relating to the civil service other than the category of career executive assignment, except as provided by State Personnel Board rule. The State Personnel Board shall provide by rule that an employee shall, if he or she so desires, at the termination of his or her appointment to a career executive assignment, be reinstated to a civil service position that is (a) not a career executive assignment and (b) that is at least at the same salary level as the last position that he or she held as a permanent or probationary employee. If the employee has completed a minimum of five years of state service, he or she may return to a position that is (a) at substantially the same salary level as the last position in which he or she had permanent or probationary status or (b) at a salary level that is at least two steps lower than that of the career executive position from which the employee is being terminated. For the purpose of this section "employee" means a permanent employee, or an employee serving under another appointment who

previously had permanent status and who, since such permanent status, has had no break in the continuity of his or her state service.

19889.4. Notwithstanding any other provision of law, any person who, prior to March 30, 1977, was reinstated to a career executive assignment position, or appointed to an exempt position, after a break in service, and who held such position on May 31, 1977, shall upon termination of such career executive assignment or exempt position have the right to return to the last regular civil service position in which the person had permanent status prior to such a break in service.

Article 10. Activities

19990. A state officer or employee shall not engage in any employment, activity, or enterprise which is clearly inconsistent, incompatible, in conflict with, or inimical to his or her duties as a state officer or employee or with the duties, functions or responsibilities of his or her appointing power or the agency by which he or she is employed.

Each appointing power shall determine, subject to approval of the department, those activities which, for employees under his or her jurisdiction, are inconsistent, incompatible or in conflict with their duties as state officers or employees. Consideration shall be given to employment, activity or enterprise which: (a) involves the use for private gain or advantage of state time, facilities, equipment and supplies; or the badge, uniform, prestige or influence of one's state office or employment or, (b) involves receipt or acceptance by the officer or employee of any money or other consideration from anyone other than the state for the performance of an act which the officer or employee, if not performing such act, would be required or expected to render in the regular course or hours of his or her state employment or as a part of his or her duties as a state officer or employee or, (c) involves the performance of an act in other than his or her capacity as a state officer or employee which act may later be subject directly or indirectly to the control, inspection, review, audit or enforcement by such officer or employee or the agency by which he or she is employed, or, (d) involves such time demands as would render performance of his or her duties as a state officer or employee less efficient.

Each state officer and employee shall during his or her hours of duty as a state officer or employee and subject to such other laws, rules or regulations as pertain thereto, devote his or her full time, attention and efforts to his or her state office or employment.

The department may adopt rules governing the application of this section. Such rules may include provision for notice to employees prior to the determination of proscribed activities and for appeal by employees from such a determination and from its application to an employee.

If the provisions of this section are in conflict with the provisions

of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

Article 11. Absences

19991. (a) Upon giving two days' notice to his or her immediate superior, any state employee otherwise qualified shall be permitted to take any state civil service examination during working hours, if the examination is scheduled during such period, or to attend a meeting of the department or State Personnel Board at which is scheduled for consideration a matter specifically affecting his or her position concerning which he or she has requested to be heard, without deduction of pay or other penalty. Employment interviews for eligibles on employment lists shall be considered part of the examination process under this part.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19991.1. (a) Subject to department rule an appointing power may grant a leave of absence without pay, to any employee under his or her jurisdiction for a period not exceeding one year. A leave so granted assures to the employee the right to return to his or her former position upon expiration of the leave.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19991.2. (a) The appointing power may grant to an employee under his or her jurisdiction who has permanent civil service status or a probationer who immediately preceding his or her appointment to his or her position held permanent civil service status in the same or some other class a leave of absence without pay for not to exceed two years for service in a technical cooperation program as a temporary employee of another governmental agency, a nonprofit organization, or a recognized college or university upon the request of such agency. Upon termination of such service, and for three months thereafter, such employee shall have the right to be restored to his former position.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19991.3. (a) Leaves of absence granted for jury duty may be with or without pay.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19991.4. Any period of time during which an employee is required to be absent from his or her position by reason of an injury or disease for which he or she is entitled to receive temporary disability compensation under the provisions of Division 4 or 4.5 of the Labor Code is not a break in his or her continuous service for the purpose of his or her right to salary adjustments, sick leave, vacation, or seniority.

If an employee is unable to return to work at the time or during the period he or she is entitled to permanent disability compensation under Division 4 or 4.5 of the Labor Code, he or she shall be paid any sick leave balance, vacation balance, or accumulated compensable overtime. Such payment shall be computed by projecting the accumulated time on a calendar basis as though the employee was taking time off. If during the period of projection the employee is able to return to work, he or she shall be returned to his or her former position.

If a permanent or probationary employee is still not able to return to his or her former position and continues to receive permanent disability compensation, the appointing power shall take at least one of the following actions:

(a) Demote or transfer the employee to a position in a comparable or lower class in the same agency if he or she is able to perform such duties;

(b) Request the department to assist in placing the employee in another position in state service;

(c) Grant a leave of absence for the period during which the employee receives permanent disability compensation or is being retrained through rehabilitation;

(d) Encourage the employee to accept disability or service retirement; or

(e) Terminate under the provisions of Section 19253.5.

If the employee is demoted or transferred he or she shall receive the maximum of the salary range provided such salary is not greater

than the salary he or she received on the date his or her accumulated time was exhausted.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19991.5. (a) The department may permit the Commandant of the Veterans' Home of California to authorize members of the medical staff and medical technicians, to include X-ray, clinical laboratory, and dental laboratory technicians, of the Veterans' Home of California to attend medical and scientific meetings and medical and refresher courses, for a period not to exceed 30 days in any one calendar year, in recognized schools or colleges held in California. Any member so attending such schooling shall bear his or her own expenses but there shall be no interruption of normal salary or pay.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19991.6. (a) An appointing power shall grant a leave of absence without pay for the purposes of pregnancy, childbirth or the recovery therefrom for a period as determined by the employee not exceeding one year to any permanent female employee under the jurisdiction of the appointing power. When the employee has notified the appointing power as to the period of the leave of absence required, any change in the length of the period of leave shall not be effective unless approved by the appointing power.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19991.7. (a) For civil service employees employed in positions requiring teaching certification qualifications appointing powers may grant educational leave to attend study sessions at accredited schools, colleges or programs recommended by a trade advisory council for the purpose of receiving further instruction in pedagogy, vocational education, mental health or related fields. Such educational leave shall be granted with pay and credited to the employee by accumulation at the rate of 1¼ days for each month worked. Employees on educational leave shall maintain their merit

salary adjustment date and shall receive credit for vacation, sick leave, educational leave or any other benefit which would normally accrue during such work period. The time when educational leave shall be taken shall be determined by the appointing power of the employee. The department shall provide by rule for the regulation, accumulation and transfer of educational leave and shall prescribe the methods by which employees leaving the employment of one state agency and entering the employment of another state agency may receive proper credit for their accumulated educational leave privileges.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19991.8. During any state military emergency and subject to department rule, an appointing power may grant a leave of absence without pay to a permanent or probationary employee under his or her jurisdiction to:

(a) Engage in civilian warwork pursuant to mandatory order of the agency of the United States or of the state having authority to make such order.

(b) Assume active duty in the United States Merchant Marine.

(c) Assume other duty rather than active duty to fulfill a military obligation pursuant to mandatory order of the agency of the United States or of the state having authority to make such order.

(d) Assume active full-time duty for the American Red Cross.

Such a leave shall not exceed the period authorized in the order.

Such a leave assures to the employee the right to return to his or her former position upon its expiration

19991.9. Any permanent state civil service employee or an employee serving under another appointment who previously had permanent status and who, since such permanent status, has had no break in the continuity of his or her state service, who served in the armed forces, and who is eligible because of that service for education or training under applicable state or federal law shall upon application to his or her appointing power be granted an educational leave of absence without pay for the period during which he or she receives such education or training and for three months thereafter. In order for such a leave to be granted or to remain in effect, the employee must enroll for a minimum of 10 credit hours of post-high-school grade or the equivalent amount of work on high school level each school year. No such leave shall remain in effect for longer than four years and three months of school attendance. A leave so granted assures to the employee the right of return to his or her former position upon termination of the leave.

CHAPTER 3. PERFORMANCE REPORTS

19992. (a) After consultation with appointing powers and other supervising officials the department shall assist and encourage state agencies to establish standards of performance for each class of position and shall provide a system of performance ratings. Such standards shall insofar as practicable be established on the basis of the quantity and quality of work which the average person thoroughly trained and industriously engaged can turn out in a day.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19992.1. (a) The system of performance reports shall be designed to permit as accurately and fairly as is reasonably possible, the evaluation by his or her appointing power of each employee's performance of his or her duties. The evaluation shall be set forth in a performance report, the form for which shall be prescribed or approved by the department. The department may investigate administration of the system and enforce adherence to appropriate standards.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19992.2. (a) Appointing powers shall prepare performance reports and keep them on file as prescribed by department rule.

The rules shall provide that employees be shown the performance report covering their own service and are privileged to discuss it with the appointing power before it is filed. The extent to which such ratings or performance reports shall be open to inspection by the public shall be prescribed by department rule.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517 5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19992.3. (a) Performance reports shall be considered, in the manner prescribed by department rule, in determining salary increases and decreases, the order of layoffs, the advisability of transfers, demotions, and dismissals, and in promotional

examinations.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19992.4. (a) The department may establish rules under which records of unsatisfactory service may lead to reduction in class and compensation, and providing for the manner in which persons falling below the standards of efficiency fixed by its rules may be removed from their positions by the department, substantially as in the case of removals for cause. The department shall report such unsatisfactory records to the appointing power.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

CHAPTER 4. DEFERRED COMPENSATION

19993. (a) The department may establish for officers and employees a deferred compensation plan. Participation in such plan shall be by written agreement between such officers and employees and the state which shall provide for deferral of a portion of such officers' or employees' wages. Officers and employees may authorize deductions to be made from their wages for the purpose of participating in such deferred compensation plan.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

CHAPTER 4.5. STATE-OWNED MOTOR VEHICLES

19993.1. State-owned motor vehicles shall be used only in the conduct of state business. State business shall include the operation of state-owned vehicles as commute vehicles in a carpool or vanpool program authorized by a state agency, provided that a daily, weekly, or monthly fee is charged that is adequate to reimburse the state for the cost of providing such vehicles for such purpose. No state officer or employee shall use, or permit the use of, any state-owned motor

vehicle other than in the conduct of state business.

19993.2. The department shall prescribe rules and regulations which:

(a) Define the use of state-owned motor vehicles which constitutes use in the conduct of state business and distinguish such use from misappropriation for private use;

(b) Prescribe the procedure for determining and collecting from the employee responsible for the misuse the actual costs to the state attributable to misuse of state-owned motor vehicles and the disposition of such collections;

(c) Prescribe the records and reports to be kept and made by state agencies relating to the use of state-owned motor vehicles to the end that misuse may be discovered with a minimum of recordkeeping;

(d) Govern the storage of state-owned motor vehicles in those locations where storage space, under the jurisdiction of the Department of General Services, is available for storage of state-owned motor vehicles;

(e) Prescribe the procedures to be used in the operation of state-owned vehicles as commute vehicles in a state carpool or vanpool program.

19993.3. The provisions of this chapter shall not apply to the incumbents of elective state offices.

19993.4. The Department of General Services shall administer the provisions of this chapter and the rules and regulations adopted pursuant thereto; provided, however, that it shall be the duty of the head or governing body of each state agency to carry out and enforce this chapter and said rules and regulations within such state agency.

19993.5. Any violation by a state officer or employee of this chapter or the rules and regulations adopted pursuant thereto shall constitute misuse of state property under Section 19572 of this code.

19993.6. The department, upon its own initiative, may suspend from state service without pay for a period not exceeding 30 days, any officer or employee of this state exempt from civil service for violating this chapter or the rules and regulations adopted pursuant thereto.

Such suspension is valid only if a written notice is served on the officer or employee prior to the effective date of the suspension and a copy of such notice filed with the State Personnel Board not later than 15 days after the effective date of such suspension. The notice shall be served upon the employee either personally or by mail and shall include: (a) a statement of the nature of the punitive action; (b) the effective date of the action; (c) a statement of the causes therefor; and (d) a statement advising the employee of his or her right to answer the notice and the time within which that must be done if the answer is to constitute an appeal.

The officer or employee against whom such punitive action is taken shall have the right to file an answer with the State Personnel Board as provided in Section 19575, and request a hearing. If the answer requests a hearing the State Personnel Board shall conduct

a hearing. The board shall consider carefully the evidence submitted in the hearing and render a decision sustaining, modifying or revoking such suspension.

19993.7. The provisions of this chapter shall not apply to members of the California Highway Patrol.

CHAPTER 5. TRANSFERS

19994. Subject to the approval of the State Personnel Board, the department may enter into arrangements with personnel agencies in other jurisdictions for the purpose of exchanging services and effecting transfers of employees. When the state takes over and there is transferred to it a function from any other public agency, the department may determine the extent, if any, to which the employees employed by such other public agency on the date of transfer shall be entitled to have credited to them in the state civil service, seniority credits, accumulated sick leave and accumulated vacation because of service with the former agency. Granting of seniority credit under this section shall be subject to review by the State Personnel Board pursuant to Section 19816.5. The department shall limit such determination to the time any transferred employees were employed in the specific function or a function substantially similar while in the former agency and such seniority credits and accumulated sick leave and accumulated vacation shall not exceed that to which each employee would be entitled if he had been continuously employed by the State of California. The provisions of this section shall be applicable to any function heretofore transferred to the state whether by state action or otherwise as well as to any future transfers of a function to the state whether by state action or otherwise.

19994.1. An appointing power may transfer any employee under his or her jurisdiction: (a) to another position in the same class; or (b) to another position in a different class designated as appropriate by the department; or (c) any employee from one location to another whether in the same position, or in a different position as specified above in (a) or (b). When a transfer under this section reasonably requires an employee to change his or her place of residence, the appointing power shall give the employee, unless the employee waives this right, a written notice of transfer 60 days in advance of the effective date of the transfer. Unless the employee waives this right, the appointing power shall provide to the employee 60 days prior to the effective date of the transfer a written notice setting forth in clear and concise language the reasons why the employee is being transferred.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds,

the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19994.2. (a) When there are two or more employees in a class and an involuntary transfer is required to a position in the same class, or an appropriate class as designated by the department, in a location which reasonably requires an employee to change his or her place of residence, the department may determine the methods by which employees in the class or classes involved are to be selected for transfer. Such methods may include seniority and other considerations.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19994.3. (a) If a transfer is protested to the department by an employee as made for the purpose of harassing or disciplining the employee, the appointing power may require the employee to transfer pending approval or disapproval of the transfer by the department. If the department disapproves the transfer, the employee shall be returned to his or her former position, shall be paid the regular travel allowance for the period of time he or she was away from his or her original headquarters, and his or her moving costs both from and back to the original headquarters shall be paid in accordance with the department rules.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19994.4. (a) At the time it is filed with the department a copy of the protest shall be filed with the appointing power. Such a protest shall be made within 30 days of the time the employee is notified of the transfer.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19994.5. Transfer of an employee from a position under one appointing power to a position under another appointing power may be made, subject to State Personnel Board rule.

19994.6. With the approval of the State Personnel Board, an

employee may be transferred from a position in one class to a position in another class involving substantially the same level of duties, responsibility and salary but requiring additional or different special requirements. The State Personnel Board may require the employee to demonstrate in an examination conducted by the board that he or she possesses the additional or different requirements.

19994.7. Any transfer of an employee from a position in a lower class to a position in a higher class is a promotion and any transfer of an employee from a position in a higher class to a position in a lower class is a demotion and may be accomplished only in the manner provided for making promotional or demotional appointments.

19994.8. Whenever any position is changed by the adoption of new, different or additional machines or processes while the purpose or product is the same or similar in nature, any civil service employee affected shall be given reasonable opportunity without change in class, status or salary to learn to do the work with the new machine or process and to qualify for status in the different class of position required for such work; provided, that an employee may not be promoted to a higher class under the provisions of this section. An employee who qualifies for appointment in the different class shall be deemed to possess the specific education, experience or other requirements for such class and shall be appointed thereto with the same status and seniority which he or she last had in his or her previous class.

An employee shall be deemed to be affected under this section if the adoption of such new, different or additional machines or processes results in his or her being laid off and if laid off such employee shall have the same opportunity to qualify for appointment to any vacancy in the same class or any new class created because of the adoption of such new, different or additional machines or processes as any other employee affected by the provisions in this section who was not laid off.

The State Personnel Board may prescribe rules and procedures and make determinations for carrying out the provisions of this section including provisions for such examinations and tests of fitness as are deemed appropriate.

19994.9. The State Personnel Board may prescribe rules governing the temporary assignment or loan of employees within an agency or between agencies or jurisdictions for not to exceed two years for the purpose of training. Such temporary assignments or loans shall be deemed to be in accord with the provisions of this part limiting employees to duties consistent with their class. An employee participating in such an arrangement shall have the absolute right to return to his or her former position.

19994.10. Whenever a function or the administration of a law is transferred from one state agency to another state agency, all persons serving in the state civil service and engaged in the performance of the function or the administration of the law shall be

transferred to such agency. The status, positions, and rights of such persons shall be retained by them pursuant to this part and the State Civil Service Act. A state agency is not required to retain any unnecessary officers or employees.

"State agency" includes all departments, boards, offices, authorities, commissions, and other agencies of state government.

The State Personnel Board may provide by rule for the administration of this section.

CHAPTER 6. TRAINING

19995. (a) The department shall devise plans for and cooperate with appointing powers and other supervising officials in the conduct of employee training programs so that the quality of service rendered by persons in the state civil service may be continually improved.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19995.1. For the purpose of meeting the needs of the state service for continuing employee educational development and the upgrading of employee skills, the department may prescribe: (a) conditions under which employees may be assigned to take out-service training; and (b) conditions under which employees may be reimbursed for tuition fees and other necessary expenses in connection with out-service training authorized by the appointing power to meet the needs of the service. The conditions prescribed by the department shall include but not be limited to the requirements that such training shall be of direct value to the state, be relevant to the employee's career development in state service, and be limited to providing knowledges or skills that cannot be provided through available in-service training. The department shall further prescribe the conditions under which an employee may be required to reimburse the state for the costs of such training in the event he or she fails to remain in state service for a reasonable time after receiving the training. The department shall report annually to the Governor and to each house of the Legislature concerning activities under this section.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19995.2. (a) To such extent as practicable and within available resources for this purpose, the appointing power shall arrange for such counseling and training of employees as may be reasonably needed to prepare them for placement in other state civil service positions when their positions have been or are about to be changed substantially or eliminated by automation, technological changes, or other management-initiated changes and the department shall devise plans for and cooperate with appointing powers and other supervising officials in the administration of counseling, training, and placement programs for employees so affected.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19995.3. (a) The department and the Department of Rehabilitation shall jointly formulate procedures for the selection and orderly referral of disabled state employees who can be benefited by rehabilitation services and might be retrained for other appropriate positions within the state service. The Department of Rehabilitation shall cooperate in devising training programs for the disabled employees.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

CHAPTER 6.5. THE GOVERNOR'S AWARDS

19995.5. The Governor may each year make an award which shall be known as the Governor's Award to an employee or a group of employees, not to exceed six in number, who, during the preceding year have distinguished themselves by outstanding service to the state.

19995.6. Employees shall be nominated for the award by the directors of the various state departments and agencies and the Governor shall select from the persons so nominated the persons to whom he or she shall make the award.

19995.7. The award shall consist of a suitable medal or trophy.

CHAPTER 7. SEPARATIONS FROM SERVICE

Article 1. General

19996. The tenure of every permanent employee holding a position is during good behavior. Any such employee may be temporarily separated from the state civil service through layoff, leave of absence, or suspension, permanently separated through resignation or removal for cause, or permanently or temporarily separated through retirement or terminated for medical reasons under the provisions of Section 19253.5.

19996.1. (a) Resignations from the state civil service are subject to department rules. A resignation, except as provided in this section, does not jeopardize any rights and privileges of the employee except those pertaining to the position from which he or she resigns. A written resignation may expressly waive all or any rights or privileges provided for by this chapter, including but not limited to, accumulated vacation, and in such event the records of the department shall be made to conform therewith. No resignation shall be set aside on the ground that it was given or obtained pursuant to or by reason of mistake, fraud, duress, undue influence or that for any other reason it was not the free, voluntary and binding act of the person resigning, unless a petition to set it aside is filed with the department within 30 days after the last date upon which services to the state are rendered or the date the resignation is tendered to the appointing power, whichever is later. In the event a resignation is set aside pursuant to this section, the person resigning shall be reinstated to his or her former position and paid his or her salary for the period he or she was removed from state service as the result of such resignation. From any such salary due there shall be deducted compensation that the employee earned, or might reasonably have earned, during any period commencing more than six months after the initial date of resignation.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19996.2. (a) Absence without leave, whether voluntary or involuntary, for five consecutive working days is an automatic resignation from state service, as of the last date on which the employee worked.

A permanent or probationary employee may within 90 days of the effective date of such separation, file a written request with the department for reinstatement; provided, that if the appointing power has notified the employee of his or her automatic resignation, any request for reinstatement must be made in writing and filed within 15 days of the service of notice of separation. Service of notice shall be made as provided in Section 18575 and is complete on mailing. Reinstatement may be granted only if the employee makes a satisfactory explanation to the department as to the cause of his or

her absence and his or her failure to obtain leave therefor, and the department finds that he or she is ready, able, and willing to resume the discharge of the duties of his or her position or, if not, that he or she has obtained the consent of his or her appointing power to a leave of absence to commence upon reinstatement.

An employee so reinstated shall not be paid salary for the period of his or her absence or separation or for any portion thereof.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

Article 1.5. Reduced Worktime Program

19996.5. The Legislature finds and declares that, notwithstanding the fact that a reduction in the overall personnel budget of state government may be found necessary and prudent in the course of events, it is in the public interest to provide the highest quality of service to the taxpayers of California. Providing that service requires, among other things, the maintenance of high morale among public employees, the ability to attract the most competent and dedicated new employees to public service in the years ahead, as well as to preserve to the maximum extent the pool of skilled employees now in public service. Therefore, it is the intent of the Legislature in enacting this article to maximize the preservation of employment opportunities of public servants, to the extent that budgetary and efficiency objectives may be achieved, with a minimum of layoffs or other avoidable dislocations of careers.

19996.6. In the event that a reduction in the personnel of departments and agencies of state government, equivalent to 1 percent or more of full-time equivalent jobs is contemplated in a single fiscal year, and only in such circumstances, each department or agency affected by such reductions shall permit employees to voluntarily reduce worktime on a basis consistent with administrative feasibility in order that employment opportunities will be preserved to the extent possible through a redistribution of workload. This article shall not be construed as a job creation program, nor shall any program be operated under this article which results in an increase in the total number of employees over levels existing in a participating department or agency during the fiscal year immediately preceding the fiscal year for which personnel reductions described in this section are contemplated.

19996.7. If the department determines that a personnel reduction, as described in Section 19996.6, is contemplated by the Governor's Budget, it shall conduct or direct each affected department or agency to conduct a survey of all permanent full-time

employees to determine the extent of the desire of such employees to participate in a voluntary reduced worktime program.

19996.8. The survey required under Section 19996.7 shall contain information clearly informing employees as to the terms and conditions under which voluntary reduced worktime options would be available including, but not limited to, potential worktime options, the effect such a reduction would have on benefits, and the right to return to full-time work to the extent such work is available as specified in subdivisions (b), (c), and (d), respectively, of Section 19996.9.

19996.9. (a) Reduced worktime shall be permitted to the extent that it (1) contributes, through reducing costs, to the preservation of employment opportunities that would otherwise be eliminated because of the contemplated budget reduction, (2) is found administratively feasible and within the guidelines of the department by the appointing authority of the department for which an employee works, and (3) reflects the findings of, and is consistent with, the survey conducted pursuant to Section 19996.7.

(b) Reduced worktime options may be available in the form of fewer hours of work per day, or fewer days of work per year either on a regular basis such as a four-day workweek or on an irregular but planned basis such as occasional days off or an extended vacation.

(c) Voluntary worktime reductions shall result in a pro rata reduction of compensation to participating employees.

(d) Participating employees shall, upon request, be given first priority for returning to a full-time schedule to the extent that such full-time work is available. Participating employees shall return to full-time employment at the request of the appointing authority pursuant to regulations adopted by the department which shall:

(1) Define conditions under which such a request by the appointing authority is appropriate, and

(2) Provide a reasonable grace period for allowing an employee to make necessary personal arrangements for returning to full-time employment.

(e) If layoff becomes unavoidable, employees who participate in a voluntary reduced worktime program pursuant to this article shall not routinely be subject to layoff ahead of full-time employees. Such part-time employees shall be subject to the same seniority and other layoff considerations as full-time employees in determining the order of layoff.

19996.10. The department, in preparing to conduct and interpreting the results of the survey required by this article, and any department or agency of state government undertaking to design and implement a voluntary reduced worktime program for its employees pursuant to this article, may request technical assistance relating to reduced worktime concepts, methods, and programs from the Employment Development Department pursuant to the provisions of Resolution Chapter 103 of the Statutes of 1978.

19996.11. The department shall adopt appropriate rules and

guidelines relating to reduced worktime programs which shall include, but not be limited to, guidelines for determining the minimum time to be worked by participating employees, and guidelines for determining the administrative feasibility of particular reduced worktime programs.

19996.12. Results of any survey conducted pursuant to Section 19996.7 and plans for implementation of any voluntary reduced worktime program to preserve employment opportunities pursuant to Section 19996.6 shall be transmitted forthwith to the Joint Legislative Audit Committee, the Joint Legislative Budget Committee, the fiscal committees, and the rules committee of each house of the Legislature. The report of such plans shall include but not be limited to, an analysis of expected fiscal savings and the extent of preservation of employment opportunities anticipated from implementation of such plans.

19996.13. Any employee who is being coerced, or who has been required, by the appointing power, a supervisor, or another employee, to involuntarily reduce his or her worktime contrary to the intent of this article, or who has been unreasonably denied the right to participate in a program established pursuant to Section 19996.9, may file a grievance with the appropriate authority pursuant to the provisions of Article 24 (commencing with Section 540) of subchapter 1 of Chapter 1 of Division 1 of Title 2 of the California Administrative Code.

19996.14. Nothing in this article shall be construed to supersede or impair any contrary provisions contained in an existing collective bargaining agreement.

19996.15. The department, in cooperation with the Public Employees' Retirement System, shall prepare and submit to the Legislature, for referral to the appropriate policy and fiscal committees of each house, a preliminary report by June 30, 1981, and a final report by June 30, 1982. Such reports shall include, but not be limited to, the following:

(a) The extent that reduced worktime programs are in use.

(b) The cost effectiveness of reduced worktime programs.

(c) The actuarial impact of reduced worktime programs.

(d) Recommendations on continuation of reduced worktime programs and suggested statutory changes.

19996.16. The Trustees of the California State University and Colleges, in cooperation with the department, shall be responsible for the administration of this article with respect to employees of California State University and Colleges.

19996.17. This article shall remain in effect only until June 30, 1982, and as of such date is repealed, unless a later enacted statute, which is chaptered before June 30, 1982, deletes or extends such date.

Article 1.6. Reduced Worktime Act

19996.20. "Reduced worktime," as used in this article, means employment of less than 40 hours of work per week, and includes arrangements involving job sharing, four-, five-, or six-hour workdays, jobs which provide eight hours of employment or less for one, two, three, four or five days per week, and such other arrangements which the department finds consistent with maximum employment opportunity to employees desiring other than a standard worktime.

19996.21. It is the policy of the state that to the extent feasible, reduced worktime be made available to employees who are unable, or who do not desire, to work standard working hours on a full-time basis. Further, it is the intent of the Legislature that nothing in this act shall be used to reduce the number of full-time equivalency positions authorized to any department.

19996.22. (a) Any employee who is being coerced, or who has been required, by the appointing power, a supervisor, or another employee, to involuntarily reduce his or her worktime contrary to the intent of this article, or who has been unreasonably denied the right to participate in this program, may file a grievance with the department.

(b) Any employee of the California State Universities and Colleges System who is being coerced, or who has been required by the appointing power, a supervisor, or another employee, to involuntarily reduce his or her worktime contrary to the intent of this article, or who has been unreasonably denied the right to participate in this program, may file a grievance pursuant to the procedures established by the Trustees of the California State University and Colleges.

(c) Nothing in this article shall impair the employment or employment rights or benefits of any employee.

(d) This article shall not apply to employees who are full-time state peace officers unless approved by the peace officers' appointing power.

19996.23. In counting the number of employees any state agency employs for purposes of any personnel ceiling, an employee employed on a reduced worktime basis shall be counted as a fraction which is determined by dividing 40 hours into the average number of hours that an employee works each week.

19996.24. (a) Permanent employees who voluntarily reduce their worktime shall, upon request, be given first priority for returning to a full-time work schedule to the extent that such full-time work is available. Such permanent employees shall return to full-time employment at the request of the appointing authority pursuant to regulations adopted by the department which shall define the conditions under which such a request by the appointing authority is appropriate and provide a reasonable grace period for allowing an employee to make the necessary personal arrangements

for returning to full-time employment.

(b) If a layoff becomes unavoidable, persons employed on a reduced worktime basis shall not routinely be subject to the layoff ahead of full-time employees. These employees shall be subject to the same seniority and other similar considerations as full-time employees in determining the order of layoffs.

19996.25. If the provisions of this article are in conflict with the provisions of a memorandum of understanding reached pursuant to Sections 3517.5 and 3572, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19996.26. All persons employed in reduced worktime positions pursuant to Section 19996.21, shall receive, on a pro rata basis, except for benefits provided under the Public Employees' Retirement Law and under the Public Employees' Medical and Hospital Care Act, all benefits customarily available to full-time employees of state agencies in similar classes or positions. With regard to benefits provided under the Public Employees' Retirement Law and under the Public Employees' Medical and Hospital Care Act, persons employed in reduced worktime positions shall receive such benefits as are provided by law for persons employed for less than full time.

19996.27 The department shall adopt appropriate rules and guidelines relating to reduced worktime implementation.

19996.28. The Trustees of the California State University and Colleges shall adopt the appropriate rules and guidelines relating to the implementation of the reduced worktime program for the employees of the California State University and Colleges system.

19996.29. This article shall be known and may be cited as the " Reduced Worktime Act."

Article 2. Layoff and Demotion

19997. Whenever it is necessary because of lack of work or funds or whenever it is advisable in the interests of economy to reduce the staff of any state agency, the appointing power may lay off employees pursuant to this article and department rule. All layoff provisions and procedures established or agreed to under this article shall be subject to State Personnel Board review pursuant to Section 19816.5.

19997.1. The duties performed by any employee laid off may be assigned to any other employee or employees in the state agency holding positions in appropriate classes.

19997.2. (a) With the approval of the department, only the employees of a designated geographical, organizational or functional subdivision of a state agency need be considered for layoff, and reemployment lists shall be established for such subdivision. Such lists take priority over the departmental and other reemployment or employment lists.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19997.3. (a) Layoff shall be made in accordance with the relative seniority of the employees in the class of layoff. Except as otherwise provided in this part, in determining seniority scores, one point shall be allowed for each complete month of full-time state service regardless of when such service occurred; except that, the provisions of Sections 19143 and 19143.5 shall be applied in computing seniority for employees who have had a break in the continuity of their state service. Department rules shall establish: (1) the extent to which seniority credits may be granted for less than full-time service; (2) the seniority credit to be granted for service in a class that has been abolished, combined, divided, or otherwise altered under the authority of Section 18802; (3) the basis for determining the sequence of layoff whenever the class and subdivision of layoff includes employees whose service is less than full time; and (4) such other matters as are necessary or advisable to the operation of the provisions of this chapter.

(b) For professional, scientific, administrative, management, and executive classes, the department shall prescribe standards and methods by rule whereby employee efficiency shall be combined with seniority in determining the order of layoffs and the order of names on reemployment lists. Such standards and methods may vary for different classes, and shall take into consideration the needs of state service and practice in private industry and other public employment.

(c) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding incurs either present or future costs, or requires the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19997.4. For the purposes of determining seniority pursuant to subdivision (a) of Section 19997.3, the term "state service" shall include all service which is exempt from state civil service.

19997.5. Separations that are necessary by reason of reinstatement of an employee or employees after recognized military service as provided for in Section 19780 shall be made by layoff. In making such separations, the regular method of determining the order of layoff shall be used unless this would result in the layoff of an employee who has been reinstated in the class and subdivision of layoff under the provisions of Section 19780, and in the

retention of an employee who was appointed in the class and subdivision of layoff during the time such a reinstated employee was on military leave. Under such circumstances, seniority shall not be counted as provided in Section 19997.3. Instead, service in the subdivision of layoff that qualifies under Section 19997.3 for credit is the only state service that shall be counted.

Whenever such a layoff results in the demotion to a lower class of an employee who has been reinstated after recognized military service as provided in Section 19780, the resulting layoff, if any, in the lower class shall be made as though that reinstated employee had been in that lower class at the time he or she went on military leave.

Any layoff occurring within one year after reinstatement of an employee after recognized military service shall be presumed to have been necessary by reason of reinstatement of an employee or employees under Section 19780 unless the department determines that the reason for layoff is clearly not related to such reinstatement.

19997.6. A veteran, except a veteran who was reinstated from military leave, shall in the event of layoff receive seniority credit for recognized military service only as follows:

(a) The veteran must have entered the state service within one year after date of discharge or the end of the national emergency or the end of the state military emergency, whichever of these dates is the earlier, or; if more than one year has elapsed, he or she shall have been in attendance at regular sessions at a college or vocational training school, for not more than five years, commencing within one year of his discharge.

(b) Such credit for recognized military service shall be computed as if it were service in the class to which the employee was first given permanent civil service or exempt appointment after his or her entry into the state service following recognized military service.

(c) Such seniority credits shall be forfeited in the event of a break in service as provided in Section 19143.

(d) Such seniority credit shall not exceed one years' credit if such veteran had no state service prior to entering the military service.

19997.7. Employees in the class under consideration, up to the number of positions to be abolished or discontinued, shall be laid off in the order as determined under the provisions of this part. As between two or more such employees who have the same score veterans shall have preference in retention. Other ties shall be resolved according to department rule which shall take into consideration other matters of record before names are drawn by lot.

19997.8. In lieu of being laid off an employee may elect demotion to: (a) any class with substantially the same or a lower maximum salary in which he or she had served under permanent or probationary status, or (b) a class in the same line of work as the class of layoff, but of lesser responsibility, if such a class is designated by the department. Whenever such a demotion requires a layoff in the elected class, the seniority score for the demoted employee shall be recomputed in that class. The appointing power shall inform the

employee in the notice of layoff of the classes to which he or she has the right to demote. To be considered for demotion in lieu of layoff an employee must notify his or her appointing power in writing of his or her election not later than five calendar days after receiving notice of layoff.

Demotions in lieu of layoff, and layoffs resulting therefrom, shall be governed by the provisions of this article and shall be made within the subdivisions approved by the department for this purpose. Such subdivisions need not be the same as those used to determine the area of layoff under Section 19997.2.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19997.9. (a) Any employee replaced by such demotion has the same option of demotion afforded by Section 19997.8 as if his or her position had been abolished or discontinued.

Except as authorized by the department under the provisions of Section 19837, any employee demoted pursuant to this article shall receive the maximum of the salary range of the class to which he or she is demoted; provided, that such salary is not greater than the salary he or she received at the time of demotion.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19997.10. (a) Any officer or employee, directly or indirectly, entitled to or having permanent status under the provisions of Article VII of the Constitution or the State Civil Service Act, who is displaced by one having a right to return shall be accorded the same rights to elect demotion in lieu of layoff as though he or she had had permanent status at all times in any previous position.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19997.11. (a) The names of employees to be laid off or demoted shall be placed upon the reemployment list for the subdivision, if such a subdivision was designated, upon the departmental reemployment list and upon the general reemployment list, for the

class from which the employees were laid off or demoted. The department may also place such names upon the general reemployment list for such other appropriate classes as the department determines.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19997.12. (a) An employee who is certified to a position in a class after layoff, or demotion in lieu of layoff, shall receive not less than the same step in the salary range as he or she received in the position in that class prior to such layoff or demotion.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19997.13. (a) An employee compensated on a monthly basis shall be notified that he or she is to be laid off 30 days prior to the effective date of layoff and not more than 60 days after the date of the seniority computation. The notice of layoff shall be in writing and shall contain the reason or reasons for the layoff. An employee to be laid off may elect to accept such layoff prior to the effective date thereof.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19997.14. (a) An employee may appeal to the department within 30 days after receiving notice of layoff on the ground that the required procedure has not been complied with or that the layoff has not been made in good faith or was otherwise improper. Within 30 days after such an appeal, the department shall hold such hearing or investigation as it deems necessary.

On its own motion the department may also conduct such a hearing or investigation within 30 days after receiving a notice of layoff.

In rendering a decision on a layoff, the department may order the reinstatement of the employee with or without pay if it appears that the required procedure was not followed or that the layoff was not made in good faith or was otherwise improper.

(b) If the provisions of this section are in conflict with the

provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

Article 3. Layoff Reemployment

19998. (a) It is the policy of the state that when an employee is to be separated from state service because the tasks he or she was assigned are to be eliminated or substantially changed due to management-initiated changes, including but not limited to automation or other technological changes, steps should be taken on an interdepartmental basis to assist such employee in locating, preparing to qualify for, and being placed in other positions in the state civil service. This provision shall not be construed to restrict the authority of the executive branch or the Legislature to effect economies or make organizational or other changes to increase efficiency in state government.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

19998.1. (a) The department may temporarily restrict the choice of methods of appointment available to an appointing power if such restriction is deemed necessary in the placement in other state civil service positions of employees whose positions have been or are about to be changed substantially or eliminated by such management-initiated changes.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 56. This act codifies the Governor's Reorganization Plan No. 1 of 1981, which became effective on _____, 1981.

CHAPTER 231

An act to add Section 31032.10 to the Water Code, relating to county water districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 1981 Filed with Secretary of State July 20, 1981.]

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

SECTION 1. Section 31032.10 is added to the Water Code, to read:

31032.10. (a) Notwithstanding any other provision of this division, the Yorba Linda County Water District may fix, in each fiscal year, within Improvement District No. 2 of the district, water standby or availability assessments of not to exceed two hundred fifty dollars ($250) per year for (1) each acre or portion thereof or, in the alternative, (2) each residential unit, or the equivalent thereof as to property designated for other than residential purposes, not to exceed the maximum number of residential units or the equivalent thereof established in the General Plan for the property within Improvement District No. 2 adopted by the City of Yorba Linda on June 1, 1981, regardless of any amendment or revision of the General Plan, whether or not such residential unit or the equivalent thereof is actually constructed and whether the water is actually used or not. The Board of Directors of the Yorba Linda County Water District shall establish schedules varying the assessment according to the land uses and the degree of availability or quantity of use of the water to the affected lands within Improvement District No. 2. If the assessment is to be collected on the basis of units, the written consent of the owner of the property to be assessed on the basis of units shall be obtained.

(b) The Yorba Linda County Water District may elect to have the assessments authorized by subdivision (a) for the fiscal year collected on the tax roll in the same manner, by the same persons, and at the same time as, and together with and not separately from, county taxes. In that event, the district shall prepare a written report which shall be filed with the secretary. The report shall contain a description of each parcel of real property and the amount of the assessment for each parcel for the year. If the assessment is to be assessed on a residential unit or equivalent basis as described in subdivision (a), the assessment for each assessor's parcel shall be determined by multiplying the estimated number of residential units or the equivalent thereof proposed at that time for such assessor's parcel by the proposed amount per residential unit as shown in the assessor's parcels in Improvement District No. 2 for the particular fiscal year.

(c) The water standby or availability assessment authorized by

this section shall not be imposed on any subdivided parcel upon which there exists a residential unit which has been connected to domestic water facilities of the Yorba Linda County Water District.

(d) The procedures set forth in Sections 31032.2 to 31032.9, inclusive, shall apply to any assessments imposed pursuant to subdivision (a).

(e) This section shall have no force or effect after January 1, 1983, except to the extent necessary to raise funds for interest or principal payments on bonds of Improvement District No. 2 issued prior to such date.

SEC. 2. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of unique and special water management problems within Improvement District No. 2 of the Yorba Linda County Water District which are not common to other districts organized pursuant to the County Water District Law. The adoption of Article XIII A of the California Constitution has created a situation where the assessed value of undeveloped land remains relatively constant if ownership is stable, but assessed value increases dramatically if the property is improved and sold. Consequently, the properties initially developed in the large and previously undeveloped improvement district will bear a disproportionate share of property taxes levied to pay the interest and redemption charges on general obligation bonded indebtedness incurred within the improvement district. This act is necessary to permit the burden of financing vital water facilities in the partially undeveloped improvement district to be more equitably allocated to all properties benefiting from the availability of a water system.

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

In order to permit the equitable financing of vital water development facilities within the Yorba Linda County Water District at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 232

An act to add Sections 74510 and 74511 to the Water Code, and to amend Sections 2 and 24.5 of the Water Conservation Act of 1927 (Chapter 91 of the Statutes of 1927), relating to water conservation districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 1981. Filed with Secretary of State July 20, 1981]

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

SECTION 1. Section 74510 is added to the Water Code, to read:

74510. A district may construct, operate, and maintain one or more plants, which plants are constructed after the effective date of this section, for the generation of hydroelectric power and transmission lines for the conveyance thereof. Construction of the plants or plants and transmission lines may be financed by the issuance of revenue bonds pursuant to the Revenue Bond Law of 1941 (commencing with Section 54300 of the Government Code) or any other method of financing district works as provided in this division.

SEC. 2. Section 74511 is added to the Water Code, to read:

74511. The hydroelectric plant or plants and transmission lines constructed pursuant to Section 74510 may be leased for operation to, or the power generated may be sold to, a public utility or public agency engaged in the distribution, use, or sale of electricity. The power generated may be used by the district for its own purposes, or for the production or transmission of water, but shall not be offered for sale directly by the district to customers other than a public utility or public agency.

SEC. 3. Section 2 of the Water Conservation Act of 1927 (Chapter 91 of the Statutes of 1927) is amended to read:

Sec. 2. Powers of District. Any water conservation district organized and established as herein provided shall have powers:

A. To have perpetual succession.

B. To sue and be sued, except as otherwise provided herein or by law, in all actions and proceedings in all courts and tribunals of competent jurisdiction.

C. To adopt a seal and alter it at pleasure.

D. To take by grant, appropriation, purchase, gift, devise, condemnation, or lease, and to hold, use, enjoy, and to sell, lease, or otherwise dispose of, real and personal property of every kind, within or without the district, necessary or convenient to the full exercise of its powers.

E. To make and perform any agreement with the United States, under the federal reclamation laws or otherwise, to the extent that it is not inconsistent with any state law applicable to the district, or with any state, county, district of any kind or zone or subdivision of such district, public corporation, or any person or any number of them, for any of the following purposes:

(1) For the joint acquisition, disposition, or operation of any property of a kind which might be acquired by the district.

(2) To cooperate to obtain rights, permits, or licenses to appropriate water, and to purchase, acquire, sell, lease, or otherwise transfer or dispose of such rights, permits, or licenses in accordance

with such agreement.

(3) For the transfer of assets, for the public purpose of water conservation, to the United States, the State of California, or any county, district of any kind, or zone or subdivision of such district, or a public corporation of the State of California, having power to use such assets for purposes of water conservation and to make such transfer without consideration.

(4) To acquire assets, for the public purpose of water conservation, by transfer without consideration from the United States, the State of California, or any county, district of any kind, or zone or subdivision of such district, or a public corporation of the State of California, having the power to use such assets for purposes of water conservation.

(5) To acquire, store, and distribute a surface water supply for purposes of irrigation, seasonal storage, or underground replenishment, or for any or all those purposes.

(6) To provide for the construction, operation, or maintenance of such works, facilities, or operations within or without the district boundaries as the board deems necessary to protect the land in or property of the district, from damage by flood or overflow, to replenish underground water, or to store, supply, or distribute surface waters to lands within the district, and to contribute to the cost or expense thereof out of its general fund or any special fund provided therefor. Nothing contained in this act shall be deemed to empower a district organized hereunder to acquire a supply of water or any right to a supply of water from an underground source; provided, that this limitation shall not be applicable to any district, all or any portion of the water supply of which is secured from an underground source on October 1, 1953; except that such acquisition is authorized if acquired incidental to acquisition of land for other purposes of the district; provided, that the district shall be prohibited from exercising such rights so acquired.

F. To make surveys and investigations of the water supply and resources of the district; to conserve and store water by acquiring dams, dam sites, reservoir sites, canals, ditches and conduits, and constructing dams and reservoirs for storage of water, and by spreading and sinking water; to build, construct, or acquire the necessary dams, dam sites, reservoirs, reservoir sites, canals, ditches and conduits, spreading basins, sinking wells, and sinking basins therefor; to maintain, operate, and repair any of the constructions herein named; to appropriate, acquire, and conserve water and water rights for any useful purpose; to commence, maintain, intervene in and compromise, in the name of the district, and to assume the costs of, any action or proceeding involving or affecting the ownership or use of water or water rights within the district, used or useful for any purpose of the district, or of common benefit to the lands situated therein; to commence, maintain, intervene in, defend, and compromise actions and proceedings to prevent interference with or diminution of the natural flow of any stream or unnavigable

river, including the natural subterranean supply of waters therefrom, which may be used, or useful, for any purpose of the district, or a common benefit to the lands within the district or its inhabitants; and to commence, maintain, and defend actions and proceedings to prevent any such interference with the aforesaid waters as may endanger the inhabitants or lands of the district.

G. To exercise the right of eminent domain to take any property necessary to be used for spreading basins, sinking wells, or sinking basins, or to operate or to make use of same, or otherwise necessary to accomplish the purposes of this act

H. To cause taxes to be levied, as herein provided, for the purpose of paying any obligations of the district and to accomplish the purposes of this act in the manner herein provided.

I. To make contracts, to employ labor, and to do all acts necessary for the full exercise of the powers herein granted; provided, that the district shall not have power to commence, intervene in, compromise, maintain, or defend actions, or pay costs of the same, in controversies between the owners of lands or water rights within the boundaries of the district and which do not involve taking water outside of or away from the district.

J. To fix and collect tolls or charges for water supplied for surface irrigation.

K. To submit any contract or proposed contract to the superior court of the county in which is situated the office of the board to determine the validity thereof and the authority of the district to make the contract. The validation proceedings shall be had as in the ordinary case of the judicial determination of the validity of irrigation district bonds, and with like effect.

L. To provide for, construct, maintain, and operate such works and facilities, within or without its boundaries, as the board may deem necessary to protect the land in, or the property of, the district, from damage by flood or overflow, or to store, supply, or distribute surface waters to lands within the district, and to pay the cost and expense thereof out of its general fund or any special fund provided therefor. Nothing contained in this act shall be deemed to empower a district organized hereunder to acquire a supply of water or any right to a supply of water from an underground source; provided, that this limitation shall not be applicable to any district, all or any portion of the water supply of which is secured from an underground source on October 1, 1953; except that such acquisition is authorized if acquired incidental to acquisition of land for other purposes of the district; provided, that the district shall be prohibited from exercising such rights so acquired.

M. To establish rules and regulations regarding the sale of water, its distribution, and the collection of tolls and charges therefor, and to therein provide for payment in advance of delivery and for refusal of water delivery to persons against whom there are delinquent water tolls or charges. Nothing herein shall be construed as requiring the district to deliver water to any person or lands within the district,

ratably or otherwise.

N. To generate and sell at wholesale hydroelectric power to the United States of America or any board, department, or agency thereof, to the State of California for the purposes of the State Water Resources Development System, and to any other public agency or district, private corporation, or any other person or entity, or any combination thereof, engaged in the sale of electric power at retail, and to construct or otherwise acquire and operate and maintain any and all works and facilities necessary or convenient for the generation, transmission, and sale of hydroelectric power. The power to acquire works and facilities shall not include, and nothing in this act shall be construed to allow, the acquisition of property already employed in the generation of hydroelectric power for public utility purposes, except by mutual agreement between the district and the owner of the property.

SEC. 4. Section 24.5 of the Water Conservation Act of 1927 (Chapter 91 of the Statutes of 1927) is amended to read:

Sec. 24.5. Notwithstanding any provision to the contrary in this act or in the organization proceeding had for the formation of a district under the provisions of this act, a district formed under this act may issue bonds under the provisions of the Revenue Bond Law of 1941 (commencing with Section 54300 of the Government Code) for the purpose of financing the purchase, production, transmission, and distribution of water for beneficial use and for the construction of facilities necessary thereto, including any contributions by a district to another agency under a contractual agreement or for cost incurred in the construction of joint use facilities.

A district formed under this act may also issue bonds under the provisions of the Revenue Bond Law of 1941 (commencing with Section 54300 of the Government Code) for the purpose of financing the generation, transmission, and sale of hydroelectric power.

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

In order to provide necessary authority for water conservation districts to generate hydroelectric power and to thereby make such additional power available at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 233

An act relating to Desert Center Unified School District, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 1981 Filed with Secretary of State July 20, 1981.]

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

SECTION 1. A sum not to exceed sixty-eight thousand seven hundred sixteen dollars ($68,716), including the cost of any audit required by Article 2 (commencing with Section 41320) of Chapter 3 of Part 24 of the Education Code, is hereby appropriated from the General Fund to the Superintendent of Public Instruction for allocation to the Desert Center Unified School District for the 1980–81 fiscal year for any purpose for which money in the district general fund may be used.

SEC. 1.5. (a) The appropriation made pursuant to this act shall be deemed an apportionment made pursuant to Section 41310 of the Education Code and the requirements of Article 2 (commencing with Section 41320) of Chapter 3 of Part 24 of the Education Code shall be met by the Desert Center Unified School District, except that the reports required of the district shall be submitted directly to the Superintendent of Public Instruction and the county superintendent of schools having jurisdiction over the district shall not make the follow-up review pursuant to Section 41322 of the Education Code.

(b) Notwithstanding subdivisions (b) and (c) of Section 41320 of the Education Code, the Superintendent of Public Instruction shall review the reports submitted pursuant to subdivision (a) and submit a copy of the reports to the Joint Legislative Audit Committee, the Joint Legislative Budget Committee, and the Director of Finance.

(c) Notwithstanding Section 41322 of the Education Code, the Superintendent of Public Instruction shall, no more than 18 months after the disbursement of funds to the Desert Center Unified School District, make a follow-up review on the action taken to correct the financial problems of the district and submit a report on the action taken to the Director of Finance.

SEC. 2. The allocation made pursuant to Section 1 of this act shall be repaid as follows:

For each of the fiscal years, 1981–82 to 1985–86, inclusive, the Controller shall deduct from the apportionment made to the Desert Center Unified School District an amount equal to one-fifth of the amount actually allocated to the district pursuant to Section 1 of this act, together with amounts representing interest at a rate based on the most current investment rate of the Pooled Money Investment Account as of the date of disbursement of funds to the district.

SEC. 3. Due to the unique circumstances concerning the school district subject to the provisions of Section 1 of this act, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the 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 that the Desert Center Unified School District may continue meeting its contractual obligations and other required costs in the 1980–81 fiscal year it is necessary that this act take effect immediately.

CHAPTER 234

An act to amend Section 1340 of the Elections Code, and to add Chapter 7 (commencing with Section 35210) to Part 4 of Division 13 of, and to add and repeal Section 35217 of, the Water Code, relating to water agency elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 1981 Filed with Secretary of State July 20, 1981.]

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

SECTION 1. Section 1340 of the Elections Code is amended to read:

1340. Any local, special, or consolidated election may be conducted wholly by mail provided that:

(a) The governing body of the local agency authorizes the use of mailed ballots for the election; and

(b) The election does not occur on the same date as a statewide direct primary election or statewide general election; and

(c) The election is one of the following:

(1) An election in which no more than 300 registered voters are eligible to participate;

(2) A maximum property tax rate election as provided for in Section 2287 of the Revenue and Taxation Code;

(3) An election on a measure or measures restricted to the imposition of special taxes in a city, county, or special district with 5,000 or less registered voters calculated as of the time of the last report of registration by the county clerk to the Secretary of State;

(4) An election on the issuance of a general obligation water bond in accordance with Section 12944.5 of the Water Code; or

(5) An election of the Directors of the Monterey Peninsula Water Management District as authorized in Section 122 of Chapter 527 of the Statutes of 1977, known as the Monterey Peninsula Water Management District Law;

(6) An election of the Aliso Water Management Agency, or its affected member agencies, pursuant to Sections 13416 and 13417 of the Water Code.

(7) An election of the San Jacinto Mountain Area Water Study

Agency pursuant to Sections 13416 and 13417 of the Water Code.

SEC. 2. Chapter 7 (commencing with Section 35210) is added to Part 4 of Division 13 of the Water Code, to read:

CHAPTER 7. METHOD OF ELECTIONS FOR THE EL TORO WATER DISTRICT

35210. The provisions of this chapter shall apply only to the El Toro Water District. For purposes of this chapter, "district" means the El Toro Water District.

35211. Notwithstanding any other provision of law, or the bylaws of the district, all elections held after the effective date of this chapter within the district, including elections for director and elections which are required by law to authorize any special taxes or bonded indebtedness, shall be conducted as resident voter elections in accordance with the provisions of this chapter. Nothing in this chapter shall be construed to require resident voter approval of bonds where voter approval is not required under the statutory or constitutional provisions in effect prior to the effective date of this chapter.

35212. Qualified voters within the district shall be residents of and registered voters in the district.

35213. All directors elected after the effective date of this chapter shall be residents of the district and shall be registered at the time of their election and during their term of office.

35214. Directors of the district shall be elected on an at-large basis unless the board of directors determines that directors shall be elected by divisions. The term "by divisions" as used in this chapter means the election of directors by voters of the division alone.

35215. Notwithstanding any other provision of law, the board of directors may at any time establish divisions within the district in accordance with the provisions of this chapter. If the board of directors decides to establish divisions, the following shall apply:

(a) The board of directors shall by resolution divide the district into as many divisions as there are directors and assign a number to each division. Such divisions shall be as nearly equal in population as practicable.

(b) After approving the election of directors by divisions, the board of directors shall by resolution, not less than 120 days prior to the next general district election, designate which divisions shall elect directors at that election to succeed the directors whose terms then expire. The remaining divisions shall elect directors at the general district election next following that election.

(c) Each director elected by division shall be a resident of that division.

(d) The board of directors by resolution may, at any time after initially dividing the district into divisions, but not less than 120 days before a general district election, change the boundaries of the divisions to keep them as nearly equal in population as practicable.

35216. At the first general district election following the effective date of this chapter, the number of directors to be elected shall correspond with the number of directors whose terms expire. The directors whose terms have not expired shall serve their unexpired terms under the qualification to hold office that existed prior to the effective date of this chapter. In such first election and in all subsequent elections, the form of the ballot and the conduct of the election shall be governed by the Uniform District Election Law (Part 3 (commencing with Section 23500) of Division 14 of the Elections Code) for resident voting elections.

35217. Notwithstanding Section 1780 of the Government Code or any other provision of law, a vacancy on the board of directors shall be filled as provided in this section. The remaining directors shall fill the vacancy by appointment within a period of 60 days immediately subsequent to the effective date of such vacancy. The person appointed shall serve the balance of the regular unexpired term.

Any director who was appointed to fill a vacancy prior to the effective date of this section shall serve the balance of the regular unexpired term to which he was appointed.

This section shall remain in effect only until January 1, 1984, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1984, deletes or extends such date.

35218. The provisions of this chapter shall in no way invalidate any act of the district, its directors, or its officers and employees made or performed while the district was operating as a landowner voting district.

35219. Nothing in this chapter shall affect any acts or proceedings heretofore taken for the authorization, issuance, or sale of any bonds of the district in any manner provided by law prior to the effective date of this chapter or affect the ability of the district to sell and issue any bond heretofore authorized. For the purposes of this chapter, "bonds" shall include notes and any other evidences of indebtedness.

35220. Notwithstanding any other provision of law, the board of directors may at any time alter, repeal, or amend the district's bylaws by a majority vote. Any alteration, repeal, or amendment to the bylaws shall be recorded with the county recorder of each affected county.

SEC. 3. The Legislature hereby finds and declares that, pursuant to Section 16 of Article IV of the California Constitution, this act is a local and special statute because a general statute cannot be made applicable to the special facts and circumstances pertaining to the El Toro Water District. The Legislature hereby determines that, except as is expressly set forth in this act to the contrary, the voter qualification provisions of the California Water District Law shall not apply to this district and that all future elections shall be conducted as resident voter elections and that the board of directors hereafter so elected, subject to compliance with all applicable legal requirements, shall have an ongoing continuous duty to diligently pursue the design, financing, and construction of facilities to provide

water and sewer services within the district on fair and equitable terms and conditions.

SEC. 4. Notwithstanding any other provision of law, the Aliso Water Management Agency may conduct an election pursuant to Sections 13416 and 13417 of the Water Code wholly by mail as provided in Chapter 5 (commencing with Section 1340) of Division 2 of the Elections Code within the combined territory of the local agencies which are parties to the agreement creating the agency, except that such an election shall be confined to the combined territory of the local agencies responsible for repayment of any loan to be procured pursuant to Chapter 6 (commencing with Section 13400) of Division 7 of the Water Code.

SEC. 5. Notwithstanding any other provision of law, the San Jacinto Mountain Area Water Study Agency may conduct an election pursuant to Sections 13416 and 13417 of the Water Code wholly by mail as provided in Chapter 5 (commencing with Section 1340) of Division 2 of the Elections Code within the combined territory of the districts which are parties to the agreement creating the agency, and all registered voters residing within the territory of the agency shall be entitled to vote in the election.

SEC. 6. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act.

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

More than 50 percent of the El Toro Water District is currently devoted to and developed for residential, industrial, and nonagricultural commercial use. The board of directors has determined that conversion from a landowner voting district to a resident voting district would be in the best interests of the taxpayers and residents of the El Toro Water District. In order to implement the transition to resident voting in a timely and efficient manner, it is necessary that this act take effect immediately.

CHAPTER 235

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

[Approved by Governor July 19, 1981 Filed with Secretary of State July 20, 1981]

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

SECTION 1. Notwithstanding Section 3571 of the Elections Code or Section 88002 of the Government Code or any other provision of law, the text of the initiative statutes qualified for the next statewide election entitled "Gift and Inheritance Taxes Initiative Statute, Miller" and "Gift and Inheritance Taxes Initiative Statute, Rogers" as printed as ballot measures in the statewide ballot pamphlet, shall not include the existing provisions of law proposed to be repealed by these ballot measures.

SEC. 2. The Legislative Analyst shall prepare a summary of the statutory provisions proposed to be repealed by the initiative statutes referred to in Section 1 for inclusion in the statewide ballot pamphlet. The Secretary of State shall include a copy of this summary only one time in the ballot pamphlet applicable to both measures. This summary shall be made available to the Secretary of State within 30 days of the effective date of this act. The summary shall clearly and concisely, and in language easily comprehensible, summarize the provisions of law proposed to be repealed. The summary shall not exceed six pages in length. Summary pages shall have as a heading in large bold type, a statement as follows:

"THIS IS A SUMMARY OF ALL EXISTING STATUTORY PROVISIONS THAT WILL BE REPEALED BY PASSAGE OF PROPOSITION _____ AND/OR PASSAGE OF PROPOSITION _____."

"This summary has been prepared by the Legislative Analyst in order to save the cost of printing 24 pages of continuously stricken statutory provisions. Copies of all of the provisions that would be repealed shall be made available by the Secretary of State or the County Clerk or Registrar of Voters upon request."

SEC. 3. With respect to the initiative statutes described in this act, the Secretary of State shall prepare a statement for inclusion in the ballot pamphlet with each proposition explaining that, if provisions of two or more measures approved at the same election conflict, those of the measure receiving the highest affirmative vote shall prevail.

SEC. 4. The Secretary of State shall make a copy of the existing provisions of law proposed to be repealed by the measures referred to in this act available without charge to any voter upon request. The Secretary of State shall supply copies of the existing provisions of law proposed to be repealed to each county clerk or registrar of voters for distribution to voters requesting copies of the provisions. A copy shall also be made available to any voter for examination at no charge by each county clerk or registrar of voters.

Any costs incurred by a county for mailing copies to voters shall be subject to the reimbursement provisions set forth in Section 3578.5 of the Elections Code.

SEC. 5. This act shall be operative until June 9, 1982, and as of that date is repealed.

SEC. 6. 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. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the provisions of this act will apply in an orderly manner at the statewide election in which the initiative statutes referred to herein are submitted to the voters, it is essential that this act take effect immediately.

CHAPTER 236

An act to add Section 8202.8 to the Government Code, relating to notaries public.

[Approved by Governor July 19, 1981 Filed with Secretary of State July 20, 1981]

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

SECTION 1. Section 8202.8 is added to the Government Code, to read·

8202.8. Notwithstanding any other provision of law, a private employer of a notary public who has entered into an agreement with his or her employee pursuant to Section 8202.7 may limit, during the employee's ordinary course of employment, the providing of notarial services by the employee solely to transactions directly associated with the business purposes of the employer

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CHAPTER 237

An act to amend Section 14005.12 of the Welfare and Institutions Code, and to amend Section 133 5 of Chapter 102 of the Statutes of 1981, relating to medical assistance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 1981 Filed with Secretary of State July 20, 1981.]

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

SECTION 1. Section 14005.12 of the Welfare and Institutions Code is amended to read:

14005.12. (a) For the purposes of Sections 14005.4, and 14005.7, except as specified in subdivisions (b) through (e), the income levels for maintenance per month shall be 115 percent of the highest amounts which would ordinarily be paid to a family of the same size without any income or resources under subdivision (a) of Section 11450.

(b) In the case of a single individual the amount of the income level for maintenance per month shall be 65 percent of the income level for a two-person family.

(c) In the case of a two-person family, the amount of the income level for maintenance per month shall be 115 percent of the standard for a two-person family under Section 11452, except that the amount shall be a higher amount to the extent required by federal law. The amount for a family of larger size shall also be adjusted to be a higher amount than specified in subdivision (a), to the extent required by federal law.

(d) In the case of a family of 11 persons or more the amount of the income level for maintenance per month shall be the amount for a 10-person family plus for each additional person the amount specified in Section 11452 for additional needy persons.

(e) For the purposes of Sections 14005.4 and 14005.7 for a person in long-term care the amount considered as required for maintenance per month shall be computed pursuant to regulations which provide for the following purposes:

(1) Personal and incidental needs while a patient.

(2) The upkeep and maintenance of the home.

(3) The support and care of his spouse, minor dependents and any disabled relative for whose support he has contributed regularly.

(4) If federal requirements permit such a person to own an automobile of greater value than is permitted in the case of recipients of aid under Chapter 3 of this part, the department shall adopt the more liberal allowance in its rules and regulations.

SEC. 2. Section 133.5 of Chapter 102 of the Statutes of 1981 is amended to read:

Sec. 133.5. The following provisions apply to Sections 93 to 133, inclusive, of this act, which make changes in the Medi-Cal program.

(a) Any provision which is in conflict with any federal statute or regulation shall be inapplicable to the extent of such conflict, but this provision and the remainder of the provisions shall be unaffected to the extent no conflict exists.

(b) The State Department of Health Services shall seek all federal waivers necessary to implement the provisions. The provisions for which appropriate federal waivers cannot be obtained shall not be implemented, but provisions for which waivers are either obtained or found to be unnecessary shall be unaffected by the inability to obtain federal waivers for the other provisions.

(c) The provisions of subdivision (a) of Section 14005.9,

subdivisions (a) and (c) of Section 14005.12 and Section 14134 of the Welfare and Institutions Code, as enacted by this act, shall not be implemented with respect to any recipient of medical assistance, unless federal law or federal waivers of applicable law permit the implementation of the provision with respect to all recipients of medical assistance.

(d) The State Director of Health Services shall adopt regulations implementing the provisions as emergency regulations in accordance with the provisions of the Administrative Procedure Act, Chapter 4.5 (commencing with Section 11371) of Part 1 of Division 3 of Title 2 of the Government Code. For the purposes of the Administrative Procedure Act, the adoption of the regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, and safety, or general welfare.

Notwithstanding the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, emergency regulations adopted by any state agency in order to implement the provisions shall not be subject to the review and approval of the Office of Administrative Law until 120 days after the regulations take effect.

SEC. 3. Notwithstanding the provisions of the Budget Act of 1981 (Chapter 99 of the Statutes of 1981) which limit rate increases for pilot projects, prepaid health plans, and California Dental Services to not more than $20,000,000 total funds nor $10,000,000 General Fund, pursuant to subdivision (d) of proviso 25 as applicable to Items 426-106-001(a) and 426-106-890 of that act:

(a) The costs of the care of refugees for whom 100 percent federal funding is provided shall be disregarded in computing funds applied against the $20,000,000 total fund limitation; and

(b) These provisions shall not be construed as limiting the cost of pilot projects, prepaid health plans, and California Dental Service to less than the total of all funds appropriated for these contractors.

(c) Funds may be transferred from Items 426-101-001(b) and 426-101-890(b) to Items 426-106-001(4) and 426-106-890(4) to fund non-cost-of-living items for pilot projects, prepaid health plans, and California Dental Services. Prior to any transfers being made under this subdivision, the Department of Finance shall be required to certify that funds are available for these transfers.

SEC. 4. It was the Legislature's intent that the funds appropriated for Medi-Cal rate increases in the 1981–82 fiscal year for skilled nursing facilities, intermediate care facilities, and intermediate care facility for the developmentally disabled should be distributed as equitably as possible, consistent with methodology in Section 249 of the state plan for the Medi-Cal program, in order to ensure quality care for all Medi-Cal patients in long-term care facilities.

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 fully implement the Legislature's budgetary decisions concerning Medi-Cal, it is necessary that this act take immediate effect.

CHAPTER 238

An act to amend Section 20017.8 of, and to add Section 22013.9 to, the Government Code, relating to retirement, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 20, 1981 Filed with Secretary of State July 20, 1981.]

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

SECTION 1. Section 20017.8 of the Government Code is amended to read:

20017.8. "State safety member" also includes persons employed by the state to perform lifeguard services and whose principal duties consist of active protection, rescue, and rendition of aid or assistance to persons injured or imperiled at beaches and lakes, streams, dams, reservoirs, or other bodies of open water, but not including swimming pools, and including members employed to perform duties now performed under the titles of "district aquatic supervisor," "lifeguard supervisor," and "lifeguard" or equivalent successor classes, some of which (including the maintenance of peace and order and the apprehension of law violators) are customarily performed by police or peace officers, and whose other duties (such as resuscitation work involving the use of special equipment in cases having no connection with their principal duties) which in other areas are customarily performed by firemen, and other and further duties which do not come directly within any of the above classifications but are essential to the safety and security of the public, other than persons employed under those titles on a seasonal basis, but excluding clerical, maintenance personnel, and others who do not fall within the scope of active lifeguarding or lifesaving services as described in this section even though those persons are subject to occasional call or are occasionally called upon to perform duties within the scope of active lifeguarding or lifesaving

SEC 2. Section 22013.9 is added to the Government Code, to read:

22013.9. "Policeman" as used in this part also includes persons employed in positions set forth in Section 20017.8; provided, that such designation is not contrary to any definition, ruling, or regulation relating to the term "policeman" issued by the federal agency for the purposes of Section 218(d) (5) (A) of the Social Security Act.

SEC. 3. This act shall not become operative until such time as a ruling or regulation authorizing the inclusion of persons employed in positions set forth in Section 20017.8 of the Government Code within the definition of "policeman" is issued by the federal agency for purposes of Section 218(d) (5) (A) of the Social Security Act.

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

In order for this act to be implemented prior to the commencement of the next fiscal year, it is necessary that this act take effect immediately.

CHAPTER 239

An act to amend and repeal Section 73 of the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 20, 1981 Filed with Secretary of State July 20, 1981]

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

SECTION 1. Section 73 of the Revenue and Taxation Code is amended to read:

73. (a) For purposes of subdivision (a) of Section 2 of Article XIII A of the Constitution, the term "newly constructed" shall not include the construction or addition of any active solar energy system. In the case of solar swimming pool heaters, "new construction" shall not include the increment of cost in excess of the cost of a comparable conventional fossil fuel heating system.

(b) For purposes of this section, "active solar energy system" shall mean a system which uses solar devices thermally isolated from living space or other area where the energy is used to provide for collection, storage or distribution of solar energy. Such solar systems may be used for any of the following:

(1) Domestic, recreational, therapeutic, or service water heating.

(2) Space conditioning.

(3) Production of electricity.

(4) Process heat.

(5) Solar mechanical energy.

(c) This section shall apply only to lien dates for fiscal years commencing 1981 through 1985, inclusive. This section shall remain in effect only until January 1, 1986, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1986, deletes or extends such date

SEC. 2. Notwithstanding Section 2229 of the Revenue and

Taxation Code, no appropriation is made by this act and the state shall not reimburse any local agency or school district for property tax revenues lost as a result of this measure for the reason that this measure will implement an amendment to the California Constitution.

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

The adoption by the voters of Proposition 7 on the November 1980 statewide ballot authorizes the Legislature to provide that active solar energy systems shall be excluded from reassessment as "new construction". In order for this constitutional amendment to be administered expeditiously and consistently, beginning in the 1981–82 fiscal year, it is necessary that legislation defining active solar energy systems become effective immediately.

CHAPTER 240

An act to amend Section 798.34 of the Civil Code, relating to mobilehomes.

[Approved by Governor July 20, 1981 Filed with Secretary of State July 20, 1981.]

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

SECTION 1. Section 798.34 of the Civil Code is amended to read:

798.34. A tenant shall not be charged a fee for a guest who does not stay with him for more than a total of 20 consecutive days or a total of 30 days in a calendar year. Such a guest will not be required to register with the management.

CHAPTER 241

An act to amend Section 14496 of the Welfare and Institutions Code, relating to Medi-Cal, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 20, 1981 Filed with Secretary of State July 20, 1981.]

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

SECTION 1. Section 14496 of the Welfare and Institutions Code is amended to read:

14496. (a) Payment may be made to a pilot program on a

capitated or prepayment basis, on a fee-for-service basis, or on some combination of both systems.

(b) In order to implement expeditiously the budgeting decisions of the Legislature, the director shall, to the extent permitted by federal law, adopt regulations setting rates payable to providers which reflect such decisions 30 days after the enactment of the Budget Act and of any other appropriation which changes the level of funding for Medi-Cal services. The proposed regulations shall be submitted to the Department of Finance five days prior to the date of adoption. With the written approval of the Department of Finance, the director shall adopt such regulations as emergency regulations in accordance with the provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340), Part 1, Division 3, Title 2 of the Government Code). For purposes of such act, the adoption of such regulations shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, and safety or general welfare.

(c) In order to implement expeditiously the budgeting decisions of the Legislature, the director and the contractor shall, to the extent permitted by federal law, amend the pilot project contract to reflect such decisions 60 days after the enactment of the Budget Act and of any other appropriation which changes the level of funding for Medi-Cal services. Any approvals, ratifications, reviews, or analyses of such amendments required to be undertaken by any state agency or state department shall be completed within the 60-day period specified in this subdivision.

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

In order to avoid any delay in the implementation of the Budget Act, and any detrimental effects to Medi-Cal beneficiaries occasioned by such delays in payments of appropriated funds, it is necessary that this act take effect immediately.

CHAPTER 242

An act to amend Section 16113.1 of the Government Code (as added by Chapter 101 of the Statutes of 1981 and amended by Assembly Bill No. 250 of the 1981–82 Regular Session), to amend Sections 95, 97.1 (as added by Chapter 101 of the Statutes of 1981 and amended by Chapter 102 of the Statutes of 1981), and 2211 of, to add Sections 37, 95.5, and 155.21 to, and to repeal Section 2217 of, the Revenue and Taxation Code, relating to local government, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 21, 1981 Filed with Secretary of State July 21, 1981]

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

SECTION 1. Section 16113.1 of the Government Code, as added by Chapter 101 of the Statutes of 1981 and amended by Assembly Bill No. 250 of the 1981–82 Regular Session, is further amended to read:

16113.1. (a) For the 1981–82 fiscal year only, the subvention to local agencies, as defined in Section 95 of the Revenue and Taxation Code, made pursuant to Section 16113 shall be reduced by the amount determined pursuant to subdivision (b).

(b) For each local agency, the county auditor shall determine the amount of interest earned by that agency through June 30, 1981, from any investment made by that local agency, or from any investment made on behalf of another local agency, of the revenue from the amount which is attributable to the portion of the property tax rate levied on the unsecured roll for the 1978–79 tax year, less the rate for voter-approved debt, which is in excess of four dollars ($4) per one hundred dollars ($100) of assessed value. However, the amount of interest so determined shall be adjusted, if necessary, so that the amount of interest shall be no less than an amount which would have been earned had the rate of interest been two percentage points below the rate earned on money deposited in the Pooled Money Investment Fund during the same period of time.

(c) The amount determined in subdivision (b) shall be reported to the Controller, together with the claim which the county auditor is required to file pursuant to Section 16113

(d) The amount of interest determined in subdivision (b) shall be subtracted from the amount of the subvention that would have otherwise been made pursuant to Section 16113 for the 1981–82 fiscal year and shall be transferred by the Controller to the General Fund, as an offset to the cost of the cap on the subvention reductions provided pursuant to Sections 11005.7 and 11005.8 of the Revenue and Taxation Code. The Department of Finance shall perform audits as necessary to ensure that the appropriate subvention reductions are made pursuant to this section.

SEC. 3. Section 37 is added to the Revenue and Taxation Code, to read:

37. Notwithstanding any other provision of law, all interest and penalties owing due to late payment of supplemental unsecured property tax levies shall be canceled, if such payment is made by December 31, 1981.

Notwithstanding any other provision of law, all interest and penalties owing on the readjusted amount of any other tax resulting from supplemental unsecured property tax levies shall be canceled, if the payment of such readjusted tax is made by December 31, 1981.

As used in this section, "supplemental unsecured property tax levies" shall mean that amount of property tax levied by any city,

county, city and county, and special district which is attributable to that portion of the property tax rate levied on the unsecured roll for the 1978–79 tax year, less the rate for voter-approved indebtedness, which is in excess of four dollars ($4) per one hundred dollars ($100) of assessed value.

As used in this section, "the readjusted amount of any other tax resulting from supplemental unsecured property tax levies" shall mean the difference in any other tax levy between the amount that would have been levied had Article XIII A applied to the 1978–79 unsecured property tax roll and the amount levied using the 1977–78 secured roll property tax rate.

SEC. 4. Section 95 of the Revenue and Taxation Code is amended to read:

95. For the purpose of this chapter,

(a) "Local agency" means a city, county, and special district.

(b) "Jurisdiction" means a local agency, school district, community college district, or county superintendent of schools.

For jurisdictions located in more than one county, the county auditor of each county in which that jurisdiction is located shall, for the purposes of computing the amount for that jurisdiction pursuant to this chapter, treat the portion of the jurisdiction located within that county as a separate jurisdiction.

(c) "Property tax revenue" includes the amount of state reimbursement for the homeowners' and business inventory exemptions.

"Property tax revenue" does not include the amount of property tax levied for the purpose of making payments for the interest and principal on general obligation bonds or other indebtedness approved by the voters prior to July 1, 1978, including tax rates levied pursuant to Part 10 (commencing with Section 15000) of Division 1 of, and Sections 39308, 39311, 81338, and 81341 of the Education Code, and Section 26912.7 of the Government Code.

(d) "Taxable assessed value" means total assessed value minus all exemptions other than the homeowners' and business inventory exemptions.

(e) "Jurisdictional change" includes a change of organization, as defined in Section 35027 of the Government Code, an incorporation, as defined in Section 35037 of the Government Code, a municipal reorganization, as defined in Section 35042 of the Government Code, a change of organization, as defined in Section 56028 of the Government Code, a formation, as defined in Section 56042 of the Government Code, and a reorganization, as defined in Section 56068 of the Government Code. "Jurisdictional change" also includes any change in the boundary of those special districts which are not under the jurisdiction of a local agency formation commission.

Jurisdictional change shall also include a functional consolidation where two or more local agencies, except two or more counties, exchange or otherwise reassign functions and any change in the boundaries of a school district or community college district or

county superintendent of schools.

(f) "School entities" means school districts, community college districts, and county superintendents of schools.

(g) Except as otherwise provided in this subdivision, "tax-rate area" means a specific geographic area all of which is within the jurisdiction of the same combination of local agencies and school entities for the current fiscal year.

In the case of a jurisdictional change pursuant to Section 99, the area subject to the change shall constitute a new tax-rate area, except that if the area subject to change is within the same combinations of local agencies and school entities as an existing tax-rate area, the two tax-rate areas may be combined into one tax-rate area.

(h) "State assistance payments" means:

(1) For counties, amounts determined pursuant to subdivision (b) of Section 16260 of the Government Code, increased by the amount specified for each county pursuant to Section 94 of Chapter 282 of the Statutes of 1979, with the resultant sum reduced by an amount derived by the calculation made pursuant to Section 16713 of the Welfare and Institutions Code.

(2) For cities, 82.91 percent of the amounts determined pursuant to subdivisions (b) and (i) of Section 16250 of the Government Code plus for any city an additional amount equal to one-half of the amount of any outstanding debt as of June 30, 1978, for "museums" as shown in the State Controller's "Annual Report of Financial Transactions of Cities for Fiscal Year 1977–78."

(3) For special districts, 95.24 percent of the amounts received pursuant to Chapter 3 (commencing with Section 16270) of Part 1.5 of Division 4 of Title 2 of the Government Code, Section 35.5 of Chapter 332 of the Statutes of 1978, and Chapter 12 of the Statutes of 1979.

(i) "City clerk" means the clerk of the governing body of a city or city and county.

(j) "Executive officer" means the executive officer of a local agency formation commission.

(k) "City" means any city whether general law or cl arter, except a city and county.

(*l*) "County" means any chartered or general law county. "County" includes a city and county.

(m) "Special district" means any agency of the state for the local performance of governmental or proprietary functions within limited boundaries. "Special district" includes a county service area, a maintenance district or area, an improvement district or improvement zone, or any other zone or area, formed for the purpose of designating an area within which a property tax rate will be levied to pay for a service or improvement benefiting that area. "Special district" includes the Bay Area Air Quality Management District. "Special district" does not include a city, a county, a school district or a community college district. "Special district" does not include any agency which is not authorized by statute to levy a

property tax rate. However, any special district authorized to levy a property tax by the statute under which the district was formed shall be considered a special district.

SEC. 5. Section 95.5 is added to the Revenue and Taxation Code, to read:

95.5. For the purpose of Section 1 of Article XIII A of the California Constitution, the term "district" means a jurisdiction as defined in subdivision (b) of Section 95.

SEC. 6. Section 97.1 of the Revenue and Taxation Code, as added by Chapter 101 of the Statutes of 1981 and amended by Chapter 102 of the Statutes of 1981, is further amended to read:

97.1. (a) For the 1981–82 fiscal year only, the amount of property tax revenue allocated to each city, city and county, and county pursuant to this chapter shall be reduced by an amount equal to "supplemental unsecured property tax revenue," as defined in subdivision (d).

(b) For the 1981–82 fiscal year only, the amount of property tax revenue allocated pursuant to this chapter to school entities shall be increased by an amount equal to the "supplemental unsecured property tax revenues" collected by each city, city and county, and county from property within the school entity, as defined in subdivision (d).

(c) For the purpose of computations made pursuant to Section 97, for the 1982–83 fiscal year, the amount of property tax revenue allocated pursuant to this chapter to each jurisdiction in the prior fiscal year shall be computed as if the property tax allocations were made in the 1981–82 fiscal year without reference to this section.

(d) As used in this section, "supplemental unsecured property tax revenue" means that revenue actually received by each city which is attributable to the portion of the property tax rate levied on the unsecured roll for the 1978–79 tax year, less the rate for voter-approved debt, which is in excess of four dollars ($4) per one hundred dollars ($100) of assessed value.

For each county and city and county "supplemental unsecured property tax revenue" means eighty-five percent of that revenue actually received by each county and city and county which is attributable to the portion of the property tax rate levied on the unsecured roll for the 1978–79 tax year, less the rate for voter-approved indebtedness, which is in excess of four dollars ($4) per one hundred dollars ($100) of assessed value, less an amount which is equal to any additional costs of collection of the 1978–79 unsecured roll in excess of normal operating costs.

SEC. 7. Section 155.21 is added to the Revenue and Taxation Code, to read:

155.21. (a) Consistent with the authority granted by Section 7 of Article XIII of the Constitution, a county board of supervisors may exempt from property taxation that portion of the assessed value of real property on the 1978–79 unsecured roll which is the difference between the assessed value of the property on the roll as of June 30,

1981, and the assessed value which could be determined by a reassessment pursuant to Section 1 of Article XIII of the Constitution. Prior to exempting any portion of the real property, the board, at a public meeting, shall adopt a finding that the cost of revaluation of real property on the 1978–79 unsecured roll would, in the aggregate, exceed the additional revenue which would be derived from the difference between the assessment of that property on the roll as of June 30, 1981, and any new value placed on the property, as a result of that reassessment.

(b) For the purpose of computing all taxes due from real property on the 1978–79 unsecured roll in a county adopting a finding described in subdivision (a), the assessed value of that property on the roll as of June 30, 1981, shall be used in counties which are required to collect the tax at the proper rate.

(c) Pursuant to Section 7 of Article XIII of the California Constitution, the Legislature withholds the authorization granted to a county board of supervisors pursuant to subdivision (a) if the estimated loss of revenue resulting from a revaluation of real property on the 1978–79 unsecured roll, in the aggregate, is a larger absolute number than the estimated costs of the revaluation of real property on the 1978–79 unsecured roll.

SEC. 8. Section 2211 of the Revenue and Taxation Code is amended to read:

2211. "Local agency" means any city, county, special district, authority or other political subdivision of the state.

SEC. 10. Section 2217 of the Revenue and Taxation Code is repealed.

SEC. 11. For the purposes of filing a claim for reimbursement pursuant to Section 6 of Article XIII B of the California Constitution or Chapter 3 (commencing with Section 2201) of Part 4 of Division 1 of the Revenue and Taxation Code, the effective date of Section 8 of this act shall be deemed to be July 1, 1980.

SEC. 12. The Legislature finds and declares that Section 3 of this act is consistent with the intent of Section 7 of Article XIII of the Constitution which is to permit counties to consider costs and benefits and to exempt certain assessments of property where costs exceed benefits.

In the case of the 1978–79 unsecured roll, the assessed value of real property on the unsecured roll has already been determined in each county. The decision of the Supreme Court in Board of Supervisors of San Diego County v. Lonergan, 27 Cal. 3d 855, and Roy E. Hanson, Jr. Mfg. v. County of Los Angeles, 27 Cal. 3d 870, has been interpreted by some persons to require the reassessment of real property on the 1978–79 unsecured roll to value in accordance with Section 1 of Article XIII of the Constitution. The Legislature hereby declares that county assessors have provided data upon which the Legislature has relied, which indicate that the cost of the revaluation would likely exceed the additional revenues that might be generated. Since it would be impossible to determine the cost/benefit on any individual

parcel until after the costs are incurred, the Legislature believes it is consistent with the authority provided by Section 7 of Article XIII of the Constitution to provide an exemption to an aggregate reassessment in this very unusual situation.

SEC. 13. Notwithstanding Section 6 of Article XIII B of the California Constitution and Section 2231 or 2234 of the Revenue and Taxation Code, no appropriation is made by this act for the purpose of making reimbursement pursuant to these sections. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Chapter 3 (commencing with Section 2201) of Part 4 of Division 1 of that code.

SEC. 14. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that this act, which would make statutory changes affecting the budgets of local agencies for the 1981–82 fiscal year, may take effect as soon as possible in the 1981–82 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 243

An act to amend Section 2982 of the Civil Code, relating to automobile sales, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 21, 1981 Filed with Secretary of State July 21, 1981]

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

SECTION 1. Section 2982 of the Civil Code, as amended by Section 22 of Chapter 1380 of the Statutes of 1980, is amended to read:

2982. (a) Every conditional sale contract for the sale of a motor vehicle, with or without accessories, shall be in writing and, if printed, shall be printed in type no smaller than 6-point, and shall contain in a single document all of the agreements of the buyer and seller with respect to the total cost and the terms of payment for the motor vehicle, including any promissory notes or any other evidences of indebtedness. The conditional sale contract or a purchase order shall be signed by the buyer or his authorized representative and by the seller or its authorized representative, and an exact copy thereof shall be furnished the buyer by the seller at the time the buyer and the seller have signed the contract or purchase order. No motor vehicle shall be delivered under this chapter until the seller delivers to the buyer a fully executed copy of the conditional sale contract or purchase order and any vehicle purchase

proposal and any credit statement which the seller has required or requested the buyer to sign, and which he has signed, during the contract negotiations. The seller shall not obtain the signature of the buyer to a contract when it contains blank spaces to be filled in after it has been signed. Every conditional sale contract shall contain, although not necessarily in the sequence or order set forth below, the following separate items:

1. The cash price of the motor vehicle and of other items described in subdivision (e) of Section 2981 which are the subject of the conditional sale contract.

2. The amount of the buyer's downpayment, and whether made in cash or represented by the net agreed value of described property traded in, or both, together with a statement of the respective amounts credited for cash and for such property, but excluding any administrative finance charge shown in item 11.

3. The unpaid balance of cash price, which is the difference between items 1 and 2.

4. The cost to the buyer of any insurance, the premium for which is included in the contract balance. Any such cost for credit life or disability insurance may be included in the finance charge if the amount thereof is separately stated on the face of the contract.

5. The amounts, if any, paid or to be paid to any public officer in connection with the transaction and for license, certificate of title, and registration fees imposed by law.

6. The amount of any city, county, or city and county imposed fee or tax for a mobilehome.

7. The amount of any mobilehome escrow fee.

8. The amount of the state fee for issuance of a certificate of compliance or certificate of waiver pursuant to Section 9889.56 of the Business and Professions Code.

9. The amount, if any, charged by the seller for documentary preparation. If a seller charges a buyer a documentary preparation charge, then the contract shall contain a notice advising the buyer that such charge is not a governmental fee.

10. The amount of the unpaid balance, which is the sum of items 3, 4, 5, 6, 7, 8, and 9.

11. The amount, if any, of an administrative finance charge.

12. The amount financed, which is the difference between items 10 and 11.

13. The finance charge (A) expressed as the annual percentage rate as defined in Regulation Z and (B) expressed in dollars.

14. The number, amount and due dates or periods of payments scheduled to repay the indebtedness and the sum of such payments.

15. The names and addresses of all persons to whom the notice required under Section 2983.2 and permitted under Sections 2983.5 and 2984 of this code is to be sent.

16. (A) Where the contract includes a finance charge determined on the precomputed basis, an identification of the method of computing the unearned portion of the finance charge in the event

of prepayment in full of the buyer's obligation and a statement of the amount or method of computation of any charge that may be deducted from the amount of any such unearned finance charge in computing the amount that will be credited to the obligation or refunded to the buyer. Reference to the Rule of 78's, the sum of the digits, the sum of the periodic time balances or the actuarial method shall constitute a sufficient identification of the method of computing the unearned portion of the finance charge.

(B) Where the contract includes a finance charge which is determined on the simple-interest basis, but provides for a minimum finance charge in the event of prepayment in full, a statement of that fact and the amount of the minimum finance charge or its method of calculation.

17. (A) Where the contract includes a finance charge which is determined on the precomputed basis and provides that the unearned portion of the finance charge to be refunded upon full prepayment of the contract is to be determined by a method other than actuarial, a notice in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. Because of the way the amount of this refund will be figured, the time when you prepay could increase the ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(B) Where the contract includes a finance charge which is determined on the precomputed basis and provides for the actuarial method for computing the unearned portion of the finance charge upon prepayment in full, a notice in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(C) Where the contract includes a finance charge which is determined on the simple-interest basis, a notice, in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default

in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

18. A notice to the buyer, in writing, and, if printed, in type no smaller than 8-point, that complaints concerning unfair or deceptive practices or methods by the seller shall be referred to the seller and, if the complaint is not resolved, may be referred to the Department of Motor Vehicles, Division of Compliance, 2570 24th Street, Sacramento, 95818.

Additional items may be included to explain the computations made in determining the amount to be paid by the buyer. If the finance charge or any portion thereof is calculated on the 365-day basis, the amount of the finance charge shown pursuant to item 13 shall be the amount which will be incurred by the buyer if all payments are received by the seller on their respective due dates.

(b) If any charge for insurance (other than for credit life or disability) is included in the contract balance and disbursement of any part thereof be made more than one year after the date of the conditional sale contract, any finance charge on the amount to be disbursed after one year shall be computed from the month the disbursement is to be made to the due date of the last installment under the conditional sale contract.

(c) (1) The dollar amount of the finance charge shown pursuant to item 13 of subdivision (a) shall not exceed the greater of:

(A) (i) One and one-half percent on so much of the unpaid balance as does not exceed two hundred twenty-five dollars ($225), 1⅙ percent on so much of the unpaid balance in excess of two hundred twenty-five dollars ($225) as does not exceed nine hundred dollars ($900), ⅚ of 1 percent on so much of the unpaid balance in excess of nine hundred dollars ($900) as does not exceed one thousand six hundred fifty dollars ($1,650), and 1 3/24 of 1 percent on that portion of the unpaid balance which exceeds one thousand six hundred fifty dollars ($1,650), or

(ii) One percent of the entire unpaid balance; multiplied in either case by the number of months (computed on the basis of a full month for any fractional month period in excess of 15 days) elapsing between the date of the contract and the due date of the last installment; or

(B) If the finance charge is determined by the precomputed basis, twenty-five dollars ($25); or

(C) If the finance charge or a portion thereof is determined by the simple-interest basis:

(i) Twenty-five dollars ($25) if the unpaid balance does not exceed one thousand dollars ($1,000), (ii) fifty dollars ($50) if the unpaid balance exceeds one thousand dollars ($1,000) but does not exceed two thousand dollars ($2,000), or (iii) seventy-five dollars ($75) if the unpaid balance exceeds two thousand dollars ($2,000).

(2) The holder of the contract shall not charge, collect or receive a finance charge which exceeds the dollar amount shown pursuant

to item 13 of subdivision (a), except to the extent caused by (A) the holder's receipt of one or more payments under a contract which provides for determination of the finance charge or a portion thereof on the 365-day basis at a time or times other than as originally scheduled whether or not the parties enter into an agreement pursuant to Section 2982.3, (B) the use of estimations in the providing of the disclosures required by this chapter to the extent permitted by Regulation Z, or (C) as permitted by subdivisions (a) and (c) of Section 2982.8.

(3) If the finance charge or a portion thereof is determined by the simple-interest basis and the amount of the unpaid balance exceeds five thousand dollars ($5,000), the holder of the contract may, in lieu of its right to a minimum finance charge under subparagraph (C) of paragraph (1), charge, receive, or collect on the date of the contract an administrative finance charge not to exceed seventy-five dollars ($75), provided that the sum of any such administrative finance charge and the portion of the finance charge determined by the simple-interest basis shall not exceed the maximum total finance charge permitted by subparagraph (A) of paragraph (1). Any administrative finance charge which is charged, received or collected by a holder shall be deemed a finance charge earned on the date of the contract.

(d) The contract may provide that for each installment in default for a period of not less than 10 days the buyer shall pay a delinquency charge in an amount not to exceed in the aggregate 5 percent of the installment, which amount may be collected only once on any installment regardless of the period during which it remains in default. Payments timely received by the seller under an extension or deferral agreement shall not be subject to a delinquency charge. The contract may provide for reasonable collection costs and fees in the event of delinquency.

(e) Notwithstanding any provision of a contract to the contrary, the buyer may pay at any time before maturity the entire indebtedness evidenced by the contract without penalty. In the event of prepayment in full:

(1) If the finance charge was determined on the precomputed basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, provided, however, that the buyer shall be entitled to a refund credit in the amount of the unearned portion of the finance charge, except as provided in paragraphs (3) and (4). The amount of the unearned portion of the finance charge shall be at least as great a proportion of the finance charge, or if the contract has been extended, deferred or refinanced, of the additional charge therefor, as the sum of the periodic monthly time balances payable more than 15 days after the date of prepayment bears to the sum of all the periodic monthly time balances under the schedule of installments in the contract or, if the contract has been extended, deferred or refinanced, as so extended, deferred or refinanced. Where the amount of the refund credit is less

than one dollar ($1), no refund credit need be made by the holder. Any refund credit in the amount of one dollar ($1) or more may be made in cash or credited to the outstanding obligations of the buyer under the contract.

(2) If the finance charge or a portion thereof was determined on the simple-interest basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, including any earned finance charges which are unpaid as of that date and, if applicable, the amount provided in paragraph (3), and provided further that in cases where a finance charge is determined on the 360-day basis, the payments theretofore received will be assumed to have been received on their respective due dates regardless of the actual dates on which such payments were received.

(3) Where the minimum finance charge provided by subparagraph (B) or subparagraph (C) of paragraph (1) of subdivision (c), if either is applicable, is greater than the earned finance charge as of the date of prepayment, the holder shall be additionally entitled to the difference.

(4) The provisions of this subdivision shall not impair the right of the seller or the seller's assignee to receive delinquency charges on delinquent installments and reasonable costs and fees as provided in subdivision (d) of this section or extension or deferral agreement charges as provided in Section 2982.3.

(5) Notwithstanding any provision of a contract to the contrary, whenever the indebtedness created by any contract is satisfied prior to its maturity through surrender of the motor vehicle, repossession of the motor vehicle, redemption of the motor vehicle after repossession, or any judgment, the outstanding obligation of the buyer shall be determined as provided in paragraph (1) or (2); provided further that the buyer's outstanding obligation shall be computed by the holder as of the date the holder recovers the value of the motor vehicle through disposition thereof or judgment is entered or, if the holder elects to keep the motor vehicle in satisfaction of the buyer's indebtedness, as of the date the holder takes possession of the motor vehicle.

(f) Notwithstanding any other provision of this chapter to the contrary, in the event any required downpayment on which no finance charge is imposed is to be made by the buyer to the seller on a conditional sale contract after the date of such contract but prior to the date of the second payment otherwise scheduled, the amount of such payment may be shown in such contract as a deferred portion of the cash downpayment or, if the finance charge is determined on the precomputed basis, as a deduction from the amount of the unpaid balance, and shall be included in the total of payments

(g) Notwithstanding any other provision of this chapter to the contrary, any information required to be disclosed in a conditional sale contract under this chapter may be disclosed in any manner, method, or terminology required or permitted under Regulation Z, as in effect at the time such disclosure is made Nothing contained

in this chapter shall be deemed to prohibit the disclosure in such contract of additional information required or permitted under Regulation Z, as in effect at the time such disclosure is made.

(h) If the requirements of this section are otherwise met, the preparation and use of a separate document for agreements governing the ownership of the towbar, wheels, wheel hubs, and axles and for escrow instructions under Section 11950 of the Vehicle Code, relating to the sale of mobilehomes, shall not violate the single-document requirement of subdivision (a). Without such an agreement governing the ownership of the towbar, wheels, wheel hubs, and axles, no dealer or transporter shall remove or cause to be removed any towbar, wheel, wheel hub, or axle from any mobilehome. Any price quoted for any mobilehome in a conditional sale contract, purchase order, or security agreement pursuant to this section shall state whether such price includes or excludes the cost of the towbar, wheels, wheel hubs, and axles. If such price does not include the towbar, wheels, wheel hubs, or axles, it shall show a deduction for the cost of such parts not included.

(i) This section shall become operative on July 1, 1981.

SEC. 2. Section 2982 of the Civil Code, as amended by Section 22 of Chapter 1380 of the Statutes of 1980, is amended to read:

2982. (a) Every conditional sale contract for the sale of a motor vehicle, with or without accessories, shall be in writing and, if printed, shall be printed in type no smaller than 6-point, and shall contain in a single document all of the agreements of the buyer and seller with respect to the total cost and the terms of payment for the motor vehicle, including any promissory notes or any other evidences of indebtedness. The conditional sale contract or a purchase order shall be signed by the buyer or his authorized representative and by the seller or its authorized representative, and an exact copy thereof shall be furnished the buyer by the seller at the time the buyer and the seller have signed the contract or purchase order. No motor vehicle shall be delivered under this chapter until the seller delivers to the buyer a fully executed copy of the conditional sale contract or purchase order and any vehicle purchase proposal and any credit statement which the seller has required or requested the buyer to sign, and which he has signed, during the contract negotiations. The seller shall not obtain the signature of the buyer to a contract when it contains blank spaces to be filled in after it has been signed. Every conditional sale contract shall contain, although not necessarily in the sequence or order set forth below, the following separate items:

1. The cash price of the motor vehicle and of other items described in subdivision (e) of Section 2981 which are the subject of the conditional sale contract.

2. The amount of the buyer's downpayment, and whether made in cash or represented by the net agreed value of described property traded in, or both, together with a statement of the respective amounts credited for cash and for such property, but excluding any

administrative finance charge shown in item 9.

3. The unpaid balance of cash price, which is the difference between items 1 and 2.

4. The cost to the buyer of any insurance, the premium for which is included in the contract balance. Any such cost for credit life or disability insurance may be included in the finance charge if the amount thereof is separately stated on the face of the contract.

5. The amounts, if any, paid or to be paid to any public officer in connection with the transaction and for license, certificate of title, and registration fees imposed by law.

6. The amount of the state fee for issuance of a certificate of compliance or certificate of waiver pursuant to Section 9889.56 of the Business and Professions Code.

7. The amount, if any, charged by the seller for documentary preparation. If a seller charges a buyer a documentary preparation charge, then the contract shall contain a notice advising the buyer that such charge is not a governmental fee.

8. The amount of the unpaid balance, which is the sum of items 3, 4, 5, 6, and 7.

9. The amount, if any, of an administrative finance charge.

10. The amount financed, which is the difference between items 8 and 9.

11. The finance charge (A) expressed as the annual percentage rate as defined in Regulation Z and (B) expressed in dollars.

12. The number, amount and due dates or periods of payments scheduled to repay the indebtedness and the sum of such payments.

13. The names and addresses of all persons to whom the notice required under Section 2983.2 and permitted under Sections 2983.5 and 2984 of this code is to be sent.

14. (A) Where the contract includes a finance charge determined on the precomputed basis, an identification of the method of computing the unearned portion of the finance charge in the event of prepayment in full of the buyer's obligation and a statement of the amount or method of computation of any charge that may be deducted from the amount of any such unearned finance charge in computing the amount that will be credited to the obligation or refunded to the buyer. Reference to the Rule of 78's, the sum of the digits, the sum of the periodic time balances or the actuarial method shall constitute a sufficient identification of the method of computing the unearned portion of the finance charge.

(B) Where the contract includes a finance charge which is determined on the simple-interest basis but provides for a minimum finance charge in the event of prepayment in full, a statement of that fact and the amount of the minimum finance charge or its method of calculation.

15. (A) Where the contract includes a finance charge which is determined on the precomputed basis and provides that the unearned portion of the finance charge to be refunded upon full prepayment of the contract is to be determined by a method other

than actuarial, a notice in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. Because of the way the amount of this refund will be figured, the time when you prepay could increase the ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(B) Where the contract includes a finance charge which is determined on the precomputed basis and provides for the actuarial method for computing the unearned portion of the finance charge upon prepayment in full, a notice in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(C) Where the contract includes a finance charge which is determined on the simple-interest basis, a notice, in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

16. A notice to the buyer, in writing, and, if printed, in type no smaller than 8-point, that complaints concerning unfair or deceptive practices or methods by the seller shall be referred to the seller and, if the complaint is not resolved, may be referred to the Department of Motor Vehicles, Division of Compliance, 2570 24th Street, Sacramento, 95818.

Additional items may be included to explain the computations made in determining the amount to be paid by the buyer. If the finance charge or any portion thereof is calculated on the 365-day basis, the amount of the finance charge shown pursuant to item 11 shall be the amount which will be incurred by the buyer if all payments are received by the seller on their respective due dates.

(b) If any charge for insurance (other than for credit life or disability) is included in the contract balance and disbursement of

any part thereof be made more than one year after the date of the conditional sale contract, any finance charge on the amount to be disbursed after one year shall be computed from the month the disbursement is to be made to the due date of the last installment under the conditional sale contract.

(c) (1) The dollar amount of the finance charge shown pursuant to item 11 of subdivision (a) shall not exceed the greater of:

(A) (i) One and one-half percent on so much of the unpaid balance as does not exceed two hundred twenty-five dollars ($225), 1 ⅙ percent on so much of the unpaid balance in excess of two hundred twenty-five dollars ($225) as does not exceed nine hundred dollars ($900), ⅚ of 1 percent on so much of the unpaid balance in excess of nine hundred dollars ($900) as does not exceed one thousand six hundred fifty dollars ($1,650), and $^{13}/_{24}$ of 1 percent on that portion of the unpaid balance which exceeds one thousand six hundred fifty dollars ($1,650), or

(ii) One percent of the entire unpaid balance; multiplied in either case by the number of months (computed on the basis of a full month for any fractional month period in excess of 15 days) elapsing between the date of the contract and the due date of the last installment; or

(B) If the finance charge is determined by the precomputed basis, twenty-five dollars ($25); or

(C) If the finance charge or a portion thereof is determined by the simple-interest basis:

(i) Twenty-five dollars ($25) if the unpaid balance does not exceed one thousand dollars ($1,000), (ii) fifty dollars ($50) if the unpaid balance exceeds one thousand dollars ($1,000) but does not exceed two thousand dollars ($2,000), or (iii) seventy-five dollars ($75) if the unpaid balance exceeds two thousand dollars ($2,000).

(2) The holder of the contract shall not charge, collect or receive a finance charge which exceeds the dollar amount shown pursuant to item 11 of subdivision (a), except to the extent caused by (A) the holder's receipt of one or more payments under a contract which provides for determination of the finance charge or a portion thereof on the 365-day basis at a time or times other than as originally scheduled whether or not the parties enter into an agreement pursuant to Section 2982.3, (B) the use of estimations in the providing of the disclosures required by this chapter to the extent permitted by Regulation Z, or (C) as permitted by subdivisions (a) and (c) of Section 2982.8.

(3) If the finance charge or a portion thereof is determined by the simple-interest basis and the amount of the unpaid balance exceeds five thousand dollars ($5,000), the holder of the contract may, in lieu of its right to a minimum finance charge under subparagraph (C) of paragraph (1), charge, receive, or collect on the date of the contract an administrative finance charge not to exceed seventy-five dollars ($75), provided that the sum of any such administrative finance charge and the portion of the finance charge determined by the

simple-interest basis shall not exceed the maximum total finance charge permitted by subparagraph (A) of paragraph (1). Any administrative finance charge which is charged, received or collected by a holder shall be deemed a finance charge earned on the date of the contract.

(d) The contract may provide that for each installment in default for a period of not less than 10 days the buyer shall pay a delinquency charge in an amount not to exceed in the aggregate 5 percent of the installment, which amount may be collected only once on any installment regardless of the period during which it remains in default. Payments timely received by the seller under an extension or deferral agreement shall not be subject to a delinquency charge. The contract may provide for reasonable collection costs and fees in the event of delinquency.

(e) Notwithstanding any provision of a contract to the contrary, the buyer may pay at any time before maturity the entire indebtedness evidenced by the contract without penalty. In the event of prepayment in full:

(1) If the finance charge was determined on the precomputed basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, provided, however, that the buyer shall be entitled to a refund credit in the amount of the unearned portion of the finance charge, except as provided in paragraphs (3) and (4). The amount of the unearned portion of the finance charge shall be at least as great a proportion of the finance charge, or if the contract has been extended, deferred or refinanced, of the additional charge therefor, as the sum of the periodic monthly time balances payable more than 15 days after the date of prepayment bears to the sum of all the periodic monthly time balances under the schedule of installments in the contract or, if the contract has been extended, deferred or refinanced, as so extended, deferred or refinanced. Where the amount of the refund credit is less than one dollar ($1), no refund credit need be made by the holder. Any refund credit in the amount of one dollar ($1) or more may be made in cash or credited to the outstanding obligations of the buyer under the contract.

(2) If the finance charge or a portion thereof was determined on the simple-interest basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, including any earned finance charges which are unpaid as of that date and, if applicable, the amount provided in paragraph (3), and provided further that in cases where a finance charge is determined on the 360-day basis, the payments theretofore received will be assumed to have been received on their respective due dates regardless of the actual dates on which such payments were received.

(3) Where the minimum finance charge provided by subparagraph (B) or subparagraph (C) of paragraph (1) of subdivision (c), if either is applicable, is greater than the earned finance charge as of the date of prepayment, the holder shall be

additionally entitled to the difference.

(4) The provisions of this subdivision shall not impair the right of the seller or the seller's assignee to receive delinquency charges on delinquent installments and reasonable costs and fees as provided in subdivision (d) of this section or extension or deferral agreement charges as provided in Section 2982.3.

(5) Notwithstanding any provision of a contract to the contrary, whenever the indebtedness created by any contract is satisfied prior to its maturity through surrender of the motor vehicle, repossession of the motor vehicle, redemption of the motor vehicle after repossession, or any judgment, the outstanding obligation of the buyer shall be determined as provided in paragraph (1) or (2); provided further that the buyer's outstanding obligation shall be computed by the holder as of the date the holder recovers the value of the motor vehicle through disposition thereof or judgment is entered or, if the holder elects to keep the motor vehicle in satisfaction of the buyer's indebtedness, as of the date the holder takes possession of the motor vehicle.

(f) Notwithstanding any other provision of this chapter to the contrary, in the event any required downpayment on which no finance charge is imposed is to be made by the buyer to the seller on a conditional sale contract after the date of such contract but prior to the date of the second payment otherwise scheduled, the amount of such payment may be shown in such contract as a deferred portion of the cash downpayment or, if the finance charge is determined on the precomputed basis, as a deduction from the amount of the unpaid balance, and shall be included in the total of payments.

(g) Notwithstanding any other provision of this chapter to the contrary, any information required to be disclosed in a conditional sale contract under this chapter may be disclosed in any manner, method, or terminology required or permitted under Regulation Z, as in effect at the time such disclosure is made. Nothing contained in this chapter shall be deemed to prohibit the disclosure in such contract of additional information required or permitted under Regulation Z, as in effect at the time such disclosure is made.

(h) This section shall become operative on July 1, 1981.

SEC. 3. Section 2982 of the Civil Code, as amended by Section 21 of Chapter 1380 of the Statutes of 1980, is amended to read:

2982. (a) Every conditional sale contract for the sale of a motor vehicle, with or without accessories, shall be in writing and, if printed, shall be printed in type no smaller than 6-point, and shall contain in a single document all of the agreements of the buyer and seller with respect to the total cost and the terms of payment for the motor vehicle, including any promissory notes or any other evidences of indebtedness. The conditional sale contract or a purchase order shall be signed by the buyer or his authorized representative and by the seller or its authorized representative, and an exact copy thereof shall be furnished the buyer by the seller at the time the buyer and the seller have signed the contract or purchase

order. No motor vehicle shall be delivered under this chapter until the seller delivers to the buyer a fully executed copy of the conditional sale contract or purchase order and any vehicle purchase proposal and any credit statement which the seller has required or requested the buyer to sign, and which he has signed, during the contract negotiations. The seller shall not obtain the signature of the buyer to a contract when it contains blank spaces to be filled in after it has been signed. Every conditional sale contract shall contain, although not necessarily in the sequence or order set forth below, the following separate items:

1. The cash price of the motor vehicle and of other items described in subdivision (e) of Section 2981 which are the subject of the conditional sale contract.

2. The amount of the buyer's downpayment, and whether made in cash or represented by the net agreed value of described property traded in, or both, together with a statement of the respective amounts credited for cash and for such property, but excluding any administrative finance charge shown in item 11.

3. The unpaid balance of cash price, which is the difference between items 1 and 2.

4. The cost to the buyer of any insurance, the premium for which is included in the contract balance. Any such cost for credit life or disability insurance may be included in the finance charge if the amount thereof is separately stated on the face of the contract.

5. The amounts, if any, paid or to be paid to any public officer in connection with the transaction and for license, certificate of title, and registration fees imposed by law.

6. The amount of any city, county, or city and county imposed fee or tax for a mobilehome.

7. The amount of any mobilehome escrow fee.

8. The amount of the state fee for issuance of a certificate of compliance or certificate of waiver pursuant to Section 9889.56 of the Business and Professions Code.

9. The amount, if any, charged by the seller for documentary preparation. If a seller charges a buyer a documentary preparation charge, then the contract shall contain a notice advising the buyer that such charge is not a governmental fee.

10. The amount of the unpaid balance, which is the sum of items 3, 4, 5, 6, 7, 8, and 9.

11. The amount, if any, of an administrative finance charge.

12. The amount financed, which is the difference between items 10 and 11.

13. The finance charge (A) expressed as the annual percentage rate as defined in Regulation Z and (B) expressed in dollars.

14. The number, amount, and due dates or periods of payments scheduled to repay the indebtedness and the sum of such payments.

15. The names and addresses of all persons to whom the notice required under Section 2983.2 and permitted under Sections 2983.5 and 2984 of this code is to be sent.

16. (A) Where the contract includes a finance charge determined on the precomputed basis, an identification of the method of computing the unearned portion of the finance charge in the event of prepayment in full of the buyer's obligation and a statement of the amount or method of computation of any charge that may be deducted from the amount of any such unearned finance charge in computing the amount that will be credited to the obligation or refunded to the buyer. Reference to the Rule of 78's, the sum of the digits, the sum of the periodic time balances or the actuarial method shall constitute a sufficient identification of the method of computing the unearned portion of the finance charge.

(B) Where the contract includes a finance charge which is determined on the simple-interest basis but provides for a minimum finance charge in the event of prepayment in full, a statement of that fact and the amount of the minimum finance charge or its method of calculation.

17. (A) Where the contract includes a finance charge which is determined on the precomputed basis and provides that the unearned portion of the finance charge to be refunded upon full prepayment of the contract is to be determined by a method other than actuarial, a notice as set forth in subparagraph (i), (ii) or (iii) in at least 8-point bold type if the contract is printed.

(i) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(ii) "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. Because of the way the amount of this refund will be figured, the time when you prepay could increase the ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(iii) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and under certain conditions obtain a partial refund of the finance charge. Because the refund will be figured by the Rule of 78's, the time when you prepay may affect the ultimate cost of credit under

this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(B) Where the contract includes a finance charge which is determined on the precomputed basis and provides for the actuarial method for computing the unearned portion of the finance charge upon prepayment in full, a notice as set forth in subparagraph (i), (ii), or (iii) in at least 8-point bold type if the contract is printed.

(i) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(ii) "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(iii) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and under certain conditions obtain a partial refund of the finance charge. Because the refund will be figured by the Rule of 78's, the time when you prepay may affect the ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(C) Where the contract includes a finance charge which is determined on the simple-interest basis, a notice as set forth in either subparagraph (i) or (ii) in at least 8-point bold type if the contract is printed.

(i) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this

agreement."

(ii) "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

18. A notice to the buyer, in writing, and, if printed, in type no smaller than 8-point, that complaints concerning unfair or deceptive practices or methods by the seller shall be referred to the seller and, if the complaint is not resolved, may be referred to the Department of Motor Vehicles, Division of Compliance, 2570 24th Street, Sacramento, 95818.

Additional items may be included to explain the computations made in determining the amount to be paid by the buyer. If the finance charge or any portion thereof is calculated on the 365-day basis, the amount of the finance charge shown pursuant to item 13 shall be the amount which will be incurred by the buyer if all payments are received by the seller on their respective due dates.

(b) If any charge for insurance (other than for credit life or disability) is included in the contract balance and disbursement of any part thereof be made more than one year after the date of the conditional sale contract, any finance charge on the amount to be disbursed after one year shall be computed from the month the disbursement is to be made to the due date of the last installment under the conditional sale contract.

(c) (1) The dollar amount of the finance charge shown pursuant to item 13 of subdivision (a) shall not exceed the greater of:

(A) (i) One and one-half percent on so much of the unpaid balance as does not exceed two hundred twenty-five dollars ($225), 1 ⅙ percent on so much of the unpaid balance in excess of two hundred twenty-five dollars ($225) as does not exceed nine hundred dollars ($900), ⅚ of 1 percent on so much of the unpaid balance in excess of nine hundred dollars ($900) as does not exceed one thousand six hundred fifty dollars ($1,650), and $^{13}/_{24}$ of 1 percent on that portion of the unpaid balance which exceeds one thousand six hundred fifty dollars ($1,650), or

(ii) One percent of the entire unpaid balance; multiplied in either case by the number of months (computed on the basis of a full month for any fractional month period in excess of 15 days) elapsing between the date of the contract and the due date of the last installment; or

(B) If the finance charge is determined by the precomputed basis, twenty-five dollars ($25); or

(C) If the finance charge or a portion thereof is determined by the simple-interest basis:

(i) Twenty-five dollars ($25) if the unpaid balance does not

exceed one thousand dollars ($1,000), (ii) fifty dollars ($50) if the unpaid balance exceeds one thousand dollars ($1,000) but does not exceed two thousand dollars ($2,000), or (iii) seventy-five dollars ($75) if the unpaid balance exceeds two thousand dollars ($2,000).

(2) The holder of the contract shall not charge, collect or receive a finance charge which exceeds the dollar amount shown pursuant to item 13 of subdivision (a), except to the extent caused by (A) the holder's receipt of one or more payments under a contract which provides for determination of the finance charge or a portion thereof on the 365-day basis at a time or times other than as originally scheduled whether or not the parties enter into an agreement pursuant to Section 2982.3, (B) the use of estimations in the providing of the disclosures required by this chapter to the extent permitted by Regulation Z, or (C) as permitted by subdivisions (a) and (c) of Section 2982.8.

(3) If the finance charge or a portion thereof is determined by the simple-interest basis and the amount of the unpaid balance exceeds five thousand dollars ($5,000), the holder of the contract may, in lieu of its right to a minimum finance charge under subparagraph (C) of paragraph (1), charge, receive or collect on the date of the contract an administrative finance charge not to exceed seventy-five dollars ($75) provided that the sum of any such administrative finance charge and the portion of the finance charge determined by the simple-interest basis shall not exceed the maximum total finance charge permitted by subparagraph (A) of paragraph (1). Any administrative finance charge which is charged, received or collected by a holder shall be deemed a finance charge earned on the date of the contract.

(d) The contract may provide that for each installment in default for a period of not less than 10 days the buyer shall pay a delinquency charge in an amount not to exceed in the aggregate 5 percent of the installment, which amount may be collected only once on any installment regardless of the period during which it remains in default. Payments timely received by the seller under a written extension or deferral agreement shall not be subject to any delinquency charge. The contract may provide for reasonable collection costs and fees in the event of delinquency.

(e) Notwithstanding any provision of a contract to the contrary, the buyer may pay at any time before maturity the entire indebtedness evidenced by the contract without penalty. In the event of prepayment in full:

(1) If the finance charge was determined on the precomputed basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, provided, however, that the buyer shall be entitled to a refund credit in the amount of the unearned portion of the finance charge, except as provided in paragraphs (3) and (4). The amount of the unearned portion of the finance charge shall be at least as great a proportion of the finance charge, or if the contract has been extended, deferred or refinanced,

of the additional charge therefor, as the sum of the periodic monthly time balances payable more than 15 days after the date of prepayment bears to the sum of all the periodic monthly time balances under the schedule of installments in the contract or, if the contract has been extended, deferred or refinanced, as so extended, deferred or refinanced. Where the amount of the refund credit is less than one dollar ($1), no refund credit need be made by the holder. Any refund credit in the amount of one dollar ($1) or more may be made in cash or credited to the outstanding obligations of the buyer under the contract.

(2) If the finance charge or a portion thereof was determined on the simple-interest basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, including any earned finance charges which are unpaid as of that date and, if applicable, the amount provided in paragraph (3), and provided further that in cases where a finance charge is determined on the 360-day basis, the payments theretofore received will be assumed to have been received on their respective due dates regardless of the actual dates on which such payments were received.

(3) Where the minimum finance charge provided by subparagraph (B) or subparagraph (C) of paragraph (1) of subdivision (c), if either is applicable, is greater than the earned finance charge as of the date of prepayment, the holder shall be additionally entitled to the difference.

(4) The provisions of this subdivision shall not impair the right of the seller or the seller's assignee to receive delinquency charges on delinquent installments and reasonable costs and fees as provided in subdivision (d) of this section or extension or deferral agreement charges as provided in Section 2982.3.

(5) Notwithstanding any provision of a contract to the contrary, whenever the indebtedness created by any contract is satisfied prior to its maturity through surrender of the motor vehicle, repossession of the motor vehicle, redemption of the motor vehicle after repossession, or any judgment, the outstanding obligation of the buyer shall be determined as provided in paragraph (1) or (2); provided further that the buyer's outstanding obligation shall be computed by the holder as of the date the holder recovers the value of the motor vehicle through disposition thereof or judgment is entered or, if the holder elects to keep the motor vehicle in satisfaction of the buyer's indebtedness, as of the date the holder takes possession of the motor vehicle.

(f) Notwithstanding any other provision of this chapter to the contrary, in the event any required downpayment on which no finance charge is imposed is to be made by the buyer to the seller on a conditional sale contract after the date of such contract but prior to the date of the second payment otherwise scheduled, the amount of such payment may be shown in such contract as a deferred portion of the cash downpayment or, if the finance charge is determined on the precomputed basis, as a deduction from the amount of the

unpaid balance, and shall be included in the total of payments.

(g) Notwithstanding any other provision of this chapter to the contrary, any information required to be disclosed in a conditional sale contract under this chapter may be disclosed in any manner, method, or terminology required or permitted under Regulation Z, as in effect at the time such disclosure is made. Nothing contained in this chapter shall be deemed to prohibit the disclosure in such contract of additional information required or permitted under Regulation Z, as in effect at the time such disclosure is made.

(h) If the requirements of this section are otherwise met, the preparation and use of a separate document for agreements governing the ownership of the towbar, wheels, wheel hubs, and axles and for escrow instructions under Section 11950 of the Vehicle Code, relating to the sale of mobilehomes, shall not violate the single-document requirement of subdivision (a).

Without such an agreement governing the ownership of the towbar, wheels, wheel hubs, and axles, no dealer or transporter shall remove or cause to be removed any towbar, wheel, wheel hub, or axle from any mobilehome. Any price quoted for any mobilehome in a conditional sale contract, purchase order, or security agreement pursuant to this section shall state whether such price includes or excludes the cost of the towbar, wheels, wheel hubs, and axles. If such price does not include the towbar, wheels, wheel hubs, or axles, it shall show a deduction for the cost of such parts not included.

(i) This section shall remain in effect only until April 1, 1982, and as of such date is repealed.

SEC. 4. Section 2982 of the Civil Code, as amended by Section 22 of Chapter 1380 of the Statutes of 1980, is amended to read:

2982. (a) Every conditional sale contract for the sale of a motor vehicle, with or without accessories, shall be in writing and, if printed, shall be printed in type no smaller than 6-point, and shall contain in a single document all of the agreements of the buyer and seller with respect to the total cost and the terms of payment for the motor vehicle, including any promissory notes or any other evidences of indebtedness. The conditional sale contract or a purchase order shall be signed by the buyer or his authorized representative and by the seller or its authorized representative, and an exact copy thereof shall be furnished the buyer by the seller at the time the buyer and the seller have signed the contract or purchase order. No motor vehicle shall be delivered under this chapter until the seller delivers to the buyer a fully executed copy of the conditional sale contract or purchase order and any vehicle purchase proposal and any credit statement which the seller has required or requested the buyer to sign, and which he has signed, during the contract negotiations The seller shall not obtain the signature of the buyer to a contract when it contains blank spaces to be filled in after it has been signed. Every conditional sale contract shall contain, although not necessarily in the sequence or order set forth below, the following separate items:

1. The cash price of the motor vehicle and of other items described in subdivision (e) of Section 2981 which are the subject of the conditional sale contract.

2. The amount of the buyer's downpayment, and whether made in cash or represented by the net agreed value of described property traded in, or both, together with a statement of the respective amounts credited for cash and for such property, but excluding any administrative finance charge shown in item 11.

3. The unpaid balance of cash price, which is the difference between items 1 and 2.

4. The cost to the buyer of any insurance, the premium for which is included in the contract balance. Any such cost for credit life or disability insurance may be included in the finance charge if the amount thereof is separately stated on the face of the contract.

5. The amounts, if any, paid or to be paid to any public officer in connection with the transaction and for license, certificate of title, and registration fees imposed by law.

6. The amount of any city, county, or city and county imposed fee or tax for a mobilehome.

7. The amount of any mobilehome escrow fee.

8. The amount of the state fee for issuance of a certificate of compliance or certificate of waiver pursuant to Section 9889.56 of the Business and Professions Code.

9. The amount, if any, charged by the seller for documentary preparation. If a seller charges a buyer a documentary preparation charge, then the contract shall contain a notice advising the buyer that such charge is not a governmental fee.

10. The amount of the unpaid balance, which is the sum of items 3, 4, 5, 6, 7, 8, and 9.

11. The amount, if any, of an administrative finance charge.

12. The amount financed, which is the difference between items 10 and 11.

13. The finance charge (A) expressed as the annual percentage rate as defined in Regulation Z and (B) expressed in dollars.

14. The number, amount and due dates or periods of payments scheduled to repay the indebtedness and the sum of such payments.

15. The names and addresses of all persons to whom the notice required under Section 2983.2 and permitted under Sections 2983.5 and 2984 of this code is to be sent.

16. (A) Where the contract includes a finance charge determined on the precomputed basis, an identification of the method of computing the unearned portion of the finance charge in the event of prepayment in full of the buyer's obligation and a statement of the amount or method of computation of any charge that may be deducted from the amount of any such unearned finance charge in computing the amount that will be credited to the obligation or refunded to the buyer. Reference to the Rule of 78's, the sum of the digits, the sum of the periodic time balances or the actuarial method shall constitute a sufficient identification of the method of computing

the unearned portion of the finance charge.

(B) Where the contract includes a finance charge which is determined on the simple-interest basis but provides for a minimum finance charge in the event of prepayment in full, a statement of that fact and the amount of the minimum finance charge or its method of calculation.

17. (A) Where the contract includes a finance charge which is determined on the precomputed basis and provides that the unearned portion of the finance charge to be refunded upon full prepayment of the contract is to be determined by a method other than actuarial, a notice in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. Because of the way the amount of this refund will be figured, the time when you prepay could increase the ultimate cost of credit under this agreement (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(B) Where the contract includes a finance charge which is determined on the precomputed basis and provides for the actuarial method for computing the unearned portion of the finance charge upon prepayment in full, a notice in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(C) Where the contract includes a finance charge which is determined on the simple-interest basis, a notice, in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

18 A notice to the buyer, in writing, and, if printed, in type no smaller than 8-point, that complaints concerning unfair or deceptive practices or methods by the seller shall be referred to the seller and, if the complaint is not resolved, may be referred to the Department

of Motor Vehicles, Division of Compliance, 2570 24th Street, Sacramento, 95818.

Additional items may be included to explain the computations made in determining the amount to be paid by the buyer. If the finance charge or any portion thereof is calculated on the 365-day basis, the amount of the finance charge shown pursuant to item 13 shall be the amount which will be incurred by the buyer if all payments are received by the seller on their respective due dates.

(b) If any charge for insurance (other than for credit life or disability) is included in the contract balance and disbursement of any part thereof be made more than one year after the date of the conditional sale contract, any finance charge on the amount to be disbursed after one year shall be computed from the month the disbursement is to be made to the due date of the last installment under the conditional sale contract.

(c) (1) The dollar amount of the finance charge shown pursuant to item 13 of subdivision (a) shall not exceed the greater of:

(A) (i) One and one-half percent on so much of the unpaid balance as does not exceed two hundred twenty-five dollars ($225), 1 ⅙ percent on so much of the unpaid balance in excess of two hundred twenty-five dollars ($225) as does not exceed nine hundred dollars ($900), ⅚ of 1 percent on so much of the unpaid balance in excess of nine hundred dollars ($900) as does not exceed one thousand six hundred fifty dollars ($1,650), and $^{13}/_{24}$ of 1 percent on that portion of the unpaid balance which exceeds one thousand six hundred fifty dollars ($1,650), or

(ii) One percent of the entire unpaid balance; multiplied in either case by the number of months (computed on the basis of a full month for any fractional month period in excess of 15 days) elapsing between the date of the contract and the due date of the last installment; or

(B) If the finance charge is determined by the precomputed basis, twenty-five dollars ($25); or

(C) If the finance charge or a portion thereof is determined by the simple-interest basis·

(i) Twenty-five dollars ($25) if the unpaid balance does not exceed one thousand dollars ($1,000), (ii) fifty dollars ($50) if the unpaid balance exceeds one thousand dollars ($1,000) but does not exceed two thousand dollars ($2,000), or (iii) seventy-five dollars ($75) if the unpaid balance exceeds two thousand dollars ($2,000).

(2) The holder of the contract shall not charge, collect or receive a finance charge which exceeds the dollar amount shown pursuant to item 13 of subdivision (a), except to the extent caused by (A) the holder's receipt of one or more payments under a contract which provides for determination of the finance charge or a portion thereof on the 365-day basis at a time or times other than as originally scheduled whether or not the parties enter into an agreement pursuant to Section 2982.3, (B) the use of estimations in the providing of the disclosures required by this chapter to the extent

permitted by Regulation Z, or (C) as permitted by subdivisions (a) and (c) of Section 2982.8.

(3) If the finance charge or a portion thereof is determined by the simple-interest basis and the amount of the unpaid balance exceeds five thousand dollars ($5,000), the holder of the contract may, in lieu of its right to a minimum finance charge under subparagraph (C) of paragraph (1), charge, receive, or collect on the date of the contract an administrative finance charge not to exceed seventy-five dollars ($75), provided that the sum of any such administrative finance charge and the portion of the finance charge determined by the simple-interest basis shall not exceed the maximum total finance charge permitted by subparagraph (A) of paragraph (1). Any administrative finance charge which is charged, received or collected by a holder shall be deemed a finance charge earned on the date of the contract.

(d) The contract may provide that for each installment in default for a period of not less than 10 days the buyer shall pay a delinquency charge in an amount not to exceed in the aggregate 5 percent of the installment, which amount may be collected only once on any installment regardless of the period during which it remains in default. Payments timely received by the seller under an extension or deferral agreement shall not be subject to a delinquency charge. The contract may provide for reasonable collection costs and fees in the event of delinquency.

(e) Notwithstanding any provision of a contract to the contrary, the buyer may pay at any time before maturity the entire indebtedness evidenced by the contract without penalty. In the event of prepayment in full:

(1) If the finance charge was determined on the precomputed basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, provided, however, that the buyer shall be entitled to a refund credit in the amount of the unearned portion of the finance charge, except as provided in paragraphs (3) and (4). The amount of the unearned portion of the finance charge shall be at least as great a proportion of the finance charge, or if the contract has been extended, deferred or refinanced, of the additional charge therefor, as the sum of the periodic monthly time balances payable more than 15 days after the date of prepayment bears to the sum of all the periodic monthly time balances under the schedule of installments in the contract or, if the contract has been extended, deferred or refinanced, as so extended, deferred or refinanced Where the amount of the refund credit is less than one dollar ($1), no refund credit need be made by the holder Any refund credit in the amount of one dollar ($1) or more may be made in cash or credited to the outstanding obligations of the buyer under the contract.

(2) If the finance charge or a portion thereof was determined on the simple-interest basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, including

any earned finance charges which are unpaid as of that date and, if applicable, the amount provided in paragraph (3), and provided further that in cases where a finance charge is determined on the 360-day basis, the payments theretofore received will be assumed to have been received on their respective due dates regardless of the actual dates on which such payments were received.

(3) Where the minimum finance charge provided by subparagraph (B) or subparagraph (C) of paragraph (1) of subdivision (c), if either is applicable, is greater than the earned finance charge as of the date of prepayment, the holder shall be additionally entitled to the difference.

(4) The provisions of this subdivision shall not impair the right of the seller or the seller's assignee to receive delinquency charges on delinquent installments and reasonable costs and fees as provided in subdivision (d) of this section or extension or deferral agreement charges as provided in Section 2982.3.

(5) Notwithstanding any provision of a contract to the contrary, whenever the indebtedness created by any contract is satisfied prior to its maturity through surrender of the motor vehicle, repossession of the motor vehicle, redemption of the motor vehicle after repossession, or any judgment, the outstanding obligation of the buyer shall be determined as provided in paragraph (1) or (2); provided further that the buyer's outstanding obligation shall be computed by the holder as of the date the holder recovers the value of the motor vehicle through disposition thereof or judgment is entered or, if the holder elects to keep the motor vehicle in satisfaction of the buyer's indebtedness, as of the date the holder takes possession of the motor vehicle.

(f) Notwithstanding any other provision of this chapter to the contrary, in the event any required downpayment on which no finance charge is imposed is to be made by the buyer to the seller on a conditional sale contract after the date of such contract but prior to the date of the second payment otherwise scheduled, the amount of such payment may be shown in such contract as a deferred portion of the cash downpayment or, if the finance charge is determined on the precomputed basis, as a deduction from the amount of the unpaid balance, and shall be included in the total of payments

(g) Notwithstanding any other provision of this chapter to the contrary, any information required to be disclosed in a conditional sale contract under this chapter may be disclosed in any manner, method, or terminology required or permitted under Regulation Z, as in effect at the time such disclosure is made. Nothing contained in this chapter shall be deemed to prohibit the disclosure in such contract of additional information required or permitted under Regulation Z, as in effect at the time such disclosure is made.

(h) If the requirements of this section are otherwise met, the preparation and use of a separate document for agreements governing the ownership of the towbar, wheels, wheel hubs, and axles and for escrow instructions under Section 11950 of the Vehicle

Code, relating to the sale of mobilehomes, shall not violate the single-document requirement of subdivision (a). Without such an agreement governing the ownership of the towbar, wheels, wheel hubs, and axles, no dealer or transporter shall remove or cause to be removed any towbar, wheel, wheel hub, or axle from any mobilehome. Any price quoted for any mobilehome in a conditional sale contract, purchase order, or security agreement pursuant to this section shall state whether such price includes or excludes the cost of the towbar, wheels, wheel hubs, and axles. If such price does not include the towbar, wheels, wheel hubs, or axles, it shall show a deduction for the cost of such parts not included.

(i) This section shall become operative on April 1, 1982.

SEC. 5. Section 2982 of the Civil Code, as amended by Section 21 of Chapter 1380 of the Statutes of 1980, is amended to read:

2982. (a) Every conditional sale contract for the sale of a motor vehicle, with or without accessories, shall be in writing and, if printed, shall be printed in type no smaller than 6-point, and shall contain in a single document all of the agreements of the buyer and seller with respect to the total cost and the terms of payment for the motor vehicle, including any promissory notes or any other evidences of indebtedness. The conditional sale contract or a purchase order shall be signed by the buyer or his authorized representative and by the seller or its authorized representative, and an exact copy thereof shall be furnished the buyer by the seller at the time the buyer and the seller have signed the contract or purchase order. No motor vehicle shall be delivered under this chapter until the seller delivers to the buyer a fully executed copy of the conditional sale contract or purchase order and any vehicle purchase proposal and any credit statement which the seller has required or requested the buyer to sign, and which he has signed, during the contract negotiations. The seller shall not obtain the signature of the buyer to a contract when it contains blank spaces to be filled in after it has been signed. Every conditional sale contract shall contain, although not necessarily in the sequence or order set forth below, the following separate items·

1. The cash price of the motor vehicle and of other items described in subdivision (e) of Section 2981 which are the subject of the conditional sale contract.

2 The amount of the buyer's downpayment, and whether made in cash or represented by the net agreed value of described property traded in, or both, together with a statement of the respective amounts credited for cash and for such property, but excluding any administrative finance charge shown in item 9.

3 The unpaid balance of cash price, which is the difference between items 1 and 2.

4. The cost to the buyer of any insurance, the premium for which is included in the contract balance. Any such cost for credit life or disability insurance may be included in the finance charge if the amount thereof is separately stated on the face of the contract.

5. The amounts, if any, paid or to be paid to any public officer in connection with the transaction and for license, certificate of title, and registration fees imposed by law.

6. The amount of the state fee for issuance of a certificate of compliance or certificate of waiver pursuant to Section 9889.56 of the Business and Professions Code.

7. The amount, if any, charged by the seller for documentary preparation. If a seller charges a buyer a documentary preparation charge, then the contract shall contain a notice advising the buyer that such charge is not a governmental fee.

8. The amount of the unpaid balance, which is the sum of items 3, 4, 5, 6, and 7.

9. The amount, if any, of an administrative finance charge.

10. The amount financed, which is the difference between items 8 and 9.

11. The finance charge (A) expressed as the annual percentage rate as defined in Regulation Z and (B) expressed in dollars.

12. The number, amount, and due dates or periods of payments scheduled to repay the indebtedness and the sum of such payments.

13. The names and addresses of all persons to whom the notice required under Section 2983.2 and permitted under Sections 2983.5 and 2984 of this code is to be sent.

14. (A) Where the contract includes a finance charge determined on the precomputed basis, an identification of the method of computing the unearned portion of the finance charge in the event of prepayment in full of the buyer's obligation and a statement of the amount or method of computation of any charge that may be deducted from the amount of any such unearned finance charge in computing the amount that will be credited to the obligation or refunded to the buyer. Reference to the Rule of 78's, the sum of the digits, the sum of the periodic time balances or the actuarial method shall constitute a sufficient identification of the method of computing the unearned portion of the finance charge.

(B) Where the contract includes a finance charge which is determined on the simple-interest basis but provides for a minimum finance charge in the event of prepayment in full, a statement of that fact and the amount of the minimum finance charge or its method of calculation.

15. (A) Where the contract includes a finance charge which is determined on the precomputed basis and provides that the unearned portion of the finance charge to be refunded upon full prepayment of the contract is to be determined by a method other than actuarial, a notice as set forth in subparagraph (i), (ii) or (iii) in at least 8-point bold type if the contract is printed.

(i) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund

of the finance charge. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(ii) "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. Because of the way the amount of this refund will be figured, the time when you prepay could increase the ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(iii) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and under certain conditions obtain a partial refund of the finance charge. Because the refund will be figured by the Rule of 78's, the time when you prepay may affect the ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(B) Where the contract includes a finance charge which is determined on the precomputed basis and provides for the actuarial method for computing the unearned portion of the finance charge upon prepayment in full, a notice as set forth in subparagraph (i), (ii), or (iii) in at least 8-point bold type if the contract is printed.

(i) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(ii) "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(iii) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and under certain conditions obtain a partial refund of the finance charge. Because the refund will be figured by the Rule of 78's, the time when you prepay may affect the ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(C) Where the contract includes a finance charge which is determined on the simple-interest basis, a notice as set forth in either subparagraph (i) or (ii) in at least 8-point bold type if the contract is printed.

(i) "Notice to the buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement "

(ii) "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

16. A notice to the buyer, in writing, and, if printed, in type no smaller than 8-point, that complaints concerning unfair or deceptive practices or methods by the seller shall be referred to the seller and, if the complaint is not resolved, may be referred to the Department of Motor Vehicles, Division of Compliance, 2570 24th Street, Sacramento, 95818

Additional items may be included to explain the computations made in determining the amount to be paid by the buyer. If the finance charge or any portion thereof is calculated on the 365-day basis, the amount of the finance charge shown pursuant to item 13 shall be the amount which will be incurred by the buyer if all payments are received by the seller on their respective due dates.

(b) If any charge for insurance (other than for credit life or disability) is included in the contract balance and disbursement of any part thereof be made more than one year after the date of the conditional sale contract, any finance charge on the amount to be disbursed after one year shall be computed from the month the disbursement is to be made to the due date of the last installment

under the conditional sale contract.

(c) (1) The dollar amount of the finance charge shown pursuant to item 11 of subdivision (a) shall not exceed the greater of:

(A) (i) One and one-half percent on so much of the unpaid balance as does not exceed two hundred twenty-five dollars ($225), 1 ⅙ percent on so much of the unpaid balance in excess of two hundred twenty-five dollars ($225) as does not exceed nine hundred dollars ($900), ⅚ of 1 percent on so much of the unpaid balance in excess of nine hundred dollars ($900) as does not exceed one thousand six hundred fifty dollars ($1,650), and 1 13/24 of 1 percent on that portion of the unpaid balance which exceeds one thousand six hundred fifty dollars ($1,650), or

(ii) One percent of the entire unpaid balance; multiplied in either case by the number of months (computed on the basis of a full month for any fractional month period in excess of 15 days) elapsing between the date of the contract and the due date of the last installment; or

(B) If the finance charge is determined by the precomputed basis, twenty-five dollars ($25); or

(C) If the finance charge or a portion thereof is determined by the simple-interest basis:

(i) Twenty-five dollars ($25) if the unpaid balance does not exceed one thousand dollars ($1,000), (ii) fifty dollars ($50) if the unpaid balance exceeds one thousand dollars ($1,000) but does not exceed two thousand dollars ($2,000), or (iii) seventy-five dollars ($75) if the unpaid balance exceeds two thousand dollars ($2,000).

(2) The holder of the contract shall not charge, collect or receive a finance charge which exceeds the dollar amount shown pursuant to item 11 of subdivision (a), except to the extent caused by (A) the holder's receipt of one or more payments under a contract which provides for determination of the finance charge or a portion thereof on the 365-day basis at a time or times other than as originally scheduled whether or not the parties enter into an agreement pursuant to Section 2982.3, (B) the use of estimations in the providing of the disclosures required by this chapter to the extent permitted by Regulation Z, or (C) as permitted by subdivisions (a) and (c) of Section 2982.8.

(3) If the finance charge or a portion thereof is determined by the simple-interest basis and the amount of the unpaid balance exceeds five thousand dollars ($5,000), the holder of the contract may, in lieu of its right to a minimum finance charge under subparagraph (C) of paragraph (1), charge, receive or collect on the date of the contract an administrative finance charge not to exceed seventy-five dollars ($75) provided that the sum of any such administrative finance charge and the portion of the finance charge determined by the simple-interest basis shall not exceed the maximum total finance charge permitted by subparagraph (A) of paragraph (1). Any administrative finance charge which is charged, received or collected by a holder shall be deemed a finance charge earned on the

date of the contract.

(d) The contract may provide that for each installment in default for a period of not less than 10 days the buyer shall pay a delinquency charge in an amount not to exceed in the aggregate 5 percent of the installment, which amount may be collected only once on any installment regardless of the period during which it remains in default. Payments timely received by the seller under a written extension or deferral agreement shall not be subject to any delinquency charge. The contract may provide for reasonable collection costs and fees in the event of delinquency.

(e) Notwithstanding any provision of a contract to the contrary, the buyer may pay at any time before maturity the entire indebtedness evidenced by the contract without penalty. In the event of prepayment in full:

(1) If the finance charge was determined on the precomputed basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, provided, however, that the buyer shall be entitled to a refund credit in the amount of the unearned portion of the finance charge, except as provided in paragraphs (3) and (4). The amount of the unearned portion of the finance charge shall be at least as great a proportion of the finance charge, or if the contract has been extended, deferred or refinanced, of the additional charge therefor, as the sum of the periodic monthly time balances payable more than 15 days after the date of prepayment bears to the sum of all the periodic monthly time balances under the schedule of installments in the contract or, if the contract has been extended, deferred or refinanced, as so extended, deferred or refinanced. Where the amount of the refund credit is less than one dollar ($1), no refund credit need be made by the holder. Any refund credit in the amount of one dollar ($1) or more may be made in cash or credited to the outstanding obligations of the buyer under the contract.

(2) If the finance charge or a portion thereof was determined on the simple-interest basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, including any earned finance charges which are unpaid as of that date and, if applicable, the amount provided in paragraph (3), and provided further that in cases where a finance charge is determined on the 360-day basis, the payments theretofore received will be assumed to have been received on their respective due dates regardless of the actual dates on which such payments were received.

(3) Where the minimum finance charge provided by subparagraph (B) or subparagraph (C) of paragraph (1) of subdivision (c), if either is applicable, is greater than the earned finance charge as of the date of prepayment, the holder shall be additionally entitled to the difference.

(4) The provisions of this subdivision shall not impair the right of the seller or the seller's assignee to receive delinquency charges on delinquent installments and reasonable costs and fees as provided in

subdivision (d) of this section or extension or deferral agreement charges as provided in Section 2982.3.

(5) Notwithstanding any provision of a contract to the contrary, whenever the indebtedness created by any contract is satisfied prior to its maturity through surrender of the motor vehicle, repossession of the motor vehicle, redemption of the motor vehicle after repossession, or any judgment, the outstanding obligation of the buyer shall be determined as provided in paragraph (1) or (2); provided further that the buyer's outstanding obligation shall be computed by the holder as of the date the holder recovers the value of the motor vehicle through disposition thereof or judgment is entered or, if the holder elects to keep the motor vehicle in satisfaction of the buyer's indebtedness, as of the date the holder takes possession of the motor vehicle.

(f) Notwithstanding any other provision of this chapter to the contrary, in the event any required downpayment on which no finance charge is imposed is to be made by the buyer to the seller on a conditional sale contract after the date of such contract but prior to the date of the second payment otherwise scheduled, the amount of such payment may be shown in such contract as a deferred portion of the cash downpayment or, if the finance charge is determined on the precomputed basis, as a deduction from the amount of the unpaid balance, and shall be included in the total of payments.

(g) Notwithstanding any other provision of this chapter to the contrary, any information required to be disclosed in a conditional sale contract under this chapter may be disclosed in any manner, method, or terminology required or permitted under Regulation Z, as in effect at the time such disclosure is made. Nothing contained in this chapter shall be deemed to prohibit the disclosure in such contract of additional information required or permitted under Regulation Z, as in effect at the time such disclosure is made.

(h) This section shall remain in effect only until April 1, 1982, and as of such date is repealed.

SEC. 6. Section 2982 of the Civil Code, as amended by Section 22 of Chapter 1380 of the Statutes of 1980, is amended to read:

2982. (a) Every conditional sale contract for the sale of a motor vehicle, with or without accessories, shall be in writing and, if printed, shall be printed in type no smaller than 6-point, and shall contain in a single document all of the agreements of the buyer and seller with respect to the total cost and the terms of payment for the motor vehicle, including any promissory notes or any other evidences of indebtedness. The conditional sale contract or a purchase order shall be signed by the buyer or his authorized representative and by the seller or its authorized representative, and an exact copy thereof shall be furnished the buyer by the seller at the time the buyer and the seller have signed the contract or purchase order. No motor vehicle shall be delivered under this chapter until the seller delivers to the buyer a fully executed copy of the conditional sale contract or purchase order and any vehicle purchase

proposal and any credit statement which the seller has required or requested the buyer to sign, and which he has signed, during the contract negotiations. The seller shall not obtain the signature of the buyer to a contract when it contains blank spaces to be filled in after it has been signed. Every conditional sale contract shall contain, although not necessarily in the sequence or order set forth below, the following separate items:

1. The cash price of the motor vehicle and of other items described in subdivision (e) of Section 2981 which are the subject of the conditional sale contract.

2. The amount of the buyer's downpayment, and whether made in cash or represented by the net agreed value of described property traded in, or both, together with a statement of the respective amounts credited for cash and for such property, but excluding any administrative finance charge shown in item 9.

3. The unpaid balance of cash price, which is the difference between items 1 and 2.

4. The cost to the buyer of any insurance, the premium for which is included in the contract balance. Any such cost for credit life or disability insurance may be included in the finance charge if the amount thereof is separately stated on the face of the contract.

5. The amounts, if any, paid or to be paid to any public officer in connection with the transaction and for license, certificate of title, and registration fees imposed by law.

6. The amount of the state fee for issuance of a certificate of compliance or certificate of waiver pursuant to Section 9889.56 of the Business and Professions Code.

7. The amount, if any, charged by the seller for documentary preparation. If a seller charges a buyer a documentary preparation charge, then the contract shall contain a notice advising the buyer that such charge is not a governmental fee.

8. The amount of the unpaid balance, which is the sum of items 3, 4, 5, 6, and 7.

9. The amount, if any, of an administrative finance charge.

10. The amount financed, which is the difference between items 8 and 9.

11. The finance charge (A) expressed as the annual percentage rate as defined in Regulation Z and (B) expressed in dollars.

12. The number, amount and due dates or periods of payments scheduled to repay the indebtedness and the sum of such payments.

13. The names and addresses of all persons to whom the notice required under Section 2983.2 and permitted under Sections 2983.5 and 2984 of this code is to be sent.

14. (A) Where the contract includes a finance charge determined on the precomputed basis, an identification of the method of computing the unearned portion of the finance charge in the event of prepayment in full of the buyer's obligation and a statement of the amount or method of computation of any charge that may be deducted from the amount of any such unearned finance charge in

computing the amount that will be credited to the obligation or refunded to the buyer. Reference to the Rule of 78's, the sum of the digits, the sum of the periodic time balances or the actuarial method shall constitute a sufficient identification of the method of computing the unearned portion of the finance charge.

(B) Where the contract includes a finance charge which is determined on the simple-interest basis but provides for a minimum finance charge in the event of prepayment in full, a statement of that fact and the amount of the minimum finance charge or its method of calculation.

15. (A) Where the contract includes a finance charge which is determined on the precomputed basis and provides that the unearned portion of the finance charge to be refunded upon full prepayment of the contract is to be determined by a method other than actuarial, a notice in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. Because of the way the amount of this refund will be figured, the time when you prepay could increase the ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessedand you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(B) Where the contract includes a finance charge which is determined on the precomputed basis and provides for the actuarial method for computing the unearned portion of the finance charge upon prepayment in full, a notice in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is $1 or more. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(C) Where the contract includes a finance charge which is determined on the simple-interest basis, a notice, in at least 10-point bold type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

16. A notice to the buyer, in writing, and, if printed, in type no smaller than 8-point, that complaints concerning unfair or deceptive practices or methods by the seller shall be referred to the seller and, if the complaint is not resolved, may be referred to the Department of Motor Vehicles, Division of Compliance, 2570 24th Street, Sacramento, 95818.

Additional items may be included to explain the computations made in determining the amount to be paid by the buyer. If the finance charge or any portion thereof is calculated on the 365-day basis, the amount of the finance charge shown pursuant to item 11 shall be the amount which will be incurred by the buyer if all payments are received by the seller on their respective due dates.

(b) If any charge for insurance (other than for credit life or disability) is included in the contract balance and disbursement of any part thereof be made more than one year after the date of the conditional sale contract, any finance charge on the amount to be disbursed after one year shall be computed from the month the disbursement is to be made to the due date of the last installment under the conditional sale contract.

(c) (1) The dollar amount of the finance charge shown pursuant to item 11 of subdivision (a) shall not exceed the greater of:

(A) (i) One and one-half percent on so much of the unpaid balance as does not exceed two hundred twenty-five dollars ($225), 1 ⅙ percent on so much of the unpaid balance in excess of two hundred twenty-five dollars ($225) as does not exceed nine hundred dollars ($900), ⅚ of 1 percent on so much of the unpaid balance in excess of nine hundred dollars ($900) as does not exceed one thousand six hundred fifty dollars ($1,650), and 13/24 of 1 percent on that portion of the unpaid balance which exceeds one thousand six hundred fifty dollars ($1,650), or

(ii) One percent of the entire unpaid balance; multiplied in either case by the number of months (computed on the basis of a full month for any fractional month period in excess of 15 days) elapsing between the date of the contract and the due date of the last installment; or

(B) If the finance charge is determined by the precomputed basis, twenty-five dollars ($25); or

(C) If the finance charge or a portion thereof is determined by the simple-interest basis:

(i) Twenty-five dollars ($25) if the unpaid balance does not exceed one thousand dollars ($1,000), (ii) fifty dollars ($50) if the unpaid balance exceeds one thousand dollars ($1,000) but does not exceed two thousand dollars ($2,000), or (iii) seventy-five dollars ($75) if the unpaid balance exceeds two thousand dollars ($2,000).

(2) The holder of the contract shall not charge, collect or receive a finance charge which exceeds the dollar amount shown pursuant to item 11 of subdivision (a), except to the extent caused by (A) the holder's receipt of one or more payments under a contract which provides for determination of the finance charge or a portion thereof

on the 365-day basis at a time or times other than as originally scheduled whether or not the parties enter into an agreement pursuant to Section 2982.3, (B) the use of estimations in the providing of the disclosures required by this chapter to the extent permitted by Regulation Z, or (C) as permitted by subdivisions (a) and (c) of Section 2982.8.

(3) If the finance charge or a portion thereof is determined by the simple-interest basis and the amount of the unpaid balance exceeds five thousand dollars ($5,000), the holder of the contract may, in lieu of its right to a minimum finance charge under subparagraph (C) of paragraph (1), charge, receive, or collect on the date of the contract an administrative finance charge not to exceed seventy-five dollars ($75), provided that the sum of any such administrative finance charge and the portion of the finance charge determined by the simple-interest basis shall not exceed the maximum total finance charge permitted by subparagraph (A) of paragraph (1). Any administrative finance charge which is charged, received or collected by a holder shall be deemed a finance charge earned on the date of the contract.

(d) The contract may provide that for each installment in default for a period of not less than 10 days the buyer shall pay a delinquency charge in an amount not to exceed in the aggregate 5 percent of the installment, which amount may be collected only once on any installment regardless of the period during which it remains in default. Payments timely received by the seller under an extension or deferral agreement shall not be subject to a delinquency charge. The contract may provide for reasonable collection costs and fees in the event of delinquency.

(e) Notwithstanding any provision of a contract to the contrary, the buyer may pay at any time before maturity the entire indebtedness evidenced by the contract without penalty. In the event of prepayment in full:

(1) If the finance charge was determined on the precomputed basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, provided, however, that the buyer shall be entitled to a refund credit in the amount of the unearned portion of the finance charge, except as provided in paragraphs (3) and (4) The amount of the unearned portion of the finance charge shall be at least as great a proportion of the finance charge, or if the contract has been extended, deferred or refinanced, of the additional charge therefor, as the sum of the periodic monthly time balances payable more than 15 days after the date of prepayment bears to the sum of all the periodic monthly time balances under the schedule of installments in the contract or, if the contract has been extended, deferred or refinanced, as so extended, deferred or refinanced. Where the amount of the refund credit is less than one dollar ($1), no refund credit need be made by the holder. Any refund credit in the amount of one dollar ($1) or more may be made in cash or credited to the outstanding obligations of the buyer

under the contract.

(2) If the finance charge or a portion thereof was determined on the simple-interest basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, including any earned finance charges which are unpaid as of that date and, if applicable, the amount provided in paragraph (3), and provided further that in cases where a finance charge is determined on the 360-day basis, the payments theretofore received will be assumed to have been received on their respective due dates regardless of the actual dates on which such payments were received.

(3) Where the minimum finance charge provided by subparagraph (B) or subparagraph (C) of paragraph (1) of subdivision (c), if either is applicable, is greater than the earned finance charge as of the date of prepayment, the holder shall be additionally entitled to the difference

(4) The provisions of this subdivision shall not impair the right of the seller or the seller's assignee to receive delinquency charges on delinquent installments and reasonable costs and fees as provided in subdivision (d) of this section or extension or deferral agreement charges as provided in Section 2982.3.

(5) Notwithstanding any provision of a contract to the contrary, whenever the indebtedness created by any contract is satisfied prior to its maturity through surrender of the motor vehicle, repossession of the motor vehicle, redemption of the motor vehicle after repossession, or any judgment, the outstanding obligation of the buyer shall be determined as provided in paragraph (1) or (2); provided further that the buyer's outstanding obligation shall be computed by the holder as of the date the holder recovers the value of the motor vehicle through disposition thereof or judgment is entered or, if the holder elects to keep the motor vehicle in satisfaction of the buyer's indebtedness, as of the date the holder takes possession of the motor vehicle.

(f) Notwithstanding any other provision of this chapter to the contrary, in the event any required downpayment on which no finance charge is imposed is to be made by the buyer to the seller on a conditional sale contract after the date of such contract but prior to the date of the second payment otherwise scheduled, the amount of such payment may be shown in such contract as a deferred portion of the cash downpayment or, if the finance charge is determined on the precomputed basis, as a deduction from the amount of the unpaid balance, and shall be included in the total of payments.

(g) Notwithstanding any other provision of this chapter to the contrary, any information required to be disclosed in a conditional sale contract under this chapter may be disclosed in any manner, method, or terminology required or permitted under Regulation Z, as in effect at the time such disclosure is made. Nothing contained in this chapter shall be deemed to prohibit the disclosure in such contract of additional information required or permitted under Regulation Z, as in effect at the time such disclosure is made.

(h) This section shall become operative on April 1, 1982.

SEC. 7. It is the intent of the Legislature, if this bill and Senate Bill No. 1080 are both chaptered and become effective on or before January 1, 1982, both bills amend Section 2982 of the Civil Code, and this bill is chaptered after Senate Bill No. 1080, that the amendments to Section 2982 proposed by both bills be given effect and incorporated in Section 2982 in the form set forth in Section 2 of this act. Therefore, Section 2 of this act shall become operative only if this bill and Senate Bill No. 1080 are both chaptered and become effective on or before January 1, 1982, both bills amend Section 2982 of the Civil Code, and this bill is chaptered after Senate Bill No. 1080, in which case Section 1 of this act shall not become operative.

SEC. 8. It is the intent of the Legislature, if this bill and Assembly Bill No. 1973 are both chaptered, both bills amend Section 2982 of the Civil Code, Assembly Bill No. 1973 becomes effective on or before July 1, 1981, and this bill is chaptered after Assembly Bill No. 1973, that the amendments to Section 2982 proposed by both bills be given effect and incorporated in Section 2982 in the forms set forth in Sections 3 and 4 of this act. Therefore, Sections 3 and 4 of this act shall become operative only if this bill and Assembly Bill No. 1973 are both chaptered, both amend Section 2982 of the Civil Code, Assembly Bill No. 1973 becomes effective on or before July 1, 1981, and this bill is chaptered after Assembly Bill No. 1973, in which case Section 1 of this act shall not become operative.

SEC. 9. It is the intent of the Legislature, if this bill and Assembly Bill No. 1973 and Senate Bill No. 1080 are all chaptered, all three bills amend Section 2982 of the Civil Code, Assembly Bill No. 1973 becomes effective on or before July 1, 1981, this bill and Senate Bill No. 1080 become effective on or before January 1, 1982, and this bill is chaptered after Assembly Bill No. 1973 and Senate Bill No. 1080, that the amendments to Section 2982 proposed by all three bills be given effect and incorporated in Section 2982 in the forms set forth in Sections 5 and 6 of this act. Therefore, Sections 5 and 6 of this act shall become operative only if this bill and Assembly Bill No. 1973 and Senate Bill No. 1080 are all chaptered, all three bills amend Section 2982 of the Civil Code, Assembly Bill No. 1973 becomes effective on or before July 1, 1981, this bill and Senate Bill No. 1080 become effective on or before January 1, 1982, and this bill is chaptered after Assembly Bill No. 1973 and Senate Bill No. 1080, in which case Section 1 of this act shall not become operative.

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:

The court's decision in Hernandez v. Atlantic Finance Co., 105 Cal. App. 3d 65, creates uncertainty respecting the circumstances under which a supervised financial institution, including banks, credit unions, industrial loan companies and personal property brokers can loan money to consumers for the full purchase price of a motor

vehicle, less the downpayment, discourages the purchase of motor vehicle sales contracts by supervised financial institutions, and threatens to limit the available sources of financing for such purposes. In order to protect the public and insure adequate and available sources of consumer credit in the automobile marketplace, it is necessary that this act go into effect immediately.

CHAPTER 244

An act to amend Section 66796 of, and to add Section 66796.695 to, the Government Code, and to add Article 4.5 (commencing with Section 25146) to Chapter 6.5 of Division 20 of the Health and Safety Code, relating to hazardous waste, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 21, 1981 Filed with Secretary of State July 21, 1981]

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

SECTION 1. Section 66796 of the Government Code is amended to read

66796. On or before July 1, 1977, there shall be designated within each county an enforcement agency to carry out the provisions of this chapter. If an agency is not designated by July 1, 1977, the board, in addition to its other powers, shall be the enforcement agency within the county failing to make the designation.

(a) The designation of the enforcement agency shall be made by any of the following procedures:

(1) The board of supervisors of the county may designate the enforcement agency subject to the approval by a majority of the cities within the county which contain a majority of the population of the incorporated area of the county; or

(2) The county and the cities within the county may enter into a joint exercise of powers agreement pursuant to Section 6500 of the Government Code for the purpose of establishing an enforcement agency; or

(3) The county and each city within the county may designate an enforcement agency to carry out the provisions of this chapter. In the case of a city and county, the city and county shall designate the enforcement agency.

(b) If no enforcement agency is designated and the board becomes the enforcement agency, nothing in this chapter shall prevent a designation of an enforcement agency under subdivision (a) of this section at a later date.

(c) A designation made pursuant to this section may be withdrawn in the same manner in which it was made.

(d) No local governmental department or agency which is the

operating unit for a solid waste handling or disposal operation shall be the enforcement agency for the type of solid waste handling or disposal operation it conducts. A conditional waiver to this requirement may be granted by the board upon submission of details by the local entity requesting such waiver. The board may review annually effects or impacts of the waiver.

(e) Notwithstanding any provision of law to the contrary, except as provided in Chapter 6.5 (commencing with Section 25100) of Division 20 of the Health and Safety Code and Section 731 of the Code of Civil Procedure, no local governing body acting in the capacity of an enforcement agency may enact, issue, enforce, suspend, revoke, or modify any ordinance, regulation, law, license, or permit relating to a facility that accepts both hazardous wastes and other solid wastes, such as municipal refuse, and which meets any of the criteria enumerated in subdivision (a) of Section 25148 of the Health and Safety Code, and was operating as of May 1, 1981, pursuant to a valid solid waste facility permit, so as to prohibit or unreasonably regulate the operation of, or the disposal, treatment, or recovery of resources from solid wastes at any such facility. However, nothing in this section shall authorize an operator of such a facility to violate any term or condition of a local land use or facility permit or any other provision of law not in conflict with this section.

SEC. 2. Section 66796.695 is added to the Government Code, to read:

66796.695. Notwithstanding the limitation on the board's scope of review pursuant to Section 66796.65, when reviewing any decision of a hearing panel, the board may find the decision of the panel inconsistent with the provisions of subdivision (e) of Section 66796 and take such action as is otherwise authorized by Section 66796.65.

SEC. 3. Article 4.5 (commencing with Section 25146) is added to Chapter 6.5 of Division 20 of the Health and Safety Code, to read:

Article 4.5. State Regulation of Existing Hazardous Waste Facilities

25146. The Legislature finds and declares that the number of hazardous waste disposal facilities is decreasing in the face of increasing demand, and that under present circumstances and law, imbalance between supply and demand is likely to further increase in the foreseeable future. This problem is general in nature, and does and will continue to exist in urban, suburban, and rural areas.

25146.5. The Legislature further finds and declares that:

(a) It is a matter of urgent public necessity and statewide concern that the number of existing hazardous waste facilities be retained to the extent feasible.

(b) The availability of land suitable and capable of being developed as hazardous waste disposal sites is decreasing.

(c) Any decrease in the number of existing hazardous waste facilities increases the distance that it is necessary to transport

hazardous waste in order to properly dispose of it.

(d) An increase in the distance which it is necessary to travel in order to properly dispose of hazardous waste encourages illegal disposal.

25147. Except as expressly provided in Section 25149, it is not the intent of this article to preempt local land use regulation of existing hazardous waste facilities.

25147.5. The definitions contained in this article shall govern the construction of only this article.

25148. (a) Except as otherwise provided in subdivision (b), "existing hazardous waste facility" means a Class I disposal site, as defined in Section 2510 of Title 23 of the California Administrative Code on the effective date of this article, and which, in addition, is either:

(1) A facility operating as of May 1, 1981, pursuant to a valid hazardous waste facility permit issued by the department pursuant to Section 25200.

(2) A facility operating as of May 1, 1981, pursuant to a grant of interim status by the department pursuant to Section 25200.5.

(b) An "existing hazardous waste facility" does not include a facility which treats, disposes, stores, or recycles on the production site only hazardous wastes produced by the owner or lessee of such a facility.

25148.5. "Solid waste" means all putrescible and nonputrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, demolition and construction wastes, abandoned vehicles and parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid wastes, and other discarded solid and semisolid wastes, but shall not include hazardous waste as defined in Section 25117.

25149. Notwithstanding any provision of law to the contrary, except as provided in Section 25149.5 or 25181 of this code or Section 731 of the Code of Civil Procedure, no city, county, city and county, whether chartered or general law, or district may enact, issue, enforce, suspend, revoke, or modify any ordinance, regulation, law, license, or permit relating to an existing hazardous waste facility so as to prohibit or unreasonably regulate the disposal, treatment, or recovery of resources from hazardous waste or a mix of hazardous and solid wastes at that facility, unless after public notice and hearing the director determines that the operation of the facility may present an imminent and substantial endangerment to health and the environment. However, nothing in this section shall authorize an operator of that facility to violate any term or condition of a local land use permit or any other provision of law not in conflict with this section.

25149.5. A general law city or county may impose and enforce, for revenue purposes, a license tax on the operation of an existing hazardous waste facility; provided that, the license tax imposed shall not exceed 10 percent of the annual gross receipts of the existing

hazardous waste disposal facility.

25149.6. A city, county, or city and county in which an existing hazardous waste facility is located may at any time recommend to the director any new or additional permit or interim status conditions as the local agency deems necessary to protect against hazards within its boundaries to the public health, domestic livestock, wildlife, or the environment.

25149.7. No provision of this article, or any ruling by the department or director, shall be construed as a limitation on the right of any person to maintain a civil action to enjoin or abate a nuisance pursuant to Section 731 of the Code of Civil Procedure.

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

In order to provide for uniform treatment of existing hazardous waste facilities as soon as possible, it is necessary for this act to take effect immediately.

CHAPTER 245

An act to amend Sections 4004, 9260, 12502, and 40152 of the Vehicle Code, relating to motor vehicles.

[Approved by Governor July 21, 1981 Filed with Secretary of State July 21, 1981]

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

SECTION 1. Section 4004 of the Vehicle Code is amended to read:

4004. (a) Commercial vehicles meeting the registration requirements of a foreign jurisdiction, and subject to registration but not entitled to exemption from registration or licensing under any of the provisions of this code or any agreements, arrangements, or declarations made under Article 3 (commencing with Section 8000) of Chapter 4, may, as an alternate to such registration, secure a temporary registration to operate in this state for a period of not to exceed 90 days, or a trip permit to operate in this state for a period of four consecutive days.

Each trip permit shall authorize the operation of a single vehicle for a period of not more than four consecutive days, commencing with the day of first use and three consecutive days thereafter. Every permit shall identify, as the department may require, the vehicle for which it is issued. Each trip permit shall be completed prior to operation of the vehicle on any highway in this state and shall be carried on the vehicle to which it applies in an appropriate receptacle inaccessible from the inside of the cab and shall be readily

available for inspection by a peace officer. Each permit shall be valid at the time of inspection by a peace officer only if it has been completed as required by the department and has been placed in the appropriate receptacle as required by this section. It is unlawful for any person to fail to comply with the provisions of this section.

(b) The privilege of securing and using a trip permit shall not extend to:

(1) A vehicle owned by a California resident, unless the vehicle is leased to a carrier based in a foreign jurisdiction and is being operated pursuant to the requirements of the federal Interstate Commerce Commission or the Public Utilities Commission.

(2) Vehicles registered in any jurisdiction with which the State of California does not have vehicle licensing reciprocity, unless the Reciprocity Commission extends such privilege, by rule, after hearing.

SEC. 2. Section 9260 of the Vehicle Code is amended to read:

9260. (a) The fee for a temporary registration issued under Section 4004 is one-quarter of the annual fees in Division 3 (commencing with Section 4000) of this code and Part 5 (commencing with Section 10701) of Division 2 of the Revenue and Taxation Code, for the period that the vehicle is to be operated in this state.

(b) The fee for a trip permit issued under Section 4004 is five dollars ($5) for each trailer and forty-five dollars ($45) for each commercial motor vehicle.

(c) A fee of five dollars ($5) shall be paid for each reciprocity permit issued under Section 8008.

SEC. 3. Section 12502 of the Vehicle Code is amended to read:

12502. (a) A nonresident over the age of 18 years having in his or her immediate possession a valid driver's license issued by a foreign jurisdiction of which he or she is a resident may operate a motor vehicle in this state without obtaining a license under this code except as provided in Section 12505.

(b) Any person entitled to the exemption contained in subdivision (a), while operating, within this state, a commercial vehicle of a type otherwise requiring a class 1 or 2 driver's license, shall have in his or her possession a current medical certificate of a type described in subdivision (c) of Section 12804, which has been issued within two years of the date of operation of such vehicle.

SEC. 4. Section 40152 of the Vehicle Code is amended to read:

40152. (a) Whenever any vehicle or combination of vehicles is found to be not registered as required by this code, and a notice to appear is issued or a complaint filed for such violation, the person to whom the notice to appear is issued or against whom the complaint is filed shall produce in court satisfactory evidence that the vehicle or combination of vehicles is registered, had appropriate fees paid, or is reduced to junk, to conform with the requirements of this code.

(b) A four-day, nonresident commercial trip permit of the type authorized in Section 4004 may not be accepted as evidence of

registration compliance as required in subdivision (a) of this section.

SEC. 5. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 246

An act relating to schools, and making an appropriation therefor, to take effect immediately.

[Approved by Governor July 21, 1981. Filed with Secretary of State July 21, 1981]

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

SECTION 1. In lieu of the amount appropriated by Item 635-101-001 of the Budget Act of 1981 for the purpose of Proviso 4 thereof, there is hereby appropriated from the General Fund to Section A of the State School Fund, in addition to the amount appropriated by Chapter 1353 of the Statutes of 1980, the sum of thirty million dollars ($30,000,000) for the purpose of Part 30 (commencing with Section 56000) of the Education Code for the 1980–81 fiscal year, provided that the Superintendent of Public Instruction apply any remaining deficit pursuant to Article 10 (commencing with Section 56790) of Chapter 7 of Part 30 of the Education Code.

The superintendent shall recertify apportionments to school districts and county offices from the amount of money appropriated pursuant to this act as soon as sufficient data is available to the superintendent to compute the apportionments.

SEC. 2. Proviso 4 of the provisions applicable to Item 635-101-001 of the Budget Act of 1981 shall not be operative.

SEC. 3. This act makes an appropriation for the usual current expenses of the state within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 247

An act to amend Section 338 of the Code of Civil Procedure, relating to limitations of actions, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 21, 1981 Filed with Secretary of State July 21, 1981]

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

SECTION 1. Section 338 of the Code of Civil Procedure is amended to read:

338. Within three years:

1. An action upon a liability created by statute, other than a penalty or forfeiture.

2. An action for trespass upon or injury to real property.

3. An action for taking, detaining, or injuring any goods, or chattels, including actions for the specific recovery of personal property.

4. An action for relief on the ground of fraud or mistake. The cause of action in that case is not to be deemed to have accrued until the discovery, by the aggrieved party, of the facts constituting the fraud or mistake.

5. An action upon a bond of a public official except any cause of action based on fraud or embezzlement is not to be deemed to have accrued until the discovery, by the aggrieved party or his or her agent, of the facts constituting the cause of action upon the bond.

6. An action against a notary public on his or her bond or in his or her official capacity except that any cause of action based on malfeasance or misfeasance is not deemed to have accrued until discovery, by the aggrieved party or his or her agent, of the facts constituting the cause of action; provided, that any action based on malfeasance or misfeasance shall be commenced within one year from discovery, by the aggrieved party or his or her agent, of the facts constituting the cause of action or within three years from the performance of the notarial act giving rise to the action, whichever is later; and provided further, that any action against a notary public on his or her bond or in his or her official capacity shall be commenced within six years.

7. An action for slander of title to real property.

8. An action commenced under Section 17536 of the Business and Professions Code. The cause of action in that case shall not be deemed to have accrued until the discovery by the aggrieved party, the Attorney General, the district attorney, the county counsel, the city prosecutor, or the city attorney of the facts constituting grounds for commencing such an action.

9. An action commenced under the provisions of California law relating to hazardous waste control (Chapter 6.5 (commencing with

Section 25100) of Division 20 of the Health and Safety Code) or the Porter-Cologne Water Quality Control Act (Division 7 (commencing with Section 13000) of the Water Code). The cause of action in that case shall not be deemed to have accrued until the discovery by the State Department of Health Services, the State Water Resources Control Board, or a regional water quality control board of the facts constituting grounds for commencing actions under their jurisdiction.

SEC. 2. Section 338 of the Code of Civil Procedure is amended to read:

338. Within three years:

1. An action upon a liability created by statute, other than a penalty or forfeiture.

2. An action for trespass upon or injury to real property.

3. An action for taking, detaining, or injuring any goods or chattels, including actions for the specific recovery of personal property.

4. An action for relief on the ground of fraud or mistake. The cause of action in that case is not to be deemed to have accrued until the discovery, by the aggrieved party, of the facts constituting the fraud or mistake.

5. An action upon a bond of a public official except any cause of action based on fraud or embezzlement is not to be deemed to have accrued until the discovery, by the aggrieved party or his or her agent, of the facts constituting the cause of action upon the bond.

6. An action against a notary public on his or her bond or in his or her official capacity except that any cause of action based on malfeasance or misfeasance is not deemed to have accrued until discovery, by the aggrieved party or his or her agent, of the facts constituting the cause of action; provided, that any action based on malfeasance or misfeasance shall be commenced within one year from discovery, by the aggrieved party or his or her agent, of the facts constituting the cause of action or within three years from the performance of the notarial act giving rise to the action, whichever is later; and provided further, that any action against a notary public on his or her bond or in his or her official capacity shall be commenced within six years.

7. An action for slander of title to real property.

8. An action commenced under Section 17536 of the Business and Professions Code. The cause of action in that case shall not be deemed to have accrued until the discovery by the aggrieved party, the Attorney General, the district attorney, the county counsel, the city prosecutor, or the city attorney of the facts constituting grounds for commencing such an action.

9. An action commenced under the provisions of California law relating to hazardous waste control (Chapter 6.5 (commencing with Section 25100) of Division 20 of the Health and Safety Code) or the Porter-Cologne Water Quality Control Act (Division 7 (commencing with Section 13000) of the Water Code). The cause of action in that case shall not be deemed to have accrued until the

discovery by the State Department of Health Services, the State Water Resources Control Board, or a regional water quality control board of the facts constituting grounds for commencing actions under their jurisdiction.

SEC.3. It is the intent of the Legislature, if this bill and Assembly Bill 1976 are both chaptered and become effective on or before January 1, 1982, both bills amend Section 338 of the Code of Civil Procedure, and this bill is chaptered after Assembly Bill 1976, that Section 338 of the Code of Civil Procedure, as amended by Section 1 of this act, shall remain operative until the effective date of Assembly Bill 1976, and that on the effective date of Assembly Bill 1976 Section 338 of the Code of Civil Procedure, as amended by Section 1 of this act, be further amended in the form set forth in Section 2 of this act to incorporate the changes in Section 338 proposed by Assembly Bill 1976. Therefore, if this bill and Assembly Bill 1976 are both chaptered and become effective on or before January 1, 1982, and Assembly Bill 1976 is chaptered before this bill and amends Section 338, Section 2 of this act shall become operative on the effective date of Assembly Bill 1976.

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 protect the public health and safety by extending the period of time within which certain actions may be commenced, as soon as possible, it is necessary for this act to take effect immediately.

CHAPTER 248

An act to amend Section 8842 of the Fish and Game Code, relating to fish, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 21, 1981 Filed with Secretary of State July 21, 1981]

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

SECTION 1. Section 8842 of the Fish and Game Code is amended to read:

8842. Trawl nets of such design as may be prescribed by the commission may be used or possessed to take shrimps or prawns under a revocable permit issued by the department and under such regulations as the commission shall prescribe.

Sections 8831, 8833, 8835, and 8836 shall not apply to trawl nets used or possessed under permit issued pursuant to this section. When fishing for pink shrimp under a permit as provided in 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. When fishing for ridgeback prawn and spotted prawn pursuant to this section, it is unlawful to possess in excess of 1,000 pounds of incidentally taken fish per trip. Salmon may only be taken subject to Sections 8210 to 8225, inclusive.

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

The season to take shrimp began on April 15, 1981. Thus, for the provisions of this bill to assist in a more efficient shrimping season in the current year, it is necessary that this act take effect immediately.

CHAPTER 249

An act to add Section 31104.5 to the Water Code, and to amend Section 40 of the Mojave Water Agency Law (Chapter 2146 of the Statutes of 1959), relating to water agencies.

[Approved by Governor July 21, 1981. Filed with Secretary of State July 21, 1981.]

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

SECTION 1. Section 31104.5 is added to the Water Code, to read:

31104.5. In lieu of the standby or availability charge authorized to be levied and collected pursuant to Section 31104, the Crescenta Valley County Water District, by an ordinance approved by a two-thirds vote of the members of the legislative body thereof, may fix, levy, and collect a sewage and waste service standby or availability charge not to exceed sixty dollars ($60) per available sewer connection per year in any of the alternate methods and in the same manner and under the same terms and conditions as are provided for a water standby or availability charge in Sections 31031, 31032, and 31032.1 to 31032.9, inclusive.

SEC. 2. The Legislature hereby finds and declares that, pursuant to Section 16 of Article IV of the California Constitution, this act is a local and special statute because a general statute cannot be made applicable to the specific facts and circumstances pertaining to the Crescenta Valley County Water District. The Crescenta Valley County Water District has entered into contracts for the payment of costs for the collection and treatment of waste water occurring within the district. However, many beneficiaries of the district's facilities will not connect to the district's system in the immediate future and it is therefore necessary that Section 1 of this act be enacted to enable the Crescenta Valley County Water District to equitably apportion the costs of sewer services provided by the

district.

SEC. 3. Section 40 of the Mojave Water Agency Law (Chapter 2146 of the Statutes of 1959) is amended to read:

Sec. 40. (a) Whenever the board deems it necessary to form an improvement district of a portion of the agency for a purpose other than the incurring of bonded indebtedness, the board shall by resolution declare that it intends to form an improvement district of a portion of the agency which in its opinion will be benefited.

(b) The resolution of intention shall also state:

(1) The purpose for which the proposed improvement district is to be formed.

(2) The estimated expense of carrying out such purpose.

(3) That taxes for carrying out such purpose will be levied exclusively upon the taxable property, other than personal property, in the proposed improvement district.

(c) The resolution of intention shall also state that a map showing the exterior boundaries of the proposed improvement district, with relation to the territory immediately contiguous thereto, is on file with the secretary and is available for inspection by any person or persons interested. This map shall govern for all details as to the extent of the proposed improvement district.

(d) The resolution of intention shall also state:

(1) The time and place for a hearing by the board on the questions of the formation and extent of the proposed improvement district, the purpose for which it is to be formed, and the estimated expense of carrying out such purpose.

(2) That at such time and place any person interested, including all persons owning property in the agency or in the proposed improvement district, will be heard.

(e) Notice of the hearing shall be given by publishing a copy of the resolution of intention, pursuant to Section 6066 of the Government Code, prior to the time fixed for the hearing in a newspaper circulated in the agency, if there is a newspaper circulated in the agency. Such notice shall also be given by posting a copy of the resolution of intention in three public places within the proposed improvement district for at least two weeks before the time fixed for the hearing.

(f) At the time and place so fixed in the resolution of intention, or at any time or place to which the hearing is adjourned, the board shall proceed with the hearing. At the hearing any person interested, including any person owning property in the agency or in the proposed improvement district, may appear and present any matters material to the questions set forth in the resolution of intention. If written protests are filed by the owners of one-half of the value of the property, other than personal property, within the proposed improvement district, as shown by the last equalized assessment roll of the county, further proceedings shall not be taken.

(g) At the conclusion of the hearing, the board shall by resolution determine whether it is necessary to form the improvement district.

If so, the resolution shall also state.

(1) The purpose for which the proposed improvement district is to be formed.

(2) The estimated expense of carrying out such purpose.

(3) That the exterior boundaries of the portion of the agency which will be benefited are set forth on a map on file with the secretary, which map shall govern for all details as to the extent of the improvement district.

(4) That such portion of the agency set forth on the map shall thereupon constitute and be known as "Improvement District (A, B, C, or other letter designation) of the Mojave Water Agency."

(h) The determinations made in the resolution of formation shall be final and conclusive.

(i) After the formation of the improvement district pursuant to this section, all taxes levied for the carrying out of its purpose shall be levied exclusively upon the taxable property, other than personal property, in the improvement district.

(j) A copy of the resolution of formation shall be published pursuant to Section 6066 of the Government Code in a newspaper printed and published in the agency if there is a newspaper printed and published in the agency. A copy of the resolution shall also be posted in three public places within the proposed improvement district for at least two weeks.

The resolution of formation shall not be effective until the 31st day after completion of the publication and posting.

(k) If a petition signed by not less than 10 percent of the voters of the proposed improvement district requesting that an election be held on the formation thereof is presented to the board before the effective date of the resolution of formation, the board shall by resolution call a special election in the proposed improvement district for the purpose of submitting the question of the formation of the improvement district to the voters of the proposed improvement district.

(*l*) The board shall provide for holding the special election on the day fixed in the resolution calling the election and in accordance with the provisions of the Elections Code so far as they shall be applicable, except as otherwise provided in this act.

(m) Notice of the holding of the special election shall be given by publishing the resolution calling the election, pursuant to Section 6066 of the Government Code, prior to the date of the proposed election in at least one newspaper printed and published in the Mojave Water Agency, if there is a newspaper printed and published in the agency. The resolution shall also be posted in three public places in the proposed improvement district not less than two weeks prior to the date of the proposed election. No other notice of the election need be given.

(n) The returns of the special election shall be made, the votes canvassed by the board within seven days following the election, and the results thereof ascertained and declared in accordance with the

provisions of the Elections Code, so far as they may be applicable, except as otherwise provided in this act.

(o) The secretary, as soon as the result of the special election is declared, shall enter in the records of the board a statement of such results.

(p) If from the special election returns it appears that a majority of the votes cast at such election were in favor of the formation of the improvement district, the formation of the improvement district shall be complete.

(q) No irregularities or informalities in conducting the special election shall invalidate it, if the election has otherwise been fairly conducted.

(r) Any action or proceeding in which the validity of the formation of the improvement district or of any of the proceedings in relation thereto is contested, questioned, or denied shall be commenced within three months from the effective date of the resolution of formation, or if an election is held, within three months from the date of such election; otherwise the formation of the improvement district and all proceedings in relation thereto shall be held to be valid and in every respect legal and incontestable.

(s) The board may advance general funds of the agency to accomplish the purposes of an improvement district formed pursuant to this section.

(t) The board may, in the formation of the improvement district, provide that the agency shall be repaid for any advance of funds, with interest at a rate not to exceed the interest value of money to the agency, from the taxes levied exclusively upon the taxable property, other than personal property, in the improvement district.

(u) Notwithstanding the foregoing, any property which lies outside an improvement district but which, as a result of actions undertaken by the owner or owners of the property after the formation of the improvement district, is benefited by improvements or works undertaken, constructed, and installed within the improvement district shall be subject to a special assessment in an amount which is proportionate to the benefit to that property, as determined in a specific finding by the board that the property is benefited by the improvement, and of the amount of the benefit to the property. Such amount, as so determined, shall be assessed to the owner or owners of the property as shown on the current assessment roll of the County of San Bernardino, and the assessment shall be a lien upon the real property. The board shall by resolution establish the assessment, following a public hearing in accordance with the procedure provided in subdivisions (d) and (e) of this section and after notice by registered mail to the property owner or owners.

CHAPTER 250

An act to amend Sections 73484, 73487, 73710, 74804, and 74807, and to add Section 74807.6 to, the Government Code, relating to courts.

[Became law without Governor's signature. Filed with Secretary of State July 22, 1981.]

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

SECTION 1. Section 73484 of the Government Code is amended to read:

73484. There shall be one marshal who shall receive the biweekly salary specified in range 54.75 as set forth in the biweekly salary schedule contained in Section 73486.

Whenever the salary of the class of lieutenant in the service of San Joaquin County is adjusted, the salary of the marshal may be adjusted by a percentage equivalent to that of such class of lieutenant. Any adjustment shall be effective only until January 1 of the second year following the year in which the adjustment is made, unless ratified by the Legislature.

SEC. 2. Section 73487 of the Government Code is amended to read:

73487. Persons employed in any of the positions authorized by this article shall be paid the salary assigned to the following ranges as set forth in the biweekly salary schedule contained in Section 73486, except that if the range shown opposite the title of the position includes a fraction, then the person employed in such position shall be paid a salary equal to that shown opposite said fractional range in the salary ordinance of the County of San Joaquin:

Position	Range
(a) Deputy clerk I	36.50
(b) Deputy clerk II	38.50
(c) Deputy clerk III	40.50
(d) Deputy clerk IV	43.75
(e) Chief deputy clerk	48.00
(f) Clerk	48.75
(g) Clerk-typist II	36.50
(h) Deputy marshal	47.75

Subject to the provisions of the salary ordinance of the County of San Joaquin, each person employed in the clerk's office or marshal's office may receive an annual increase in salary of one step on his assigned range, until the employee reaches the maximum step on the range assigned for his position. Thereafter no additional step increase shall be granted.

SEC. 3. Section 73710 of the Government Code is amended to read:

73710. Persons employed in any of the positions authorized by

this article shall be paid the salary assigned to the following ranges as set forth in the biweekly salary schedule contained in Section 73709, except that if the range shown opposite the title of the position includes a fraction then the person employed in such position shall be paid a salary equal to that opposite said fractional range in the salary ordinance of the County of San Joaquin.

Position	Range
(a) Deputy clerk I	36.50
(b) Deputy clerk II	38.50
(c) Deputy clerk III	40.50
(d) Chief deputy clerk	48.00
(e) Clerk	48.75
(f) Clerk-typist II	36.50
(g) Senior deputy marshal	50.00
(h) Deputy marshal	47.75

Subject to the provisions of the salary ordinance of the County of San Joaquin, each person employed in the clerk's office or the marshal's office may receive an annual increase in salary of one step on his assigned range, until the employee reaches the maximum step on the range assigned for his position. Thereafter, no additional step increase shall be granted.

SEC. 4. Section 74804 of the Government Code is amended to read:

74804. There shall be one marshal who shall receive the biweekly salary specified in range 56.25 as set forth in the biweekly salary schedule contained in Section 74806.

Whenever the salary of the class of lieutenant in the service of San Joaquin County is adjusted, the salary of the marshal may be adjusted by a percentage equivalent to that of such class of lieutenant. Any adjustment shall be effective only until January 1, of the second year following the year in which the adjustment is made, unless ratified by the Legislature.

SEC. 5. Section 74807 of the Government Code is amended to read:

74807. Persons employed in any of the positions authorized by this article shall be paid the salary assigned to the following ranges as set forth in the biweekly salary schedule contained in Section 74806, except that if the range shown opposite the title of the position includes a fraction then the person employed in such position shall be paid a salary equal to that shown opposite said fractional range in the salary ordinance of the County of San Joaquin.

Position	Range
(a) Deputy clerk I	36.50
(b) Deputy clerk II	38.50
(c) Deputy clerk III	40.50
(d) Deputy clerk III (stenographer)	41.00
(e) Deputy clerk IV	43.75

(f)	Chief deputy clerk	48.00
(g)	Clerk	56.75
(h)	Clerk-typist II	36.50
(i)	Deputy marshal	47.75
(j)	Senior deputy marshal	50.00

Subject to the provisions of the salary ordinance of the County of San Joaquin, each person employed in the clerk's office or the marshal's office may receive an annual increase in salary of one step on his assigned range until the employee reaches the maximum step on the range assigned for his position. Thereafter no additional step increase shall be granted.

SEC. 6. Section 74807.6 is added to the Government Code, to read:

74807.6. Notwithstanding any other provision of the law, the fee paid pro tempore court reporters of the Stockton Municipal Court shall be the same as the fee paid to superior court reporters of San Joaquin County.

SEC. 7. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act.

CHAPTER 251

An act to add Chapter 6 (commencing with Section 9500) to Division 8.5 of the Welfare and Institutions Code, relating to nutrition and volunteer services, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 22, 1981 Filed with Secretary of State July 22, 1981]

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

SECTION 1. Chapter 6 (commencing with Section 9500) of Divsion 8.5 is added to the Welfare and Institutions Code, to read:

CHAPTER 6 NUTRITION AND VOLUNTEER SERVICES PROGRAM FOR SENIOR CITIZENS

9500. The Legislature hereby declares that it is the intent of the state and its citizens to encourage entities in the public and private sector to establish a program providing senior citizens an opportunity to volunteer their services to educational institutions or community agencies serving children and youths

9501. For purposes of this chapter, "senior citizens" means persons 60 years of age or older.

"Entities" includes, but is not limited to, school districts, county superintendents of schools, community college districts, cities, counties, other public agencies, private business entities, private institutions, and other private organizations.

9502. The program set forth by this chapter shall be known as the Nutrition and Volunteer Services Program for Senior Citizens and shall be administered by the department. The department shall have authority to adopt regulations and guidelines to carry out the provisions of this chapter.

9503. The department shall establish pilot projects in Sacramento, San Diego, and Humboldt Counties. The department shall establish pilot projects which provide senior citizens with one meal per day and the opportunity to volunteer their services in both the public and private sector to meet a variety of needs in the community. Projects which elect to provide such opportunity shall provide volunteers with one meal per day for their services and transportation to and from the volunteer site.

The department shall establish such pilot projects by contracting with qualified entities.

The department shall, to the extent possible, give preference to school and community college districts in selecting applicants for contracts to establish pilot projects pursuant to this chapter.

9504. (a) Senior citizen volunteers may be utilized in any project facility to help provide meals or other activities to meet a variety of community service needs.

(b) Senior citizen volunteers utilized pursuant to this chapter shall not be employees of the grantee agency and shall serve without compensation, except as provided in subdivision (d), or other benefits, including workers' compensation benefits, which are afforded employees of the entity administering the project.

(c) Senior citizen volunteers utilized to help provide meals to senior citizens under this chapter shall not be subject to any requirements of law governing the licensing or certifying of kitchen help, except that minimum standards for such volunteers shall include health standards established by the county for food service workers.

(d) Senior citizen volunteers utilized to help provide meals for senior citizens may be provided expenses for transportation to and from their home to the place where they render their services or may have transportation in schoolbuses or other transportation made available to them by the entity for which they render services. In addition, such senior citizen volunteers shall receive a free meal for each meal which they help to provide.

(e) No entity administering a program which is a school or community college district may abolish any of its classified positions and utilize senior citizen volunteers, as authorized herein, in lieu of classified employees who are laid off as a result of the abolition of a

position; nor may a district refuse to employ a person in a vacant classified position and use senior citizen volunteers in lieu thereof.

(f) It is the intent of the Legislature to encourage the use of senior citizen volunteers but not to permit displacement of classified or regular employees or to allow the use of senior citizen volunteers in lieu of normal employee requirements.

9505. Entities administering projects pursuant to this chapter shall attempt to receive available federal funds for such projects.

If federal funds are utilized for any project, senior citizens shall not be required to pay any fee for meals that are provided pursuant to this chapter, unless specially required by federal law and except that donations for meals may be accepted.

A senior citizen may be charged up to fifty cents ($0.50) for a meal provided by a project established pursuant to this chapter, but where need can be demonstrated, a senior citizen may be issued a card entitling him to free meals. In no instance may the charge exceed the average cost of the meal less federal, state, and local funds provided for such meal.

9506. Meals provided to senior citizens under the provisions of this chapter shall not be required to comply with federal nutrition guidelines.

9507. (a) Funds appropriated for the purposes of the Nutrition and Volunteer Services Program for Senior Citizens shall be used to provide meals for senior citizens participating and shall not be used to enrich services for individuals participating in existing nutrition programs.

(b) Funds appropriated for support of the Nutrition and Volunteer Services Program for Senior Citizens from the Transportation Planning and Research Account may be utilized to provide transportation for program participants to and from the program site.

(c) The expenditures of programs established pursuant to this chapter shall not exceed the funds made available to such programs pursuant to this chapter.

9507.1. The department, upon determining that an advance payment is necessary in order to promote prompt initiation and advancement of an approved pilot project, may, from time to time, pay to a private nonprofit organization administering an approved pilot project under this chapter, an advance payment for expenses incurred in the pilot project period, provided, that the cumulative total of advance payments made to any one such private nonprofit organization shall not exceed six thousand dollars ($6,000).

9508. Any entity administering a program shall be eligible to accept and is encouraged to obtain such gifts, donations, bequests, devises, and other valuable consideration, including services to be rendered, for the purposes of the program conducted pursuant to this chapter.

9509. The Public Utilities Commission may require any public utility within its jurisdiction to participate in, and to allow facilities

to be used for, the purposes of the Nutrition and Volunteer Services Program for Senior Citizens.

9510. In order to assist the department in the performance of its duties pursuant to this chapter, there is hereby created an advisory committee. It shall be the responsibility of the advisory committee to advise the department on any and all matters coming within the purview of this chapter.

Three members of the advisory committee shall be appointed by the Governor. The Speaker of the Assembly and the President pro Tempore of the Senate shall each appoint one member. Each member shall serve at the pleasure of the appointing power and shall receive reimbursement for actual and necessary receipted expenses incurred in the performance of duties. Reimbursed expenses shall be deemed program costs, not administrative costs incurred by the department.

9511. The department shall conduct an evaluation of each pilot project and submit a report to the Legislature and the Governor on or before February 1, 1982. The evaluation and report shall include, but not be limited to, the following areas of inquiry.

(a) An examination of the social and monetary benefits of each program which considers and specifies the uniqueness of the six pilot program sites.

(b) A discussion of the problems encountered in planning and implementing the program.

(c) An examination of the impact of the volunteer service component both in terms of the individual and the agency receiving services.

(d) An identification of future funding possibilities.

(e) A discussion of how each site has been integrated with an existing nutrition program.

The evaluation shall contain a section prepared by the directors of each program site which presents a summary of accomplishments, findings, and recommendations related to each program site.

9512. The program shall have until February 1, 1982, to integrate with existing nutrition programs. This program shall provide a volunteer option to existing nutrition programs and shall be directly administered by the area agency on aging with jurisdiction. The Department of Aging shall maintain effective monitoring of the program and shall provide an appeals process for the projects in the event of a dispute with the area agency on aging.

This chapter shall remain in effect only until July 1, 1982, and, as of such date is repealed.

SEC. 2. The sum of five hundred thousand dollars ($500,000) is hereby appropriated as follows:

(1) The sum of three hundred twenty-five thousand dollars ($325,000) or as much of this amount as is available in the Nutrition Reserve Fund, reduced on a dollar-for-dollar basis by the amount, if any, of federal funds which become available from the Nutrition Reserve Fund;

(2) The sum of one hundred seventy-five thousand dollars ($175,000) from the Transportation Planning and Development Account in the State Transportation Fund;

(3) A sum equal to that portion, if any, of the amount not appropriated from the Nutrition Reserve Fund nor obtained out of federal funds under subdivision (1), from the General Fund:

are hereby appropriated to the Department of Aging without regard to fiscal year for implementation of the Nutrition and Volunteer Services Program for Senior Citizens.

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

In order to provide for the expeditious reenactment of provisions establishing the Nutrition and Volunteer Services Program for Senior Citizens, it is necessary that this act go into immediate effect.

CHAPTER 252

An act to amend Sections 9802 and 9827 of the Unemployment Insurance Code, relating to youth employment and development, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 21, 1981 Filed with Secretary of State August 23, 1981]

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

SECTION 1. Section 9802 of the Unemployment Insurance Code is amended to read:

9802. In enacting the Youth Employment and Development Act of 1977, the Legislature further finds and declares that:

(a) Over 400,000 youth under age 24 are unemployed, which is approximately half the total unemployed in California.

(b) While the number of California's youth is decreasing in relationship to other age groups, the number of unemployed inner-city youth continues to increase.

(c) Existing youth employment programs are insufficient in size and scope to reduce unemployment rates for youth.

(d) Structural unemployment problems based on lack of skills and education deficiencies must be addressed through innovative programs combining work experience and education.

(e) Many young people face a life of inadequate income, failure, and loss of respect because of the inability of the economy to absorb them into the work force. The state also faces an enormous loss in human potential and productive capacity as well as accelerating social costs related to crime, poverty and the attendant problems resulting from unemployment.

It is hereby declared to be the intent of the Legislature to establish within the Employment Development Department and the California Conservation Corps the responsibility for youth employment and development. This responsibility shall be carried out in concert with other state agencies mandated to provide services to youth and in conjunction with prime sponsors as described by Public Law 93-203, the Comprehensive Employment and Training Act of 1973.

SEC. 2. Section 9827 of the Unemployment Insurance Code is amended to read:

9827. The department shall act as recipient of funds available under the Youth Employment and Demonstration Projects Act of 1977, which shall augment funds available from state revenues for the purposes of this chapter, provided, however, that funds available from the federal Young Adult Conservation Corps, which was established pursuant to the federal Youth Employment and Demonstration Projects Act of 1977 (Public Law 95-93), shall be received and administered by the California Conservation Corps.

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

In order that the funds available from the federal Young Adult Conservation Corps can be granted directly to the California Conservation Corps on the commencement of the 1981–82 federal fiscal year, this act must take effect immediately.

CHAPTER 253

An act to add Section 48.7 to the Civil Code, relating to defamation.

[Approved by Governor August 21, 1981 Filed with Secretary of State August 23, 1981]

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

SECTION 1. Section 48.7 is added to the Civil Code, to read:

48.7. (a) No person charged by indictment, information, or other accusatory pleading of child abuse may bring a civil libel or slander action against the minor, the parent or guardian of the minor, or any witness, based upon any statements made by the minor, parent or guardian, or witness which are reasonably believed to be in furtherance of the prosecution of the criminal charges while the charges are pending before a trial court. The charges are not pending within the meaning of this section after dismissal, after pronouncement of judgment, or during an appeal from a judgment.

Any applicable statute of limitations shall be tolled during the period that such charges are pending before a trial court.

(b) Whenever any complaint for libel or slander is filed which is subject to the provisions of this section, no responsive pleading shall be required to be filed until 30 days after the end of the period set forth in subdivision (a).

(c) Every complaint for libel or slander based on a statement that the plaintiff committed an act of child abuse shall state that the complaint is not barred by subdivision (a). A failure to include that statement shall be grounds for a demurrer.

(d) Whenever a demurrer against a complaint for libel or slander is sustained on the basis that the complaint was filed in violation of this section, attorney's fees and costs shall be awarded to the prevailing party.

(e) Whenever a prosecutor is informed by a minor, parent, guardian, or witness that a complaint against one of those persons has been filed which may be subject to the provisions of this section, the prosecutor shall provide that person with a copy of this section.

(f) As used in this section, child abuse has the meaning set forth in Section 11165 of the Penal Code.

SEC. 2. Notwithstanding Section 6 of Article XIII B of the California Constitution and Section 2231 or 2234 of the Revenue and Taxation Code, no appropriation is made by this act for the purpose of making reimbursement pursuant to these sections. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Chapter 3 (commencing with Section 2201) of Part 4 of Division 1 of that code.

SEC. 3. Notwithstanding Section 2231.5 of the Revenue and Taxation Code, this act does not contain a repealer, as required by that section; therefore, the provisions of this act shall remain in effect unless and until they are amended or repealed by a later enacted act.

CHAPTER 254

An act to add, repeal, and add and repeal Sections 89721 and 89724 of the Education Code, and to repeal Section 5 of Chapter 688 of the Statutes of 1978, relating to the California State University and Colleges, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 21, 1981 Filed with Secretary of State August 23, 1981]

The people of the State of California do enact as follows

SECTION 1. Section 89721 is added to the Education Code, to read:

89721. Notwithstanding any other provision of law to the contrary, the chief fiscal officer of each campus of the California State

University and Colleges shall deposit into and maintain in local trust accounts or in trust accounts in accordance with the provisions of Sections 16305 to 16305.7, inclusive, of the Government Code, or in the California State University and Colleges Trust Fund, moneys received in connection with the following sources or purposes·

(a) Gifts, bequests, devises, and donations received under Section 89720.

(b) Any student loan or scholarship fund program, including but not limited to, student loan programs of the state, federal government (including programs referred to in Section 89723), local government, or private sources.

(c) Advance payment for anticipated expenditures or encumbrances in connection with federal grants or contracts.

(d) Room, board, and similar expenses of students enrolled in the international program of the California State University and Colleges.

(e) Cafeteria replacement funds.

(f) Miscellaneous receipts in the nature of deposits subject to return upon approval of a proper application.

(g) Fees and charges for services and materials authorized by Section 89700 where such fees or charges are required of those persons who, at their option, use the services or are provided the materials, for which the fees or charges are made. Fees and charges so received and deposited shall be used solely to meet the costs of providing such services and materials.

(h) Fees for instructionally related activities as defined by the trustees and as authorized by Section 89700 and revenues derived from the conduct of such instructionally related activities. The trustees shall have all authority necessary to administer and use the fees and revenues received and deposited to support such instructionally related activities.

(i) This section shall remain in effect only until January 1, 1986, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1986, deletes or extends that date.

SEC. 2. Section 89721 of the Education Code, as added by Section 2 of Chapter 688 of the Statutes of 1978, is repealed

SEC. 3. Section 89721 is added to the Education Code, to read:

89721. Notwithstanding any other provision of law to the contrary, the chief fiscal officer of each campus of the California State University and Colleges shall deposit into and maintain in local trust accounts or in trust accounts in accordance with the provisions of Sections 16305 to 16305.7, inclusive, of the Government Code, or in the California State University and Colleges Trust Fund, moneys received in connection with the following sources or purposes:

(a) Gifts, bequests, devises, and donations received under Section 89720.

(b) Any student loan or scholarship fund program, including but not limited to, student loan programs of the state, federal government (including programs referred to in Section 89723), local

government, or private sources.

(c) Advance payment for anticipated expenditures or encumbrances in connection with federal grants or contracts.

(d) Room, board, and similar expenses of students enrolled in the international program of the California State University and Colleges.

(e) Cafeteria replacement funds.

(f) Miscellaneous receipts in the nature of deposits subject to return upon approval of a proper application.

(g) Fees and charges for services and materials authorized by Section 89700 where such fees or charges are required of those persons who, at their option, use the services or are provided the materials, for which the fees or charges are made. Fees and charges so received and deposited shall be used solely to meet the costs of providing such services and materials.

(h) This section shall become operative January 1, 1986.

SEC. 4. Section 89724 is added to the Education Code, to read:

89724. (a) All money received from the sale of publications pursuant to Section 90500, all money received under an agreement entered into pursuant to Section 89036, and except as to the fees and charges specified in subdivisions (g) and (h) of Section 89721, all money collected as fees from students in any state university or college and from other persons under Section 89030, Sections 89036 to 89040, inclusive, and Sections 89700, 89705, 89708, 89709, 89720, and 89721, and by reason of Section 2080.9 of the Civil Code, is hereby appropriated for the support of the California State University and Colleges in addition to such other amounts as may be appropriated therefor by the Legislature. Money received under Sections 89720 and 89721, or received by reason of Section 2080.9 of the Civil Code, is appropriated without regard to fiscal year; provided, that money received by reason of Section 2080.9 of the Civil Code shall be used for student scholarships and loans pursuant to such regulations as the trustees shall provide, and while held pending the grant of a scholarship or loan, may be invested by the State Treasurer upon approval of the trustees, in those eligible securities listed in Section 16430 of the Government Code. All interest or other earnings received pursuant to such investment shall also be used for such scholarships and loans; and provided further, that money received by reason of Sections 89720 and 89721 may be invested by the State Treasurer upon approval of the trustees, in those eligible securities listed in Section 16430 of the Government Code, in which case all interest and other earnings received pursuant to such investment shall also be used for such purposes as may be established by the trustees consistent with the terms and conditions of the gift, bequest, devise, donation, or agreement under Sections 89720 and 89721. Except as otherwise provided with respect to money received by reason of Section 2080.9 of the Civil Code and Sections 89720 and 89721 of the Education Code, all money received pursuant to this section shall augment the support appropriation to the California

State University and Colleges for the fiscal year to which the collections apply.

(b) All money received from the sale or the disposition of real property acquired by or on behalf of a particular state university or college by gift, devise, or donation pursuant to Section 89720 or pursuant to the predecessor of that section is hereby appropriated to the trustees for expenditure for capital outlay for the acquisition and improvement of real property for such particular state university or college, in addition to such other amounts as may be appropriated therefor by the Legislature. All money received from the sale or other disposition of personal property, other than money, acquired by or on behalf of a particular state university or college by gift, bequest, or donation pursuant to Section 89720 or pursuant to the predecessor of that section is hereby appropriated to the trustees for expenditure for capital outlay for, or the acquisition and improvement of real or personal property for, such particular state university or college, in addition to such other amounts as may be appropriated therefor by the Legislature. No money shall be expended by the trustees under this subdivision without the approval of the Director of Finance. Such money shall augment such support or capital outlay appropriation of the California State University and Colleges current at the date of issuance of the State Controller's receipt therefor as may be designated by the trustees prior to their deposit in the State Treasury.

(c) This section shall remain in effect only until January 1, 1986, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1986, deletes or extends that date.

SEC. 5. Section 89724 of the Education Code, as added by Section 4 of Chapter 688 of the Statutes of 1978, is repealed.

SEC. 6. Section 89724 is added to the Education Code, to read:

89724. (a) All money received from the sale of publications pursuant to Section 90500, all money received under an agreement entered into pursuant to Section 89036, and except as to the fees and charges specified in subdivision (g) of Section 89721, all money collected as fees from students in any state university or college and from other persons under Section 89030, Sections 89036 to 89040, inclusive, and Sections 89700, 89705, 89708, 89709, 89720, and 89721, and by reason of Section 2080.9 of the Civil Code, is hereby appropriated for the support of the California State University and Colleges in addition to such other amounts as may be appropriated therefor by the Legislature. Money received under Sections 89720 and 89721, or received by reason of Section 2080.9 of the Civil Code, is appropriated without regard to fiscal year; provided, that money received by reason of Section 2080.9 of the Civil Code shall be used for student scholarships and loans pursuant to such regulations as the trustees shall provide, and while held pending the grant of a scholarship or loan, may be invested by the State Treasurer upon approval of the trustees, in those eligible securities listed in Section 16430 of the Government Code. All interest or other earnings

received pursuant to such investment shall also be used for such scholarships and loans; and provided further, that money received by reason of Sections 89720 and 89721 may be invested by the State Treasurer upon approval of the trustees, in those eligible securities listed in Section 16430 of the Government Code, in which case all interest and other earnings received pursuant to such investment shall also be used for such purposes as may be established by the trustees consistent with the terms and conditions of the gift, bequest, devise, donation, or agreement under Sections 89720 and 89721. Except as otherwise provided with respect to money received by reason of Section 2080.9 of the Civil Code and Sections 89720 and 89721 of the Education Code, all money received pursuant to this section shall augment the support appropriation to the California State University and Colleges for the fiscal year to which the collections apply.

(b) All money received from the sale or the disposition of real property acquired by or on behalf of a particular state university or college by gift, devise, or donation pursuant to Section 89720 or pursuant to the predecessor of that section is hereby appropriated to the trustees for expenditure for capital outlay for the acquisition and improvement of real property for such particular state university or college, in addition to such other amounts as may be appropriated therefor by the Legislature. All money received from the sale or other disposition of personal property, other than money, acquired by or on behalf of a particular state university or college by gift, bequest, or donation pursuant to Section 89720 or pursuant to the predecessor of that section is hereby appropriated to the trustees for expenditure for capital outlay for, or the acquisition and improvement of real or personal property for, such particular state university or college, in addition to such other amounts as may be appropriated therefor by the Legislature. No money shall be expended by the trustees under this subdivision without the approval of the Director of Finance Such money shall augment such support or capital outlay appropriation of the California State University and Colleges current at the date of issuance of the State Controller's receipt therefor as may be designated by the trustees prior to their deposit in the State Treasury.

(c) This section shall become operative January 1, 1986.

SEC. 7. Section 5 of Chapter 688 of the Statutes of 1978 is repealed.

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

In order that the campuses of the California State University and Colleges do not lose their instructionally related activities fees, it is necessary that this act become effective before July 1, 1981.

CHAPTER 255

An act to amend Section 170 of the Code of Civil Procedure, relating to judges.

[Approved by Governor August 21, 1981. Filed with Secretary of State August 23, 1981]

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

SECTION 1. Section 170 of the Code of Civil Procedure is amended to read:

170. (a) No justice or judge shall sit or act as such in any action or proceeding:

(1) To which he is a party; or in which he is interested other than as a holder or owner of any capital stock of a corporation, or of any bond, note or other security issued by a corporation;

(2) In which he is interested as a holder or owner of any capital stock of a corporation, or of any bond, note or other security issued by a corporation;

(3) When he is related to either party, or to an officer of a corporation, which is a party, or to an attorney, counsel, or agent of either party, by consanguinity or affinity within the third degree computed according to the rules of law, or when he is indebted, through money borrowed as a loan, to either party, or to an attorney, counsel or partner of either party, or when he is so indebted to an officer of a corporation or unincorporated association which is a party; provided, however, that if the parties appearing in the action and not then in default, or the petitioner in any probate proceeding, or the executor, or administrator of the estate, or the guardian or conservator, or the commissioner, or the referee, or the attorney for any of the above named, or the party or his attorney in all other or special proceedings, shall sign and file in the action or matter, a stipulation in writing waiving the disqualification mentioned in this subdivision or in subdivision 2 or 4 hereof, the judge or court may proceed with the trial or hearing and the performance of all other duties connected therewith with the same legal effect as if no such disqualification existed;

(4) When, in the action or proceeding, or in any previous action or proceeding involving any of the same issues, he has been attorney or counsel for any party; or when he has given advice to any party upon any matter involved in the action or proceeding; or when he has been retained or employed as attorney or counsel for any party within two years prior to the commencement of the action or proceeding;

(5) When it is made to appear probable that, by reason of bias or prejudice of such justice or judge a fair and impartial trial cannot be had before him.

(6) When, by reason of permanent or temporary physical

impairment, he is unable properly to perceive the evidence or properly conduct the proceedings.

(b) Whenever a judge or justice shall have knowledge of any fact or facts, which, under the provisions of this section, disqualify him to sit or act as such in any action or proceeding pending before him, it shall be his duty to declare the same in open court and cause a memorandum thereof to be entered in the minutes or docket. It shall thereupon be the duty of the clerk, or the judge if there be no clerk, to transmit forthwith a copy of such memorandum to each party, or his attorney, who shall have appeared in such action or proceeding, except such party or parties as shall be present in person or by attorney when the declaration shall be made.

(c) Whenever a judge who shall be disqualified under the provisions of this section, to sit or act as such in any action or proceeding pending before him, neglects or fails to declare his disqualification in the manner hereinbefore provided, any party to such action or proceeding who has appeared therein may present to the court and file with the clerk a written statement objecting to the hearing of such matter or the trial of any issue of fact or law in such action or proceeding before such judge, and setting forth the fact or facts constituting the ground of the disqualification of such judge. Copies of such written statement shall forthwith be served by the presenting party on each party, or his attorney, who has appeared in the action or proceeding and on the judge alleged in such statement to be disqualified.

(d) Within 10 days after the filing of any such statement, or 10 days after the service of such statement as above provided, whichever is later in time, the judge alleged therein to be disqualified may file with the clerk his consent in writing that the action or proceeding be tried before another judge, or may file with the clerk his written answer admitting or denying any or all of the allegations contained in such statement and setting forth any additional fact or facts material or relevant to the question of his disqualifications. The clerk shall forthwith transmit a copy of the judge's consent or answer to each party or his attorney who shall have appeared in such action or proceeding Every such statement and every such answer shall be verified by oath in the manner prescribed by Section 446 for the verification of pleadings. The statement of a party objecting to the judge on the ground of his disqualification, shall be presented at the earliest practicable opportunity, after his appearance and discovery of the facts constituting the ground of the judge's disqualification, and in any event before the commencement of the hearing of any issue of fact in the action or proceeding before such judge.

(e) No judge against whom a statement of objection or disqualification has been filed pursuant to this section, shall hear or pass upon any question of fact or law concerning his disqualification or the statement of objection or disqualification filed against him; but in every such case, all such questions concerning the judge's

disqualification shall be heard and determined by some other judge agreed upon by the parties who shall have appeared in the action or proceeding, or, in the event of their failing to agree, by a judge assigned to act by the Chairman of the Judicial Council, and, if the parties fail to agree upon a judge to determine such questions of fact and law pertaining to the disqualification, within five days after the expiration of the time allowed herein for the judge to answer, it shall be the duty of the clerk then to notify the Chairman of the Judicial Council of that fact; and it shall be the duty of the Chairman of the Judicial Council forthwith, upon receipt of notice from the clerk, to assign some other judge, not disqualified, to hear and determine such questions and each of them.

(f) If such judge admits his disqualification, or files his written consent that the action or proceeding be tried before another judge, or fails to file his answer within the 10 days herein allowed, or if it shall be determined after hearing that he is disqualified, the action or proceeding shall be heard and determined by another judge or justice not disqualified, who shall be agreed upon by the parties, or, in the event of their failing to agree, assigned by the Chairman of the Judicial Council; provided, however, that when there are two or more judges of the same court, one of whom is disqualified, the action or proceeding may be transferred to a judge who is not disqualified.

(g) A judge who is disqualified may, notwithstanding his disqualification, request another judge, who has been agreed upon by the parties, to sit and act in his place.

(h) In an action or proceeding brought in any court by or against the Reclamation Board of the State of California, or any irrigation, reclamation, levee, swampland or drainage district, or trustee, officer or employee thereof, affecting or relating to any real property, or an easement or right-of-way, levee, embankment, canal, or any work provided for or approved by the Reclamation Board of the State of California, a judge of the superior court of the county, or a judge of the municipal court or justice court of the judicial district, in which such real property, or any part thereof, or such easement or right-of-way, levee, embankment, canal or work, or any part thereof is situated shall be disqualified to sit or act, and such action shall be heard and tried by some other judge assigned to sit therein by the Chairman of the Judicial Council, unless the parties to the action shall sign and file in the action or proceeding a stipulation in writing, waiving the disqualification in this subdivision of this section provided, in which case such judge may proceed with the trial or hearing with the same legal effect as if no such legal disqualification existed. If, however, the parties to the action shall sign and file a stipulation, agreeing upon some other judge to sit or act in place of the judge disqualified under the provisions of this subdivision, the judge agreed upon shall be called by the judge so disqualified to hear and try such action or proceeding; provided, that nothing herein contained shall be construed as preventing the judge of the superior court of such county, or of the municipal or justice court of such

judicial district, from issuing a temporary injunction or restraining order, which shall, if granted, remain in force until vacated or modified by the judge designated as herein provided.

(i) Notwithstanding anything contained in subdivision (h) of this section, a judge of the superior court or a judge of the municipal court or justice court of the judicial district, in which any real property is located, shall not be disqualified to hear or determine any matter in which the opposing party shall have failed to appear within the time allowed by law, or as to such of the opposing parties who shall have failed to appear within the time allowed by law, and as to which matter or parties the same shall constitute purely a default hearing; provided, that nothing in this section contained shall be construed as preventing the judge of the superior court of such county from issuing an order for possession prior to judgment in proceedings in eminent domain.

(j) Nothing in this section contained shall affect a party's right to a change of the place of trial in the cases provided for in Title 4 (commencing with Section 392) of Part 2 of this code.

SEC 2 The 1981 amendments to Section 170 of the Code of Civil Procedure are not intended to change the authority of any judge to stay proceedings, or not to stay proceedings, pending the determination of any matter relating to a statement of disqualification which has been filed.

CHAPTER 256

An act to amend Section 39675 of the Education Code, relating to school districts

[Approved by Governor August 21, 1981 Filed with Secretary of State August 23, 1981]

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

SECTION 1. Section 39675 of the Education Code is amended to read:

39675. The governing board of any school district may contract with a private licensed security agency to insure the safety of school district personnel and pupils and the security of the real and personal property of the school district when the personnel normally required to provide such service fail to do so because of an emergency including, but not limited to, war, epidemic, fire, flood, or work stoppage; or when such an emergency necessitates additional security services.

This section shall apply only if the governing board by a majority vote makes a specific finding that an emergency exists, and that this finding is included in the board minutes.

CHAPTER 257

An act to amend Section 733 of the Probate Code, relating to interest upon claims.

[Approved by Governor August 25, 1981 Filed with Secretary of State August 25, 1981]

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

SECTION 1. Section 733 of the Probate Code is amended to read:

733. No greater rate of interest shall be paid upon any claim after its allowance by the administrator or executor and its approval by the judge than 10 percent per annum; and if the estate is insolvent, no greater rate of interest shall be paid upon any debt, from the time of the first publication of notice to creditors, than is allowed upon judgments. If any debt of the decedent bears interest, whether filed or presented or not, the executor or administrator, by order of the court, may pay the amount then accumulated and unpaid, or any part thereof, at any time when there are sufficient funds properly applicable thereto, whether the claim be then due or not; and interest shall thereupon cease to accrue upon the amount so paid.

CHAPTER 258

An act to amend Sections 1812.201, 1812.204, 1812.205, 1812.206, 1812.209, 1812.210, 1812.214, 1812.215 and 1812.216 of the Civil Code, relating to Seller Assisted Marketing Plans.

[Approved by Governor August 25, 1981 Filed with Secretary of State August 25, 1981]

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

SECTION 1. Section 1812.201 of the Civil Code is amended to read:

1812.201. For the purposes of this title, the following definitions shall be used:

(a) "Seller assisted marketing plan" means any sale or lease or offer to sell or lease any product, equipment, supplies or services which requires a total initial payment exceeding five hundred dollars ($500), but requires an initial cash payment of less than fifty thousand dollars ($50,000), which will aid a purchaser or will be used by or on behalf of the purchaser in connection with or incident to beginning, maintaining, or operating a business when the seller assisted marketing plan seller has advertised or in other manner solicited the purchase or lease of the seller assisted marketing plan and done any of the following acts:

(1) Represented that such purchaser will earn, is likely to earn, or can earn an amount in excess of the initial payment paid by the purchaser for participation in the seller assisted marketing plan;

(2) Represented that there is a market for the product, equipment, supplies, or services or anything, be it tangible or intangible, made, produced, fabricated, grown, bred, modified, or developed by the purchaser using, in whole or in part, the product, supplies, equipment or services which were sold or leased or offered for sale or lease to the purchaser by the seller assisted marketing plan seller; or

(3) Represented that the seller will buy back or is likely to buy back any product made, produced, fabricated, grown or bred by the purchaser using, in whole or in part, the product, supplies, equipment or services which were initially sold or leased or offered for sale or lease to the purchaser by the seller assisted marketing plan seller.

(b) A "seller assisted marketing plan" shall not include:

(1) A security defined in the Corporate Securities Law of 1968 (Division 1 (commencing with Section 25000) of Title 4 of the Corporations Code) which has been qualified for sale by the California Department of Corporations, or is exempt under Chapter 1 (commencing with Section 25100) of Part 2 of Division 1 of Title 4 of the Corporations Code from the necessity to qualify.

(2) A franchise defined by the Franchise Investment Law (Division 5 (commencing with Section 31000) of Title 4 of the Corporations Code) which is registered with the California Department of Corporations or is exempt under Chapter 1 (commencing with Section 31100) of Part 2 of Division 5 of Title 4 of the Corporations Code from the necessity of registering.

(3) Any transaction in which either the seller or purchaser or the lessor or lessee is licensed pursuant to and the transaction is governed by the Real Estate Law, Division 4 (commencing with Section 10000) of the Business and Professions Code.

(4) A license granted by a general merchandise retailer which allows the licensee to sell goods, equipment, supplies, products, or services to the general public under the retailer's trademark, trade name or service mark providing that the general merchandise retailer has been doing business in this state continually for five years prior to the granting of the license and the general merchandise retailer also sells the same goods, equipment, supplies, products or services directly to the general public.

(5) A newspaper distribution system distributing newspapers as defined in Section 6362 of the Revenue and Taxation Code.

(6) A sale or lease to an existing or beginning business enterprise which also sells or leases equipment, products, supplies or performs services (i) which are not supplied by the seller and (ii) which the purchaser does not utilize with the equipment, products, supplies or services of the seller.

(7) The sale of an "ongoing business." An "ongoing business" is

one which for at least six months previous to the sale: (i) has been operated from a given specific location, (ii) has been open for business to the general public and (iii) has had all equipment and supplies necessary for operating the business located at the given specific location.

(8) A sale or lease or offer to sell or lease to a purchaser: (i) who has for a period of at least six months previously bought products, supplies, services or equipment which were sold under the same trademark or trade name or which were produced by the seller; and (ii) who has received on resale of such product, supplies, services or equipment an amount which is at least equal to the amount of the initial payment.

(9) The renewal or extension of an existing seller assisted marketing plan contract.

(c) "Person" includes an individual, corporation, partnership, joint venture or any business entity.

(d) "Seller" is a person who sells or leases or offers to sell or lease a seller assisted marketing plan and:

(1) Has sold or leased or represents or implies that the seller has sold or leased, whether in California or elsewhere, at least five seller assisted marketing plans within 24 months prior to a solicitation; or

(2) Intends or represents or implies that the seller intends to sell or lease, whether in California or elsewhere, at least five seller assisted marketing plans within 12 months following a solicitation.

For purposes of this title, the seller is the person to whom the purchaser becomes contractually obligated. A "seller" does not include a licensed real estate broker or salesman who engages in the sale or lease of a "business opportunity" as such term is used in Sections 10000 to 10030, inclusive, of the Business and Professions Code, or elsewhere in Chapter 1 (commencing with Section 10000), Chapter 2 (commencing with Section 10050), or Chapter 6 (commencing with Section 10450) of Part 1 of Division 4 of the Business and Professions Code.

(e) "Purchaser" means a person who is solicited to become obligated or does become obligated on a seller assisted marketing plan contract.

(f) "Equipment" includes machines, all electrical devices, video or audio devices, molds, display racks, vending machines, coin operated game machines, machines which dispense products and display units of all kinds

(g) "Supplies" includes any and all materials used to produce, grow, breed, fabricate, modify, develop or make any product or item.

(h) "Product" includes any tangible chattel, including food or living animals, which the purchaser intends to:

(1) Sell or lease.

(2) Use to perform a service

(3) Resell or attempt to resell to the seller assisted marketing plan seller.

(4) Provide or attempt to provide to the seller assisted marketing

plan seller or to any other person whom the seller suggests the purchaser contact so that the seller assisted marketing plan seller or such other person may assist, either directly or indirectly, the purchaser in distributing, selling, leasing, or otherwise disposing of the product.

(i) "Services" includes any assistance, guidance, direction, work, labor or services provided by the seller to initiate or maintain or assist in the initiation or maintenance of a business.

(j) "Seller assisted marketing plan contract" or "contract" means any contract or agreement which obligates a purchaser to a seller.

(k) "Initial payment" means the total amount a purchaser is obligated to pay under the terms of the seller assisted marketing plan contract prior to or at the time of delivery of the equipment, supplies, products or services or within six months of the purchaser commencing operation of the seller assisted marketing plan. If the contract sets forth a specific total sale price for purchase of the seller assisted marketing plan which total price is to be paid partially as a downpayment and then in specific monthly payments, the "initial payment" means the entire total sale price.

(*l*) "Initial cash payment" or "downpayment" means that portion of the initial payment which the purchaser is obligated to pay to the seller prior to or at the time of delivery of equipment, supplies, products, or services. It does not include any amount financed by or for which financing is to be obtained by the seller, or financing which the seller assists in obtaining.

(m) "Buy-back" or "secured investment" means any representation which implies in any manner that the purchaser's initial payment is protected from loss. Such terms include a representation or implication: (1) that the seller may repurchase either all or part of what it sold to the purchaser; or (2) that the seller may at some future time pay the purchaser the difference between what has been earned and the initial payment; or (3) that the seller may in the ordinary course buy from the purchaser items made, produced, fabricated, grown, bred, modified, or developed by the purchaser using, in whole or in part, the product, supplies, equipment, or services which were initially sold or leased to the purchaser by the seller; or (4) that the seller or a person to whom the seller will refer the purchaser may in the ordinary course sell, lease, or distribute the items the purchaser has for sale or lease.

SEC. 2. Section 1812.204 of the Civil Code is amended to read:

1812.204. In selling, leasing, or offering to sell or lease a seller assisted marketing plan in this state, sellers shall not:

(a) Use the phrase "buy-back" or "secured investment" or similar phrase orally or in writing when soliciting, offering, leasing, or selling a seller assisted marketing plan if the "security" is the value of the equipment, supplies, products or services supplied by the seller to the purchaser.

(b) Use the phrase "buy-back" or "secured investment" or similar phrase orally or in writing when soliciting, offering, leasing, or selling

a seller assisted marketing plan unless there are no restrictions or qualifications whatsoever preventing or limiting a purchaser from being able to invoke the "buy-back" or "secured" portion of the seller assisted marketing plan contract at any time the purchaser desires during the one-year period following the contract date. Upon invocation of the "buy-back" or "security" provision, the minimum amount a purchaser shall be entitled to have returned to him is the full amount of his initial payment, less the amount actually received by him from the operation of the seller assisted marketing plan. The "amount actually received" means either the amount the purchaser actually obtained from the seller for any product resold to the seller or the amount of money the purchaser received for use of the purchaser's product, equipment, supplies or services, less any amount: (1) the purchaser has paid the owner or manager of the location at which the purchaser's products, equipment, supplies or services are placed; and (2) the purchaser has paid to obtain other items needed in order to sell, make, produce, fabricate, grow, breed, modify, or develop the item which the seller assisted marketing plan purchaser intends to sell, lease, distribute, or otherwise dispose of.

(c) Represent that a purchaser's initial payment is "secured" in any manner or to any degree or that the seller provides a "buy-back" arrangement unless the seller has, in conformity with subdivision (b) of Section 1812.214, either obtained a surety bond issued by a surety company admitted to do business in this state or established a trust account at a federally insured bank or savings and loan association located in this state.

(d) Represent that the seller assisted marketing plan provides income or earning potential of any kind unless the seller has data to substantiate the claims of income or earning potential and discloses this data to the purchaser at the time the claim is made, if made in person, or if made through written or telephonic communication, at the first in-person communication thereafter and, when disclosed, the data is left with the purchaser. A mathematical computation of the number of sales multiplied by the amount of profit per sale to reach a projected income figure is not sufficient data to substantiate an income or earning potential claim. Income or earning potential claims cannot be made or implied at all unless they are based on the experience of at least 10 purchasers from the seller assisted marketing plan being offered. The data left by the seller must, at a minimum, disclose:

(1) The length of time the seller has been selling the particular seller assisted marketing plan being offered;

(2) The number of purchasers from the seller known to the seller to have made at least the same sales, income or profits as those represented; and

(3) The percentage the number represents of the total number of purchasers from the seller.

(e) Use the trademark, service mark, trade name, logotype, advertising or other commercial symbol of any business which does

not either control the ownership interest in the seller or accept responsibility for all representations made by the seller in regard to the seller assisted marketing plan, unless the nature of the seller's relationship to such other business entity is set forth immediately adjacent to and in type size equal to or larger than that used to depict the commercial symbol of such other business. If a member of a trade association, the seller may use the logo or registration mark of the trade association in advertisements and materials without regard to this subdivision.

(f) Place or cause to be placed any advertisement for a seller assisted marketing plan which does not include the actual business name of the seller, and if it differs, the name under which the seller assisted marketing plan is operated and the street address of the principal place of business of the seller.

SEC. 3. Section 1812.205 of the Civil Code is amended to read:

1812.205. At the first in-person communication with a potential purchaser or in the first written response to an inquiry by a potential purchaser, whichever occurs first, wherein the seller assisted marketing plan is described, the seller or his or her representative shall provide the prospective purchaser a written document, the cover sheet of which is entitled in at least 16-point boldface capital letters "DISCLOSURE REQUIRED BY CALIFORNIA LAW." Under the title shall appear in boldface of at least 10-point type, the statement: "The State of California has not reviewed and does not approve, recommend, endorse or sponsor any seller assisted marketing plan. The information contained in this disclosure has not been checked by the state. If you have any questions about this purchase, see an attorney or other financial adviser before you sign a contract or agreement." Nothing shall appear on the cover sheet except the title and the statement required above. The disclosure document shall contain the following information:

(a) The name of the seller, the name under which the seller is doing or intends to do business and the name of any parent or affiliated company that will engage in business transactions with purchasers or accept responsibility for statements made by the seller.

(b) A statement of the initial payment to be paid by the purchaser to the seller, or when not known, a statement of the approximate initial payment charged, the amount of the initial payment to be paid to a person inducing, directly or indirectly, a purchaser to contract for the seller assisted marketing plan.

(c) A full and detailed description of the actual services the seller will undertake to perform for the purchaser.

(d) When the seller makes any statement concerning earnings or range of earnings that may be made through the seller assisted marketing plan, he must comply with subdivision (d) of Section 1812.204 and set forth in complete form in this disclosure statement the following:

"No guarantee of earnings or ranges of earnings can be made. The number of purchasers who have earned through this business an

amount in excess of the amount of their initial payment is at least _____, which represents _____ percent of the total number of purchasers of this seller assisted marketing plan."

(e) If training of any type is promised by the seller, a complete description of the training and the length of the training.

(f) If the seller promises services to be performed in connection with the placement of the equipment, product or supplies at a location from which they will be sold or used, the full nature of those services as well as the nature of the agreements to be made with the owner or manager of the location at which the purchaser's equipment, product or supplies will be placed, must be set forth.

(g) If the seller represents orally or in writing when soliciting or offering for sale or lease or selling or leasing a seller assisted marketing plan that there is a "buy-back" arrangement or that the initial payment is in some manner protected from loss or "secured," the entire and precise nature of the "buy-back", "protection" or "security" arrangement shall be completely and clearly disclosed.

SEC. 4. Section 1812.206 of the Civil Code is amended to read:

1812.206. At least 48 hours prior to the execution of a seller assisted marketing plan contract or agreement or at least 48 hours prior to the receipt of any consideration, whichever occurs first, the seller or his or her representative shall provide to the prospective purchaser in writing a document entitled "SELLER ASSISTED MARKETING PLAN INFORMATION SHEET." The seller may combine the information required under this section with the information required under Section 1812.205 and, if done, shall utilize the single title "DISCLOSURES REQUIRED BY CALIFORNIA LAW," and the title page required by Section 1812.205. If a combined document is used, it shall be given at the time required by Section 1812.205, provided that such time meets the 48-hour test of this section. The information sheet required by this section shall contain the following:

(a) The name of and the office held by the seller's officers, directors, trustees and general or limited partners, as the case may be, and the names of those individuals who have management responsibilities in connection with the seller's business activities.

(b) A statement whether any person identified in subdivision (a):

(1) Has been convicted of a felony or misdemeanor or pleaded nolo contendere to a felony or misdemeanor charge if such felony or misdemeanor involved an alleged violation of this title, fraud, embezzlement, fraudulent conversion or misappropriation of property.

(2) Has been held liable in a civil action by final judgment or consented to the entry of a stipulated judgment if the civil action alleged a violation of this title, fraud, embezzlement, fraudulent conversion or misappropriation of property or the use of untrue or misleading representations in an attempt to sell or dispose of real or personal property or the use of unfair, unlawful or deceptive business practices.

(3) Is subject to any currently effective injunction or restrictive order relating to business activity as the result of an action brought by a public agency or department, including, but not limited to, action affecting any vocational license.

The statements required by paragraphs (1), (2) and (3) of this subdivision shall set forth the court, the docket number of the matter, the date of the conviction or of the judgment and, when involved, the name of the governmental agency that brought the action resulting in the conviction or judgment.

(4) Has at any time during the previous seven fiscal years filed in bankruptcy, been adjudged a bankrupt, been reorganized due to insolvency, or been a principal, director, officer, trustee, general or limited partner, or had management responsibilities of any other person, as defined in subdivision (b) of Section 1812.201, that has so filed or was so adjudicated or reorganized, during or within one year after the period that the individual held such position. If so, the name and location of the person having so filed, or having been so adjudged or reorganized, the date thereof, the court which exercised jurisdiction, and the docket number of the matter shall be set forth.

(c) The length of time the seller:

(1) Has sold seller assisted marketing plans.

(2) Has sold the specific seller assisted marketing plan being offered to the purchaser.

(d) If the seller is required to secure a bond or establish a trust account pursuant to the requirements of Section 1812.204, the information sheet shall state either:

(1) "Seller has secured a bond issued by

_____ ,

(name and address of surety company)

a surety company admitted to do business in this state. Before signing a contract to purchase this seller assisted marketing plan, you should check with the surety company to determine the bond's current status," or

(2) "Seller has deposited with the office of the Secretary of State, State Capitol, Sacramento, California 95814, information regarding its trust account. Before signing a contract to purchase this seller assisted marketing plan, you should check with the Secretary of State to determine the current status of the trust account."

(e) A copy of a recent, not more than 12 months old, financial statement of the seller, together with a statement of any material changes in the financial condition of the seller from the date thereof. Such financial statement shall either be audited or be under penalty of perjury signed by one of the seller's officers, directors, trustees or general or limited partners. The declaration under penalty of perjury shall indicate that to the best of the signatory's knowledge and belief the information in the financial statement is true and accurate; the date of signature and the location where signed shall also be indicated. Provided, however, that where a seller is a subsidiary of another corporation which is permitted by generally accepted

accounting standards to prepare financial statements on a consolidated basis, the above information may be submitted in the same manner for the parent if the corresponding financial statement of the seller is also provided and the parent absolutely and irrevocably has agreed to guarantee all obligations of the seller.

(f) An unexecuted copy of the entire seller assisted marketing plan contract.

SEC. 5. Section 1812.209 of the Civil Code is amended to read:

1812.209. Every seller assisted marketing plan contract shall set forth in at least 10-point type or equivalent size if handwritten, all of the following:

(a) The terms and conditions of payment including the initial payment, additional payments, and downpayment required.

(b) Immediately above the place at which the purchaser signs the contract the following notification, in boldface type, of the purchaser's right to cancel the contract:

"You have three business days in which you may cancel this contract for any reason by mailing or delivering written notice to the seller assisted marketing plan seller. The three business days shall expire on

_____

(last date to mail or deliver notice)

and notice of cancellation should be mailed or delivered to

_____ .

(seller assisted marketing plan seller's name and business street address)

If you choose to mail your notice, it must be placed in the United States mail properly addressed, first-class postage prepaid, and postmarked before midnight of the above date. If you choose to deliver your notice to the seller directly, it must be delivered to him by the end of his normal business day on the above date. Within five business days of receipt of the notice of cancellation, the seller shall return to the purchaser all sums paid by the purchaser to the seller pursuant to this contract. Within five business days after receipt of all such sums, the purchaser shall make available at his address or at the place at which they were caused to be located, all equipment, products and supplies provided to the purchaser pursuant to this contract. Upon demand of the seller, such equipment, products and supplies shall be made available at the time the purchaser receives full repayment by cash, money order or certified check."

(c) A full and detailed description of the acts or services the seller will undertake to perform for the purchaser.

(d) The seller's principal business address and the name and the address of its agent, other than the Secretary of State, in the State of California authorized to receive service of process.

(e) The business form of the seller, whether corporate, partnership or otherwise.

(f) The delivery date or, when the contract provides for a staggered delivery of items to the purchaser, the approximate

delivery date of those products, equipment or supplies the seller is to deliver to the purchaser to enable the purchaser to begin or maintain his business and whether the products, equipment or supplies are to be delivered to the purchaser's home or business address or are to be placed or caused to be placed by the seller at locations owned or managed by persons other than the purchaser.

(g) A complete description of the nature of the "buy-back", "protection", or "security" arrangement, if the seller has represented orally or in writing when selling or leasing, soliciting or offering a seller assisted marketing plan that there is a "buy-back" or that the initial payment or any part of it is "protected" or "secured."

(h) A statement which accurately sets forth a purchaser's right to void the contract under the circumstances and in the manner set forth in subdivisions (a) and (b) of Section 1812.215.

(i) The name of the supplier and the address of such supplier of the products, equipment, or supplies the seller is to deliver to the purchaser to enable the purchaser to begin or maintain his business.

SEC. 6. Section 1812.210 of the Civil Code is amended to read:

1812.210. (a) No seller assisted marketing plan contract shall require or entail the execution of any note or series of notes by the purchaser which, when separately negotiated, will cut off as to third parties any right of action or defense which the purchaser may have against the seller.

(b) If the contract referred to in Section 1812.209 provides for a downpayment to be paid to the seller, the downpayment shall not exceed 20 percent of the initial payment amount. In no event shall the contract payment schedule provide for the seller to receive more than 20 percent of the initial payment before delivery to the purchaser, or to the place at which they are to be located, the equipment, supplies or products, unless all sums in excess of 20 percent are placed in an escrow account which cannot be released until the purchaser notifies the escrow agent in writing of the delivery of such equipment, supplies or products or the seller notifies the escrow agent, by presenting the agent with a bill of lading, which proves shipment of the equipment, supplies, or products as required by and within the time limits set forth in the seller assisted marketing plan contract. Notification of delivery by the purchaser to the escrow agent shall not be unreasonably withheld.

SEC. 7. Section 1812.214 of the Civil Code is amended to read:

1812.214. (a) Every seller of seller assisted marketing plans other than a California corporation shall file with the Secretary of State an irrevocable consent appointing the Secretary of State or his successor in office to act as his attorney to receive service or any lawful process in any noncriminal suit, action or proceeding against him or his successor, executor or administrator, which may arise under this title. When such service is made upon the Secretary of State, it shall have the same force and validity as if served personally on the seller. Service may be made by leaving a copy of the process in the office of the Secretary of State, but it shall not be effective unless:

(1) The plaintiff forthwith sends by first-class mail a notice of the service upon the Secretary of State and a copy of the process to the defendant or respondent at his last address on file with the Secretary of State; and

(2) The plaintiff's affidavit of compliance with this section is filed in the case on or before the return date of the process, if any, or within such further time as the court allows.

(b) If, pursuant to subdivision (c) of Section 1812.204, a seller must obtain a surety bond or establish a trust account, the following procedures apply:

(1) If a bond is obtained, a copy of it shall be filed with the office of the Secretary of State; if a trust account is established, notification of the depository, the trustee and the account number shall be filed with the office of the Secretary of State.

(2) The bond or trust account required shall be in favor of the State of California for the benefit of any person who is damaged by any violation of this title or by the seller's breach of a contract subject to this title or of any obligation arising therefrom. The bond or trust account shall also be in favor of any person damaged by such practices.

(3) Any person claiming against the bond or trust account for a violation of this title may maintain an action at law against the seller and the surety or trustee, except that the surety or trustee shall be liable only for actual damages and not the punitive damages permitted under Section 1812.218. The aggregate liability of the surety or trustee to all persons damaged by a seller's violation of this title shall in no event exceed the amount of the bond or trust account.

(4) The bond or the trust account shall be in an amount equal to the total amount of the "initial payment" section of all seller assisted marketing plan contracts the seller has entered into during the previous year or three hundred thousand dollars ($300,000), whichever is less, but in no case shall the amount be less than fifty thousand dollars ($50,000). The amount required shall be adjusted twice a year, no later than the tenth day of the first month of the seller's fiscal year and no later than the tenth day of the seventh month of the seller's fiscal year. A seller need only establish a bond or trust account in the amount of fifty thousand dollars ($50,000) at the commencement of business and during the first six months the seller is in business. By the tenth day of the seller's seventh month in business, the amount of his bond or trust account shall be established as provided for herein as if he had been in business for a year.

SEC. 8. Section 1812.215 of the Civil Code is amended to read:

1812.215. (a) If a seller uses any untrue or misleading statements to sell or lease a seller assisted marketing plan, or fails to comply with Section 1812.203, or fails to give the disclosure documents or disclose any of the information required by Sections 1812.205 and 1812.206, or the contract does not comply with the requirements of this title, then within one year of the date of the contract at the election of the

purchaser upon written notice to the seller, the contract shall be voidable by the purchaser and unenforceable by the seller or his assignee as contrary to public policy and the purchaser shall be entitled to receive from the seller all sums paid to the seller when the purchaser is able to return all equipment, supplies or products delivered by the seller; when such complete return cannot be made, the purchaser shall be entitled to receive from the seller all sums paid to the seller less the fair market value at the time of delivery of the equipment, supplies or products not returned by the purchaser, but delivered by the seller. Upon the receipt of such sums, the purchaser shall make available to the seller at the purchaser's address or at the places at which they are located at the time the purchaser gives notice pursuant to this section, the products, equipment or supplies received by the purchaser from the seller. Provided, however, if the seller inadvertently has failed to make any of the disclosures required by Section 1812.205 or 1812.206 or the contract inadvertently fails to comply with the requirements of this title, the seller may cure such inadvertent defect by providing the purchaser with the correct disclosure statements or contract if at the time of providing such correct disclosures or contract the seller also informs the purchaser in writing that because of the seller's error, the purchaser has an additional 15-day period after receipt of the correct disclosures or contract within which to cancel the contract and receive a full return of all moneys paid in exchange for return of whatever equipment, supplies or products the purchaser has. If the purchaser does not cancel the contract within 15 days after receipt of the correct disclosures or contract, he may not in the future exercise his right to void the contract under this section due to such noncompliance with the disclosure or contract requirements of this title.

(b) If a seller fails to deliver the equipment, supplies or product within 30 days of the delivery date stated in the contract, unless such delivery delay is beyond the control of the seller, then at any time prior to delivery or within 30 days after delivery, at the election of the purchaser upon written notice to the seller, the contract shall be voidable by the purchaser and unenforceable by the seller or his assignee as contrary to public policy.

The rights of the purchaser set forth in this section shall be cumulative to all other rights under this title or otherwise.

SEC. 9. Section 1812.216 of the Civil Code is amended to read:

1812.216. (a) Any waiver by a purchaser of the provisions of this title shall be deemed contrary to public policy and shall be void and unenforceable. Any attempt by a seller to have a purchaser waive rights given by this title shall be a violation of this title.

(b) In any proceeding involving this title, the burden of proving an exemption or an exception from a definition is upon the person claiming it.

CHAPTER 259

An act to amend Section 1950.7 of the Civil Code, relating to hiring of real property.

[Approved by Governor August 25, 1981 Filed with Secretary of State August 25, 1981]

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

SECTION 1. Section 1950.7 of the Civil Code is amended to read:

1950.7. (a) Any payment or deposit of money the primary function of which is to secure the performance of a rental agreement for other than residential property or any part of the agreement, other than a payment or deposit, including an advance payment of rent, made to secure the execution of a rental agreement, shall be governed by the provisions of this section. With respect to residential property, the provisions of Section 1950.5 shall prevail.

(b) Any such payment or deposit of money shall be held by the landlord for the tenant who is party to the agreement. The claim of a tenant to the payment or deposit shall be prior to the claim of any creditor of the landlord, except a trustee in bankruptcy.

(c) The landlord may claim of the payment or deposit only those amounts as are reasonably necessary to remedy tenant defaults in the payment of rent, to repair damages to the premises caused by the tenant, or to clean the premises upon termination of the tenancy, if the payment or deposit is made for any or all of those specific purposes. Where the claim of the landlord upon the payment or deposit is only for defaults in the payment of rent, then any remaining portion of the payment or deposit shall be returned to the tenant no later than two weeks after the date the landlord receives possession of the premises. Where the claim of the landlord upon the payment or deposit includes amounts reasonably necessary to repair damages to the premises caused by the tenant or to clean the premises, then any remaining portion of the payment or deposit shall be returned to the tenant at a time as may be mutually agreed upon by landlord and tenant, but in no event later than 30 days from the date the landlord receives possession of the premises.

(d) Upon termination of the landlord's interest in the unit in question, 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 payment or deposit:

(1) Transfer the portion of the payment or deposit remaining after any lawful deductions made under subdivision (c) to the landlord's successor in interest, and thereafter notify the tenant by personal delivery or certified mail of the transfer, of any claims made against the payment or deposit, and of the transferee's name and

address. 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 payment or deposit remaining after any lawful deductions made under subdivision (c) to the tenant.

(e) Upon receipt of any portion of the payment or deposit under paragraph (1) of subdivision (d), the transferee shall have all of the rights and obligations of a landlord holding the payment or deposit with respect to the payment or deposit.

(f) The bad faith retention by a landlord or transferee of a payment or deposit or any portion thereof, in violation of this section, may subject the landlord or the transferee to damages not to exceed two hundred dollars ($200), in addition to any actual damages.

(g) This section is declarative of existing law and therefore operative as to all tenancies, leases, or rental agreements for other than residential property created or renewed on or after January 1, 1971.

CHAPTER 260

An act to add Section 831.3 to the Government Code, relating to liability of public entities.

[Approved by Governor August 25, 1981 Filed with Secretary of State August 25, 1981.]

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

SECTION 1. Section 831.3 is added to the Government Code, to read:

831.3. Neither a public entity nor a public employee is liable for any injury occurring on account of the grading or the performance of other maintenance or repair on any road which has not officially been accepted as a part of the road system under the jurisdiction of the public entity; provided, that the grading, maintenance, or repair is performed with reasonable care and leaves the road in no more dangerous or unsafe condition than it was before the work commenced. No act of grading, maintenance, or repair within the meaning of this section shall be deemed to give rise to any duty of the public entity to continue any grading, maintenance, or repair on any road not a part of the road system under the public entity's jurisdiction.

CHAPTER 261

An act to amend Sections 29107, 51283, and 51283.1 of, to amend and renumber Section 16114.1 of, and to repeal Sections 16148, 16149, 16150, 16151, and 16170 of, the Government Code, to amend Sections 33327 and 33328.3 of the Health and Safety Code, and to amend Sections 93, 202.5, 202.6, 214.4, 405, 423, 482.1, 531.5, 532, 743, 2603, 4831, and 38202 of, and to repeal Sections 471, 503.5, 532.1, 532.2, and 537 of, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor August 25, 1981. Filed with Secretary of State August 25, 1981.]

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

SECTION 1. Section 16114.1 of the Government Code, as added by Chapter 818 of the Statutes of 1980, is amended and renumbered to read:

16114.2. (a) In addition to the amount added pursuant to Section 16114, for the City of Pico Rivera Redevelopment Agency, there shall be added for the 1981–82 fiscal year a sum equal to the amount of estimated increase in the assessed value of business inventories in the new shopping center. For the purpose of this subdivision, the estimated increase in the assessed value of business inventories which might have occurred in 1981–82 from the new shopping center had Chapter 1150 of the Statutes of 1979 not been enacted, shall be determined by using the estimate of the increased assessed value of business inventories in the first project area, over the base year inventory value, that was furnished to bidders in connection with the sale of six million seven hundred thousand dollars ($6,700,000) in tax allocation bonds.

(b) The amount added by subdivision (a) shall be reduced dollar for dollar by the amount that the total assessed value increment in the new shopping center, excluding inventory assessed value, exceeds the estimated assessed value increment, excluding business inventories that was furnished bidders in connection with the sale of six million seven hundred thousand dollars ($6,700,000) in tax allocation bonds as put forth in the official statement concerning the bonds adopted by the Pico Rivera Redevelopment Agency on May 1, 1978.

SEC. 2. Section 16148 of the Government Code is repealed.

SEC. 3. Section 16149 of the Government Code is repealed.

SEC. 4. Section 16150 of the Government Code is repealed.

SEC. 5. Section 16151 of the Government Code is repealed.

SEC. 6. Section 16170 of the Government Code is repealed.

SEC. 7. Section 29107 of the Government Code is amended to read:

29107. The tax rates for property not sufficiently secured as provided in Section 12 of Article XIII of the Constitution are levied

in the amounts therein provided and need not be formally levied by the board

SEC. 8. Section 51283 of the Government Code is amended to read:

51283. (a) Prior to any action by the board or council giving tentative approval to the cancellation of any contract, the county assessor of the county in which the land is located shall determine the full cash value of the land as though it were free of the contractual restriction. The assessor shall certify to the board or council the cancellation valuation of the land for the purpose of determining the cancellation fee.

(b) Prior to giving tentative approval to the cancellation of any contract the board or council shall determine and certify to the county auditor the amount of the cancellation fee which the landowner must pay the county treasurer as deferred taxes upon cancellation. That fee shall be an amount equal to 12½ percent of the cancellation valuation of the property.

(c) If they find that it is in the public interest to do so the board or council may waive any such payment or any portion thereof, or may make such payment or a portion thereof contingent upon the future use made of the land and its economic return to the landowner for a period of time not to exceed the unexpired period of the contract, had it not been canceled, provided:

(1) The cancellation is caused by an involuntary transfer or change in the use which may be made of the land and the land is not immediately suitable, nor will be immediately used, for a purpose which produces a greater economic return to the owner;

(2) The board or council has determined it is in the best interests of the program to conserve agricultural land use that such payment be either deferred or not required; and

(3) The waiver is approved by the Secretary of the Resources Agency. The secretary shall approve a waiver if the secretary finds that the granting of the waiver by the local agency is consistent with the policies of this chapter and that the local agency complied with the provisions of this article. In evaluating a request for a waiver, the secretary shall review the findings of the board or council, the evidence in the record of the local agency, and any other evidence the secretary may receive concerning the cancellation or waiver.

(d) When deferred taxes required by this section are collected, they shall be transmitted by the county treasurer to the Controller and be deposited in the General Fund.

SEC. 9. Section 51283.1 of the Government Code is amended to read:

51283.1. In addition to the fee provided for in Section 51283, the board or council shall require the payment of additional deferred taxes, determined in the following manner:

(a) The county assessor shall determine and certify the following values to the board or council; provided that such values shall not consider the existence of any mines, minerals, and quarries in or

upon the land being valued, including, but not limited to, oil, gas, and other hydrocarbons:

(1) The unrestricted assessed value, which is the assessed value of the land as though it were free of the contractual restriction. This value shall be arrived at by considering other uses that may be made of the land after the contract is no longer in effect.

(2) The current restricted assessed value, which is the assessed value of the land as enforceably restricted by the contract.

(3) The base-year unrestricted assessed value determined in the following manner:

(A) For contracts in existence for 10 years or less, the assessed value for the last year in which the land was not enforceably restricted.

(B) For contracts in existence for more than 10 years, that value which results from a straight-line interpolation of the assessed value of the land for the last year in which the land was not enforceably restricted and the unrestricted assessed value, as determined in paragraph (1) of this subdivision, at a point on such line 10 years prior to the date of the application.

(4) The base-year restricted assessed value, determined in the following manner:

(A) For contracts in existence for 10 years or less, the assessed value for the first year in which the land was enforceably restricted.

(B) For contracts in existence for more than 10 years, that value which results from a straight-line interpolation of the assessed value of the land for the first year in which the land was enforceably restricted and the current restricted assessed value, as determined in paragraph (2) of this subdivision, at a point on such line 10 years prior to the date of the application.

(b) The assessed values determined in subdivision (a) shall be averaged by:

(1) Subtracting the current restricted assessed value from the unrestricted assessed value,

(2) Subtracting the base-year restricted assessed value from the base-year unrestricted assessed value, and

(3) Averaging the figures determined in paragraphs (1) and (2).

(c) The average assessed value determined in subdivision (b) shall be multiplied by the current tax rate. This tax rate shall be equal to that used in determining the value of the land as prescribed in paragraph (3) of subdivision (b) of Section 423 of the Revenue and Taxation Code.

(d) The amount determined in subdivision (c) shall be multiplied by a factor from the following table:

Year	Factor
1	1.06000
2	2.18360
3	3.37462
4	4.63709

5	5.97332
6	7.39384
7	8.89747
8	10.49132
9	12.18080
10	13.97164

The multiple shall correspond to the number of years or fraction thereof, but in no event greater than 10, for which the land was under contract.

(e) From the amount computed in subdivision (d) there shall be subtracted the amount of the fee provided for in Section 51283, but in no event shall the result be less than zero.

If the board or council finds that it is in the public interest it may waive the payment of the additional deferred tax or any portion thereof.

The additional deferred taxes shall be collected in the same manner and at the same time as the cancellation fee provided for in Section 51283. The additional deferred taxes shall be distributed to the taxing agencies and revenue districts levying property taxes on the land during the current year in the same proportion as the current year tax rate bears to the total tax rate described in subdivision (c).

SEC. 10. Section 33327 of the Health and Safety Code is amended to read:

33327. After receipt of any preliminary redevelopment plan pursuant to Section 33325 which contains a provision for the division of taxes as permitted by Section 33670, the agency shall transmit to the auditor, assessor, and tax collector of the county in which the proposed project is located, or to the officer or officers performing the functions of the auditor or assessor for any taxing agencies which, in levying or collecting its taxes, do not use the county assessment roll or do not collect its taxes through the county, to the legislative or governing bodies of such taxing agencies, and to the State Board of Equalization:

(1) A description of the boundaries of the project area and the property outside the project area specified in subdivision (g) of Section 33328.

(2) A statement that a plan for the redevelopment of the area is being prepared.

(3) A map indicating the boundaries of the project area and the property outside the project area specified in subdivision (g) of Section 33328.

Thereafter, if the boundaries of the proposed project are changed to increase the land within the project area, the agency shall notify such taxing officials and the State Board of Equalization within 30 days by transmitting a description and map indicating each such boundary change made. The State Board of Equalization shall prescribe the format of the description of boundaries and statements.

and the form, size, contents, and number of copies of the map required to be transmitted pursuant to this section.

SEC. 11. Section 33328.3 of the Health and Safety Code is amended to read:

33328.3. If the boundaries of an existing project area for which the redevelopment plan contains a provision for the division of taxes as permitted by Section 33670 are changed, the redevelopment agency shall notify the county officials by transmitting to them, the legislative or governing bodies of the taxing agencies, and to the State Board of Equalization, the information required by Section 33327 indicating the areas to be added. Within 90 days from the date of filing or such a period as otherwise agreed to by the agency and the State Board of Equalization, the county officials shall prepare and submit to the redevelopment agency and the taxing agencies a report containing the information required under Section 33328, with respect to such areas to be added to the project area.

If a filing does not comply with the requirements of this section, the State Board of Equalization or the official of the taxing agency entitled to receive such documents shall notify the filing agency within 10 days, stating the manner in which the filing of documents does not comply with this section. If no such notice is given it shall be conclusively presumed that the agency has complied with the provisions of this section.

If the change of boundaries does not exceed the area specified in subdivision (g) of Section 33328, the report under this section shall not be required.

SEC. 11.1. Section 93 of the Revenue and Taxation Code is amended to read:

93. (a) Notwithstanding any other provision of law, except as provided in subdivision (b), no local agency, school district, county superintendent of schools, or community college district shall levy an ad valorem property tax, other than that amount which is equal to the amount needed to make annual payments for the interest and principal on general obligation bonds or other indebtedness approved by the voters prior to July 1, 1978 or the amount levied pursuant to Part 10 (commencing with Section 15000) of Division 1 and Sections 39308, 39311, 81338, and 81341 of the Education Code. In determining the tax rate required for the purposes specified in this subdivision, the amount of the levy shall be increased to compensate for any allocation and payment of tax revenues required pursuant to subdivision (b) of Section 33670 and subdivision (d) of Section 33675 of the Health and Safety Code

(b) A county shall levy an ad valorem property tax on taxable assessed value at a rate equal to four dollars ($4) per one hundred dollars ($100) of assessed value, and at an equivalent rate when the ratio prescribed in Section 401 is changed from 25 percent to 100 percent. The revenue from such tax shall be distributed, subject to the allocation and payment as provided in subdivision (d) of Section 33675 of the Health and Safety Code, to local agencies, school

districts, county superintendents of schools, and community college districts in accordance with the provisions of the Government Code.

SEC. 11.2. Section 202.5 of the Revenue and Taxation Code is amended to read:

202.5. Personal property used exclusively in the performance of activities authorized by Division 8 (commencing with Section 89000) of the Education Code, whether by the college itself or by an auxiliary nonprofit corporation or student body organization with which the Director of Education has entered into a lease or contract for the performance of such activities, is deemed property used exclusively for public schools and shall be exempt from taxation.

It is hereby declared that this section is not a change in the present law but is a declaration of preexisting law.

SEC. 11.3. Section 202.6 of the Revenue and Taxation Code is amended to read:

202.6. Personal property used exclusively in the performance of activities authorized by Article 2 (commencing with Section 48930) of Chapter 6 of Part 27 of Division 4 of, or Article 4 (commencing with Section 76060) of Chapter 1 of Part 47 of Division 7 of the Education Code by a student body organization acting pursuant to those provisions, is deemed property used exclusively for public schools and shall be exempt from taxation.

SEC. 11.4. Section 214.4 of the Revenue and Taxation Code is amended to read:

214.4. For the purposes of Section 214 a school of "less than collegiate grade" is (a) any institution of learning attendance at which exempts a student from attendance at a public full-time elementary or secondary day school under Section 48222 of the Education Code or (b) any institution of learning a majority of whose students are persons that have been excused from attendance at a full-time elementary or secondary day school under Section 48221 or 48226 of the Education Code.

SEC. 11.5. Section 405 of the Revenue and Taxation Code is amended to read:

405. (a) Annually, the assessor shall assess all the taxable property in his county, except state-assessed property, to the persons owning, claiming, possessing, or controlling it on the lien date.

The assessor may assess the property on the secured roll to the person owning, claiming, possessing or controlling it for the ensuing fiscal year

(b) The assessor may assess all taxable property in his county on the unsecured roll jointly to both the lessee and lessor of such property

(c) Notices of assessment and tax bills relating to jointly assessed property on the unsecured roll shall be mailed to both the lessee and the lessor at their latest addresses known to the assessor.

SEC. 12. Section 423 of the Revenue and Taxation Code is amended to read:

423. Except as provided in Section 423.7, when valuing

enforceably restricted open-space land, other than land used for the production of timber for commercial purposes, the board for purposes of surveys required by Section 1815 of this code and the county assessor shall not consider sales data on lands, whether or not enforceably restricted, but shall value such lands by the capitalization of income method in the following manner:

(a) The annual income to be capitalized shall be determined as follows:

(1) Where sufficient rental information is available the income shall be the fair rent which can be imputed to the land being valued based upon rent actually received for the land by the owner and upon typical rentals received in the area for similar land in similar use, where the owner pays the property tax. Any cash rent or its equivalent considered in determining the fair rent of the land shall be the amount for which comparable lands have been rented, determined by average rents paid to owners as evidenced by typical land leases in the area, giving recognition to the terms and conditions of the leases and the uses permitted within the leases and within the enforceable restrictions imposed.

(2) Where sufficient rental information is not available, the income shall be that which the land being valued reasonably can be expected to yield under prudent management and subject to applicable provisions under which the land is enforceably restricted. There shall be a rebuttable presumption that "prudent management" does not include use of the land for a recreational use, as defined in subdivision (n) of Section 51201 of the Government Code, unless the land is actually devoted to such use.

(3) Notwithstanding any other provision herein, if the parties to an instrument which enforceably restricts the land stipulate therein an amount which constitutes the minimum annual income per acre to be capitalized, then the income to be capitalized shall not be less than the amount so stipulated.

For the purposes of this section income shall be determined in accordance with rules and regulations issued by the board and with this section and shall be the difference between revenue and expenditures. Revenue shall be the amount of money or money's worth, including any cash rent or its equivalent, which the land can be expected to yield to an owner-operator annually on the average from any use of the land permitted under the terms by which the land is enforceably restricted including, but not limited to, that from the production of salt and from typical crops grown in the area during a typical rotation period as evidenced by historic cropping patterns and agricultural commodities grown. When the land is planted to fruit-bearing or nut-bearing trees, vines, bushes or perennial plants, the revenue shall not be less than the land would be expected to yield to an owner-operator from other typical crops grown in the area during a typical rotation period, as evidenced by historic cropping patterns and agricultural commodities grown. Proceeds from the sale of the land being valued shall not be included

in the revenue from the land.

Expenditures shall be any outlay or average annual allocation of money or money's worth that has been charged against the revenue received during the period used in computing such revenue. Those expenditures to be charged against revenue shall be only those which are ordinary and necessary in the production and maintenance of the revenue for that period. Expenditures shall not include depletion charges, debt retirement, interest on funds invested in the land, interest on funds invested in trees and vines valued as land as provided by Section 429, property taxes, corporation income taxes, or corporation franchise taxes based on income. When the income used is from operating the land being valued or from operating comparable land, amounts shall be excluded from the income to provide a fair return on capital investment in operating assets other than the land, to amortize depreciable property, and to fairly compensate the owner-operator for his operating and managing services.

(b) The capitalization rate to be used in valuing land pursuant to this article shall not be derived from sales data and shall be the sum of the following components:

(1) An interest component to be determined by the board and announced no later than September 1 of the year preceding the assessment year and which was the yield rate for long-term United States government bonds, as most recently published by the Federal Reserve Board, rounded to the nearest ¼ percent.

(2) A risk component which shall be a percentage determined on the basis of the location and characteristics of the land, the crops to be grown thereon and the provisions of any lease or rental agreement to which the land is subject; and

(3) A component for property taxes which shall be a percentage equal to the estimated total tax rate applicable to the land for the assessment year times the assessment ratio. The estimated total tax rate shall be the cumulative rates used to compute the state's reimbursement of local governments for revenues lost on account of homeowners' property tax exemptions in the tax rate area in which the enforceably restricted land is situated.

(4) A component for amortization of any investment in perennials over their estimated economic life when the total income from land and perennials other than timber exceeds the yield from other typical crops grown in the area.

(c) The value of the land shall be the quotient for the income determined as provided in subdivision (a) divided by the capitalization rate determined as provided in subdivision (b).

(d) Unless a party to an instrument which creates an enforceable restriction expressly prohibits such a valuation, the valuation resulting from the capitalization of income method described in this section shall not exceed the valuation that would have resulted by calculation under Section 110.1, as though such property was not subject to an enforceable restriction in the base year.

The county assessor shall notify annually the parties to an instrument which creates an enforceable restriction that unless either party expressly prohibits such a valuation, the valuation resulting from the capitalization of income method shall not exceed the valuation that would have resulted by calculation under Section 110.1, as though such property was not subject to an enforceable restriction in the base year.

In determining the 1975 base year value under Article XIII A of the California Constitution for any parcel for comparison, the county may charge a contract holder a fee limited to the reasonable costs of such determination not to exceed twenty dollars ($20) per parcel.

(e) If the parties to an instrument which creates an enforceable restriction expressly so provide therein, the assessor shall assess those improvements which contribute to the income of land in the manner provided herein. As used in this subdivision "improvements which contribute to the income of the land" shall include, but are not limited to, wells, pumps, pipelines, fences, and structures which are necessary or convenient to the use of the land within the enforceable restrictions imposed.

SEC. 13. Section 471 of the Revenue and Taxation Code is repealed.

SEC. 14. Section 482.1 of the Revenue and Taxation Code is amended to read·

482.1. If there is a failure to file a change in ownership statement within the time required by Section 480.2, the successor in interest to the decedent's property shall be subject to the penalty provided in Section 482.

SEC. 15. Section 503.5 of the Revenue and Taxation Code is repealed.

SEC. 16. Section 531.5 of the Revenue and Taxation Code is amended to read:

531.5. If a business inventories exemption has been incorrectly allowed because of erroneous or incorrect information submitted by the taxpayer or his agent misclassifying as business inventories property not includible in "business inventories," as that term is defined in Section 129, an escape assessment in the amount of the exemption shall be made on discovery of the error. Interest shall be added to the assessment in the amount and manner provided by Section 506. If the exemption was incorrectly allowed because of erroneous or incorrect information submitted by the taxpayer or his agent with knowledge that such information was erroneous or incorrect, the penalty provided in Section 504 shall be added to the assessment.

SEC. 17. Section 532 of the Revenue and Taxation Code is amended to read:

532. Any assessment to which the penalty provided for in Section 504 must be added shall be made within six years after July 1 of the assessment year in which the property escaped taxation or was underassessed. Any other assessment made pursuant to Article 3

(commencing with Section 501) of this chapter, or pursuant to this article shall be made within four years after July 1 of the assessment year in which the property escaped taxation or was underassessed.

SEC. 18. Section 532.1 of the Revenue and Taxation Code is repealed.

SEC. 19. Section 532.2 of the Revenue and Taxation Code is repealed.

SEC. 20. Section 537 of the Revenue and Taxation Code is repealed.

SEC. 20.5. Section 743 of the Revenue and Taxation Code is amended to read:

743. The hearing may be continued by the board for good cause. The hearing shall be open to the public, except that upon conclusion of the taking of evidence the board may deliberate in private with the aid of its staff in reaching a conclusion. Upon written request, the board shall make a full record of the hearing and furnish the petitioner with a transcript thereof at the petitioner's expense.

SEC. 21. Section 2603 of the Revenue and Taxation Code is amended to read:

2603. At the time the auditor delivers the local assessment roll to the tax collector, he shall charge the collector with the taxes extended thereon, together with the taxes extended on the board roll.

SEC. 22. Section 4831 of the Revenue and Taxation Code is amended to read:

4831. (a) Any error of the assessor resulting in incorrect entries on the roll may be corrected under this article. The correction may be made at any time after the roll is delivered to the auditor but shall be made within four years after the making of the assessment which is being corrected. This section does not apply to the following:

(1) Errors involving the exercise of value judgments; or

(2) Escape assessments caused by the assessee's failure to report the information required by Article 2 (commencing with Section 441) of Chapter 3 of Part 2.

If any such error is discovered as the result of an audit of a taxpayer's books and records, such error may be corrected at any time prior to the expiration of six months after the completion of the audit.

(b) Taxes which are not a lien or charge on the property assessed may be transferred from the secured roll to the unsecured roll of the corresponding year by the county auditor on order of the board of supervisors with the written consent of their legal counsel These taxes shall be collected in the same manner as other delinquent taxes on the unsecured roll and shall be subject to delinquent penalties in the same manner as taxes transferred to the unsecured roll under Section 5090. The statute of limitations for the collection of such taxes shall commence to run from the date of transfer.

(c) Any liens created pursuant to this section prior to the effective date of Chapter 1190 of the Statutes of 1973 (January 1, 1974), shall

have the force, effect and priority of a judgment lien, and shall continue for 10 years from the time of recording of the certificate authorized under this section unless sooner released or otherwise discharged.

SEC. 23. Section 38202 of the Revenue and Taxation Code is amended to read:

38202. During December, 1978, and December of each subsequent year, after public hearings, the board shall adjust the yield tax rate to the nearest one-tenth of 1 percent in the same proportion that the average rate of general property taxation in the rate adjustment counties in the current tax year differs from the average rate of general property taxation in the rate adjustment counties in the preceding tax year. The board shall compute the average rate of general property taxation in the rate adjustment counties by (a) adding the county, city, school district, and other general taxes, but not the special taxes on intangibles, aircraft, or any other property, which is subject to a uniform statewide tax rate, nor special assessments, and (b) dividing the amount obtained by the total assessed valuation in the rate adjustment counties, exclusive of the homeowners' and business inventory exemptions, as shown by the county tax rolls for the same year.

"Total assessed valuation," as used in this section, does not include the assessment of property which is subject to a uniform statewide tax rate.

"Special assessment" as used in this section, means any amount levied solely against land or land and improvements

When calculating the yield tax rate for the 1981–82 fiscal year, the 1980–81 average rate of general property taxation should first be divided by four.

CHAPTER 262

An act to amend Section 14155 of the Financial Code, relating to credit unions

[Approved by Governor August 25, 1981 Filed with Secretary of State August 25, 1981]

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

SECTION 1. Section 14155 of the Financial Code is amended to read.

14155. Upon reasonable notice and opportunity to be heard, the commissioner may deny the application for certificate for any of the following reasons:

(a) The field of membership of the applicant is contrary to the principles of organizing credit unions based on common bond of employment, membership, or residence This shall not prohibit the

commissioner from issuing a certificate authorizing a credit union for an association or associations of employers located in one reasonably compact geographical area, or from authorizing an existing credit union for an association of employers in a single industry to expand into one or more additional areas approved by the commissioner upon determination by the commissioner that the credit union has a record of not less than two years of successful operation, each additional area has demonstrated need and support for a credit union to warrant expansion, and the credit union has demonstrated sufficient organizational, managerial, and financial ability to expand without jeopardizing the successful operation of the credit union.

(b) The field of membership substantially encroaches upon that of an existing credit union to such an extent that it will probably impair the successful operation of either credit union.

(c) The number of persons eligible for membership is less than 200.

(d) A false statement of a material fact has been made in the application for certificate.

(e) Any officer, director, or committee member of the applicant has, within the last 10 years, been (1) convicted of or pleaded nolo contendere to a crime, or (2) committed any act involving dishonesty, fraud, or deceit, which crime or act is substantially related to the qualifications, functions, or duties of a person engaged in business in accordance with the provisions of this division.

(f) The applicant or any officer, director, or committee member of the applicant has violated any provision of this division or the rules thereunder or any similar regulatory scheme of a foreign jurisdiction.

(g) The applicant's showing as to the economic feasibility of the proposed credit union is inadequate.

CHAPTER 263

An act to amend Section 10133.1 of the Business and Professions Code, relating to real estate.

[Approved by Governor August 25, 1981 Filed with Secretary of State August 25, 1981]

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

SECTION 1 Section 10133.1 of the Business and Professions Code is amended to read:

10133.1. The provisions of subdivision (d) of Section 10131, subdivision (e) of Section 10131, Section 10131.1, Articles 5 (commencing with Section 10230), 6 (commencing with Section 10237), and 7 (commencing with Section 10240) of this chapter and Section 1695.13 of the Civil Code do not apply to the following:

(a) Any person or employee thereof doing business under any law

of this state, any other state, or of the United States relating to banks, trust companies, savings and loan associations, industrial loan companies, pension trusts, credit unions, or insurance companies.

(b) Any lender making a loan guaranteed or insured by an agency of the federal government or for which a commitment to so guarantee or insure has been made by such agency.

(c) Any nonprofit cooperative association organized under Chapter 1 (commencing with Section 5401) of Division 20 of the Agricultural Code, in loaning or advancing money in connection with any activity mentioned therein.

(d) Any corporation, association, syndicate, joint stock company, or partnership engaged exclusively in the business of marketing agricultural, horticultural, viticultural, dairy, livestock, poultry, or bee products on a cooperative nonprofit basis, in loaning or advancing money to the members thereof or in connection with any such business.

(e) Any corporation securing money or credit from any federal intermediate credit bank organized and existing pursuant to the provisions of an act of Congress entitled the "Agricultural Credits Act of 1923," in loaning or advancing money or credit so secured.

(f) Any person licensed to practice law in this state, not actively and principally engaged in the business of negotiating loans secured by real property, when such person renders services in the course of his practice as an attorney at law, and the disbursements of such person, whether paid by the borrower or other person, are not charges or costs and expenses regulated by or subject to the limitations of Article 7 (commencing with Section 10240) of this chapter, provided, such fees and disbursements shall not be shared, directly or indirectly, with the person negotiating the loan or the lender.

(g) Any person licensed as a personal property broker when acting under the authority of such license.

(h) Any cemetery authority as defined by Section 7018 of the Health and Safety Code which is authorized to do business in this state or its authorized agent.

(i) Any person who makes collection of payments for lenders or on notes of owners in connection with loans secured directly or collaterally by liens on real property, insofar as such activities are concerned, and (1) who is not actively engaged in the business of negotiating loans secured by real property or (2) who is not acting as a principal or agent in the sale or exchange of promissory notes secured directly or collaterally by liens on real property; provided that:

(1) Such person has made application to the commissioner and has complied with all the provisions of Section 10133.25; or

(2) Such person makes such collections on 10 or less of such loans, or in amounts of forty thousand dollars ($40,000) or less in any calendar year; or

(3) Such person is a corporation licensed as an escrow agency

under Division 6 (commencing with Section 17000) of the Financial Code.

(j) Any person authorized in writing by a savings and loan association to act as an agent, as defined in Section 5053 of the Financial Code, of that savings and loan association, when acting under the authority of such written authorization.

CHAPTER 264

An act to amend Sections 21100 and 21151 of the Public Resources Code, relating to environmental quality.

[Approved by Governor August 25, 1981 Filed with Secretary of State August 25, 1981]

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

SECTION 1. Section 21100 of the Public Resources Code is amended to read:

21100. All state agencies, boards, and commissions shall prepare, or cause to be prepared by contract, and certify the completion of an environmental impact report on any project they propose to carry out or approve which may have a significant effect on the environment. Such a report shall include a detailed statement setting forth the following:

(a) The significant environmental effects of the proposed project.

(b) Any significant environmental effects which cannot be avoided if the project is implemented.

(c) Mitigation measures proposed to minimize the significant environmental effects including, but not limited to, measures to reduce wasteful, inefficient, and unnecessary consumption of energy.

(d) Alternatives to the proposed project.

(e) The relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity.

(f) Any significant irreversible environmental changes which would be involved in the proposed project should it be implemented.

(g) The growth-inducing impact of the proposed project.

The report shall also contain a statement briefly indicating the reasons for determining that various effects of a project are not significant and consequently have not been discussed in detail in the environmental impact report.

For purposes of this section, any significant effect on the environment shall be limited to substantial, or potentially substantial, adverse changes in physical conditions which exist within the area as defined in Section 21060.5.

SEC. 2 Section 21151 of the Public Resources Code is amended

to read:

21151. All local agencies shall prepare, or cause to be prepared by contract, and certify the completion of an environmental impact report on any project they intend to carry out or approve which may have a significant effect on the environment. When a report is required by Section 65402 of the Government Code, the environmental impact report may be submitted as a part of that report.

For purposes of this section, any significant effect on the environment shall be limited to substantial, or potentially substantial, adverse changes in physical conditions which exist within the area as defined in Section 21060.5.

CHAPTER 265

An act to amend Section 6254 of the Government Code, relating to public records.

[Approved by Governor August 25, 1981 Filed with Secretary of State August 25, 1981]

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

SECTION 1. Section 6254 of the Government Code is amended to read:

6254. Except as provided in Section 6254.7, nothing in this chapter shall be construed to require disclosure of records that are any of the following:

(a) Preliminary drafts, notes, or interagency or intra-agency memoranda which are not retained by the public agency in the ordinary course of business, provided that the public interest in withholding such records clearly outweighs the public interest in disclosure.

(b) Records pertaining to pending litigation to which the public agency is a party, or to claims made pursuant to Division 3.6 (commencing with Section 810) of Title 1 of the Government Code, until such litigation or claim has been finally adjudicated or otherwise settled.

(c) Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy.

(d) Contained in or related to:

(1) Applications filed with any state agency responsible for the regulation or supervision of the issuance of securities or of financial institutions, including, but not limited to, banks, savings and loan associations, industrial loan companies, credit unions, and insurance companies.

(2) Examination, operating, or condition reports prepared by, on behalf of, or for the use of any state agency referred to in subdivision

(1).

(3) Preliminary drafts, notes, or interagency or intra-agency communications prepared by, on behalf of, or for the use of any state agency referred to in subdivision (1).

(4) Information received in confidence by any state agency referred to in subdivision (1).

(e) Geological and geophysical data, plant production data and similar information relating to utility systems development, or market or crop reports, which are obtained in confidence from any person.

(f) Records of complaints to or investigations conducted by, or records of intelligence information or security procedures of, the office of the Attorney General and the Department of Justice, and any state or local police agency, or any such investigatory or security files compiled by any other state or local police agency, or any such investigatory or security files compiled by any other state or local agency for correctional, law enforcement or licensing purposes, except that local law enforcement agencies and the California Highway Patrol shall disclose the names and addresses of persons involved in, or witnesses other than confidential informants to, the incident, the description of any property involved, the date, time, and location of the incident, all diagrams, statements of the parties involved in the incident, the statements of all witnesses, other than confidential informants, to the victims of an incident, or an authorized representative thereof, an insurance carrier against which a claim has been or might be made, and any person suffering bodily injury or property damage or loss, as the result of the incident caused by arson, burglary, fire, explosion, larceny, robbery, vandalism, vehicle theft, or a crime of violence as defined by subdivision (b) of Section 13960, unless the disclosure would endanger the safety of a witness or other person involved in the investigation, or unless disclosure would endanger the successful completion of the investigation or a related investigation; provided, however, that nothing herein shall require the disclosure of that portion of those investigative files which reflect the analysis or conclusions of the investigating officer.

(g) Test questions, scoring keys, and other examination data used to administer a licensing examination, examination for employment, or academic examination, except as provided for in Chapter 3 (commencing with Section 99150) of Part 65 of the Education Code

(h) The contents of real estate appraisals, engineering or feasibility estimates and evaluations made for or by the state or local agency relative to the acquisition of property, or to prospective public supply and construction contracts, until such time as all of the property has been acquired or all of the contract agreement obtained, provided, however, the law of eminent domain shall not be affected by this provision.

(i) Information required from any taxpayer in connection with the collection of local taxes which is received in confidence and the

disclosure of the information to other persons would result in unfair competitive disadvantage to the person supplying such information.

(j) Library circulation records kept for the purpose of identifying the borrower of items available in libraries, and library and museum materials made or acquired and presented solely for reference or exhibition purposes. The exemption in this subdivision shall not apply to records of fines imposed on such borrowers.

(k) Records the disclosure of which is exempted or prohibited pursuant to provisions of federal or state law, including, but not limited to, provisions of the Evidence Code relating to privilege.

(*l*) Correspondence of and to the Governor or employees of the Governor's office or in the custody of or maintained by the Governor's legal affairs secretary, provided public records shall not be transferred to the custody of the Governor's legal affairs secretary to evade the disclosure provisions of this chapter.

(m) In the custody or maintained by the Legislative Counsel.

(n) Statements of personal worth or personal financial data required by a licensing agency and filed by an applicant with such licensing agency to establish his personal qualification for the license, certificate, or permit applied for.

(o) Financial data contained in applications for financing under Division 27 (commencing with Section 44500) of the Health and Safety Code, where an authorized officer of the California Pollution Control Financing Authority determines that disclosure of such financial data would be competitively injurious to the applicant and such data is required in order to obtain guarantees from the United States Small Business Administration. The California Pollution Control Financing Authority shall adopt rules for review of individual requests for confidentiality under this section and for making available to the public those portions of an application which are subject to disclosure under this chapter.

(p) Records of the University of California, Hastings College of the Law, and the California State University and Colleges prepared for or during collective bargaining sessions, or minutes of such sessions.

Nothing in this section is to be construed as preventing any agency from opening its records concerning the administration of the agency to public inspection, unless disclosure is otherwise prohibited by law.

CHAPTER 266

An act to amend Section 895 of the Evidence Code, relating to blood tests.

[Approved by Governor August 25, 1981 Filed with Secretary of State August 25, 1981]

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

SECTION 1. Section 895 of the Evidence Code is amended to read:

895. If the court finds that the conclusions of all the experts, as disclosed by the evidence based upon the tests, are that the alleged father is not the father of the child, the question of paternity shall be resolved accordingly. If the experts disagree in their findings or conclusions, or if the tests show the probability of the alleged father's paternity, the question, subject to the provisions of Section 352, shall be submitted upon all the evidence, including evidence based upon the tests.

CHAPTER 267

An act to amend Section 1373 of the Health and Safety Code, relating to health insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 25, 1981 Filed with Secretary of State August 25, 1981]

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

SECTION 1. Section 1373 of the Health and Safety Code is amended to read:

1373. (a) A plan contract may not provide an exception for other coverage where such other coverage is entitlement to Medi-Cal benefits under Chapter 7 (commencing with Section 14000) or Chapter 8 (commencing with Section 14200) of Part 3 of Division 9 of the Welfare and Institutions Code.

Each plan contract shall be interpreted not to provide an exception for such Medi-Cal benefits

A plan contract may not provide that the benefits payable thereunder are subject to reduction if the individual insured has entitlement to such Medi-Cal benefits.

(b) A plan contract which provides coverage, whether by specific benefit or by the effect of general wording, for sterilization operations or procedures shall not impose any disclaimer, restriction on, or limitation of, coverage relative to the covered individual's reason for sterilization.

As used in this section, "sterilization operations or procedures" shall have the same meaning as that specified in Section 10120 of the Insurance Code.

(c) Every plan contract which provides coverage to family members or dependents of the subscriber or enrollee shall grant

immediate accident and sickness coverage, from and after the moment of birth, to each newborn infant, and to each minor adopted child from and after the moment the child is placed in the custody of the adoptive parents for adoption, of any subscriber or enrollee covered. No such plan may be entered into or amended if it contains any disclaimer, waiver, or other limitation of coverage relative to the coverage or insurability of newborn infants of a subscriber or enrollee covered from and after the moment of birth or of minor adopted children from and after the moment the child is placed in the custody of the adoptive parents for adoption.

(d) Every plan contract which provides that coverage of a dependent child of a subscriber shall terminate upon attainment of the limiting age for dependent children specified in the plan, shall also provide in substance that attainment of such limiting age shall not operate to terminate the coverage of such child while the child is and continues to be both (a) incapable of self-sustaining employment by reason of mental retardation or physical handicap and (b) chiefly dependent upon the subscriber for support and maintenance, provided proof of such incapacity and dependency is furnished to the plan by the member within 31 days of the request for such information by the plan or group plan contract holder and subsequently as may be required by the plan or group plan contract holder, but not more frequently than annually after the two-year period following the child's attainment of the limiting age.

(e) A plan contract which provides coverage, whether by specific benefit or by the effect of general wording, for both an employee and one or more covered persons dependent upon such employee and provides for an extension of such coverage for any period following a termination of employment of the employee shall also provide that such extension of coverage shall apply to dependents upon the same terms and conditions precedent as applied to the covered employee, for the same period of time, subject to payment of premiums, if any, as required by the terms of the policy and subject to any applicable collective-bargaining agreement.

(f) A group contract shall not discriminate against handicapped persons or against groups containing handicapped persons. Nothing in this subdivision shall preclude reasonable provisions in a plan contract against liability for services or reimbursement of the handicap condition or conditions relating thereto, as may be allowed by rules of the commissioner.

(g) Every group contract shall set forth the terms and conditions under which subscribers and enrollees may remain in the plan in the event the group ceases to exist, the group contract is terminated or an individual subscriber leaves the group, or the enrollees' eligibility status changes.

(h) A health care service plan or specialized health care service plan may provide for coverage of, or for payment for, professional mental health services, or vision care services, or for the exclusion of such services. No plan shall prohibit the member from selecting any

psychologist who is licensed pursuant to the Psychology Licensing Law or, any optometrist who is the holder of a certificate issued pursuant to Chapter 7 (commencing with Section 3000) of Division 2 of the Business and Professions Code or, upon referral by a physician and surgeon licensed pursuant to the Medical Practice Act, (1) any marriage, family, and child counselor who is the holder of a license under Section 17805 of the Business and Professions Code, or (2) any licensed clinical social worker who is the holder of a license under Section 9040 of the Business and Professions Code, to perform the particular services covered under the terms of the plan, such certificate holder being expressly authorized by law to perform such services. Nothing in this section shall be construed to allow any certificate holder or licensee enumerated in this section to perform professional mental health services beyond his or her field or fields of competence as established by his or her education, training and experience. For the purposes of this section, "marriage, family and child counselor" shall mean a licensed marriage, family and child counselor who has received specific instruction in assessment, diagnosis, prognosis, and counseling, and psychotherapeutic treatment of premarital, marriage, family and child relationship dysfunctions which is equivalent to the instruction required for licensure on January 1, 1981. Nothing in this section shall be construed to allow a member to select and obtain mental health or psychological or vision care services from a certificate or license holder who is not directly affiliated with or under contract to the health care service plan or specialized health care service plan to which the member belongs. All health care service plans and individual practice associations which offer mental health benefits shall make reasonable efforts to make available to their members the services of licensed psychologists. However, a failure of a plan or association to comply with the requirements of the preceding sentence shall not constitute a misdemeanor.

As used in this subdivision, "individual practice association" means an entity as defined in subsection (5) of Section 1307 of the federal Public Health Service Act (subs. (5), Sec. 300e-1, 42 U.S.C.).

(i) If the plan utilizes arbitration to settle disputes, the plan contracts shall set forth the type of disputes subject to arbitration, the process to be utilized, and how it is to be initiated.

(j) A plan contract which provides benefits that accrue after a certain time of confinement in a health care facility shall specify what constitutes a day of confinement or the number of consecutive hours of confinement which are requisite to the commencement of benefits.

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

The amendments to Section 1373 of the Health and Safety Code made by this bill were originally contained in Assembly Bill 2211

which was enacted as Chapter 973 of the Statutes of 1980. Those amendments were rendered inoperative, to the detriment of large numbers of marriage, family and child counselors, by the later enactment of Senate Bill 1558 as Chapter 1313 of the Statutes of 1980. Therefore in order to effectuate the intent of the Legislature it is necessary this act take effect immediately.

CHAPTER 268

An act to add Section 61601.9 to the Government Code, relating to the El Dorado Hills Community Services District.

[Approved by Governor August 25, 1981 Filed with Secretary of State August 25, 1981]

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

SECTION 1. Section 61601.9 is added to the Government Code, to read:

61601.9. Notwithstanding Sections 61600 and 61601, whenever the Board of Directors of the El Dorado Hills Community Services District determines by resolution that it is feasible, economically sound, and in the public interest for the district to exercise its power for the purpose of constructing, improving, maintaining or operating television receiving, translating or distribution facilities, to provide television and television-related services to the district and its inhabitants, or to authorize the construction and operation of a cable television system to serve the district and its inhabitants by franchise or license, the board may adopt such additional purposes by resolution entered in the minutes, and the powers of the district may be exercised therefor. In authorizing the construction and operation of a cable television system by franchise or license, the district shall have the same powers as a city or a county under Sections 53066 and 53066.1.

SEC. 2. The Legislature finds and declares that the El Dorado Hills Community Services District has a special need to exercise powers relating to television services as set forth in Section 1 of this act. The Legislature further finds and declares that this problem is not common to all districts formed under the Community Services District Law. It is therefore, hereby declared that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution, and that the enactment of Section 61601.9 of the Government Code as a special law, is necessary for the solution of problems existing in the El Dorado Hills Community Services District.

CHAPTER 269

An act to amend Section 11105 of, and to add Section 11105.2 to, the Penal Code, relating to criminal records.

[Approved by Governor August 25, 1981 Filed with Secretary of State August 25, 1981]

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:

(i) "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, date of arrests, arresting agencies and booking numbers, charges, dispositions, and similar data about such person.

(ii) "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, when 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 entity, in fulfilling employment, certification, or licensing duties, the provisions of Chapter 1321 of the Statutes of 1974 and of 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), (b), and (f) of Section 830.2, subdivision (a) of Section 830.3, subdivisions (a) and (b) of Section 830.5, and subdivision (a) of Section 830.31.

(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 of the Penal Code.

(8) A public defender or attorney of record when representing a person in a criminal case and when authorized access by statutory or decisional law.

(9) Any agency, officer, or official of the state when such 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 such specified criminal conduct.

(10) Any city or county, or city and county, or district, or any officer, or official thereof when access is needed in order to assist such agency, officer, or official in fulfilling employment, certification, or licensing duties, and when such access is specifically authorized by the city council, board of supervisors or governing board of the city, county, or district when such 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 such specified criminal conduct.

(11) The subject of the state summary criminal history information under procedures established under Article 5 (commencing with Section 11120), Chapter 1, Title 1 of Part 4 of the Penal Code.

(12) Any person or entity when access is expressly authorized by statute when such 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 such 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 3110 of the Health and Safety Code.

(14) Any managing or supervising correctional officer of a county jail or other county correctional facility.

(c) The Attorney General may furnish state summary 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 entity, in fulfilling employment, certification, or licensing duties, the provisions of Chapter 1321 of the Statutes of 1974 and of Section 432.7 of the Labor Code shall apply:

(1) Any public utility as defined in Section 216 of the Public Utilities Code which operates a nuclear energy facility when access is needed in order to assist in employing persons to work at such facility, provided that, if the Attorney General supplies such data, he shall furnish a copy of such 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 when such 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 when needed in conjunction with an application to enter the United States or any foreign nation.

(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 such 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 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 which it determines to be sufficient to reimburse the department for the cost of furnishing such information. Any state agency required to pay a fee to the department for information received under this section may charge the applicant a fee sufficient to reimburse the agency for such expense. All moneys received by the department pursuant to this section, Section 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 such sections when appropriated by the Legislature therefor.

(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 7514 of the Business and Professions Code shall take priority over the processing of 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 when the inclusion of the information in the public record is authorized by a court, statute, or decisional law.

SEC. 2. Section 11105.2 is added to the Penal Code, to read:

11105.2. (a) The Department of Justice may provide subsequent arrest notification to any agency authorized by Section 11105 to receive state summary criminal history information to assist in fulfilling employment, licensing, or certification duties upon the arrest of any person whose fingerprints are maintained on file at the Department of Justice as the result of an application for licensing, employment, or certification. Such notification shall consist of a current copy of the person's state summary criminal history transcript.

(b) Any agency, other than a law enforcement agency employing peace officers as defined in Section 830.1, subdivisions (a), (b), and (f) of Section 830.2, subdivision (a) of Section 830.3, subdivisions (a) and (b) of Section 830.5, and subdivision (a) of Section 830.31, shall enter into a contract with the Department of Justice in order to receive notification of subsequent arrests for licensing, employment, or certification purposes.

(c) Any agency which submits the fingerprints of applicants for licensing, employment, or certification to the Department of Justice for the purpose of establishing a record of the applicant to receive notification of subsequent arrests shall immediately notify the department when the employment of such applicant is terminated, when the applicant's license or certificate is revoked, or when the applicant may no longer renew or reinstate the license or certificate. The Department of Justice shall terminate subsequent arrest notification on any applicant upon the request of the licensing, employment, or certifying authority.

(d) Any agency receiving a notification of subsequent arrest for a person unknown to the agency, or for a person no longer employed by the agency, or no longer eligible to renew the certificate or license for which subsequent arrest notification service was established shall immediately return such subsequent arrest notification to the Department of Justice, informing the department that the agency is no longer interested in the applicant. The agency shall not record or otherwise retain any information received as a result of such subsequent arrest notice.

(e) Any agency which submits the fingerprints of an applicant for employment, licensing, or certification to the Department of Justice for the purpose of establishing a record at the department to receive notification of subsequent arrest shall immediately notify the department if the applicant is not subsequently employed, or if the applicant is denied licensing or certification.

(f) An agency which fails to provide the Department of Justice with notification as set forth in subdivisions (c), (d), and (e) may be denied further subsequent arrest notification service.

CHAPTER 270

An act to amend Section 12940 of the Government Code, relating to discrimination.

[Approved by Governor August 25, 1981 Filed with Secretary of State August 25, 1981]

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

SECTION 1. Section 12940 of the Government Code is amended to read·

12940. It shall be an unlawful employment practice, unless based upon a bona fide occupational qualification, or, except where based upon applicable security regulations established by the United States or the State of California:

(a) For an employer, because of the race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex of any person, to refuse to hire or employ the person or to refuse to select the person for a training program leading to employment, or to bar or to discharge such person from employment or from a training program leading to employment, or to discriminate against such person in compensation or in terms, conditions or privileges of employment.

(1) Nothing in this part shall prohibit an employer from refusing to hire or discharging a physically handicapped employee, or subject an employer to any legal liability resulting from the refusal to employ or the discharge of a physically handicapped employee, where the employee, because of his or her physical handicap, is unable to perform his or her duties, or cannot perform such duties in a manner which would not endanger his or her health or safety or the health and safety of others.

(2) Nothing in this part shall prohibit an employer from refusing to hire or discharging an employee who, because of the employee's medical condition, is unable to perform his or her duties, or cannot perform such duties in a manner which would not endanger the employee's health or safety or the health or safety of others. Nothing in this part shall subject an employer to any legal liability resulting from the refusal to employ or the discharge of an employee who, because of the employee's medical condition, is unable to perform his or her duties, or cannot perform such duties in a manner which would not endanger the employee's health or safety or the health or safety of others.

(3) Nothing in this part relating to discrimination on account of marital status shall either (i) affect the right of an employer to reasonably regulate, for reasons of supervision, safety, security, or morale, the working of spouses in the same department, division, or facility, consistent with the rules and regulations adopted by the commission, or (ii) prohibit bona fide health plans from providing

additional or greater benefits to employees with dependents than to those employees without or with fewer dependents.

(4) Nothing in this part relating to discrimination on account of sex shall affect the right of an employer to use veteran status as a factor in employee selection or to give special consideration to Vietnam Era veterans.

(b) For a labor organization, because of the race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex of any person, to exclude, expel or restrict from its membership such person, or to provide only second-class or segregated membership or to discriminate against any person because of the race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex of such person in the election of officers of the labor organization or in the selection of the labor organization's staff or to discriminate in any way against any of its members or against any employer or against any person employed by an employer.

(c) For any person to discriminate against any person in the selection or training of that person in any apprenticeship training program or any other training program leading to employment because of the race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex of the person discriminated against.

(d) For any employer or employment agency, unless specifically acting in accordance with federal equal employment opportunity guidelines and regulations approved by the commission, to print or circulate or cause to be printed or circulated any publication, or to make any nonjob-related inquiry, either verbal or through use of an application form, which expresses, directly or indirectly, any limitation, specification, or discrimination as to race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex, or any intent to make any such limitation, specification or discrimination. Nothing in this subdivision shall prohibit any employer from making, in connection with prospective employment, an inquiry as to, or a request for information regarding, the physical fitness, medical condition, physical condition or medical history of applicants if that inquiry or request for information is directly related and pertinent to the position the applicant is applying for or directly related to a determination of whether the applicant would endanger his or her health or safety or the health or safety of others.

(e) For any employer, labor organization or employment agency to discharge, expel or otherwise discriminate against any person because the person has opposed any practices forbidden under this part or because the person has filed a complaint, testified or assisted in any proceeding under this part.

(f) For any person to aid, abet, incite, compel, or coerce the doing of any of the acts forbidden under this part, or to attempt to do so.

(g) For the governing board of a school district to violate Section

44066 or 87402 of the Education Code.

SEC. 2. No state funds shall be used to challenge the provisions of this act in the courts.

CHAPTER 271

An act to amend Section 221 of the Vehicle Code, relating to automobile dismantlers.

[Approved by Governor August 25, 1981 Filed with Secretary of State August 25, 1981]

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

SECTION 1. Section 221 of the Vehicle Code is amended to read:

221. (a) The term "automobile dismantler" does not include:

(1) The owner of any premises on which two or more unregistered and inoperable vehicles are held or stored where such vehicles are used, or intended to be used, for restoration or as replacement parts or otherwise in conjunction with any business of a licensed dealer, manufacturer, or transporter, or in conjunction with the operation and maintenance of any fleet of motor vehicles used for the transportation of persons or property.

(2) The owner of any premises or property used in conjunction with any agricultural, farming, mining, ranching, or motor vehicle repair business.

(3) Any person engaged in the restoration of vehicles of the type described in Section 5004 or in the restoration of other vehicles having historic or classic significance.

(4) The owner of a steel mill, scrap metal processing facility, or similar establishment purchasing vehicles of a type subject to registration, not for the purpose of selling the vehicles in whole or in part but exclusively for the purpose of reducing such vehicles to their component materials, provided that such facility obtain, on a form approved or provided by the department, a certification by the person from whom the vehicles are obtained, that any such vehicle has been cleared for dismantling pursuant to Section 11520.

(5) Any person who acquires used parts or components for resale from vehicles which have been previously cleared for dismantling pursuant to Section 11520.

Nothing in this paragraph shall be construed to permit a dismantler to acquire or sell used parts or components during the time the dismantler license is under suspension.

(b) Any vehicle acquired for the purpose expressed in paragraph (4) of subdivision (a) from other than a licensed dismantler or an independent hauler who obtained the vehicle, or parts thereof, from a licensed dismantler shall be accompanied by either a receipt issued by the department evidencing proof of clearance for dismantling

under the provisions of Section 11520, or a copy of the ordinance or order issued by local authority for the abatement of such vehicle pursuant to Section 22660. The steel mill, scrap metal processing facility, or similar establishment acquiring such vehicle shall attach the form evidencing clearance or abatement to the certification required pursuant to this section.

All forms specified in paragraph (4) of subdivision (a) and in this subdivision shall be available for inspection by a peace officer during business hours.

CHAPTER 272

An act to amend Section 28750.2 of the Public Utilities Code, relating to transit, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 25, 1981. Filed with Secretary of State August 25, 1981.]

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

SECTION 1. Section 28750.2 of the Public Utilities Code is amended to read:

28750.2. The boundaries of the election districts shall be adjusted by the board before November 1 of the year next succeeding the year in which each federal decennial census is taken.

Notwithstanding Section 28745, if the board fails to adjust election district boundaries pursuant to this article before the December 31 of the year next succeeding the year in which each federal decennial census is taken, each director to be elected at that election shall have the qualifications required in Section 28747.6, but shall be elected at large. Directors shall continue to be so elected until the board adjusts the election district boundaries.

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:

State law requires the San Francisco Bay Area Rapid Transit District to complete redistricting by June 1 of the year following the federal decennial census, that is, by June 1, 1981. Due to litigation resulting in delays in establishing the accuracy of the 1980 census, the necessary data to enable the district to revise the boundaries of its election districts is not expected to become available until April 1981. In order to allow the district sufficient time to complete this process, it is necessary that this act take effect immediately.

CHAPTER 273

An act to add Chapter 12 (commencing with Section 7100) to Title 7 of Part 3 of the Penal Code, relating to providing for the preparation, issuance, and sale of bonds of the State of California to create a fund for construction of state prisons; and providing for the submission of the measure to a vote of the people; and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 26, 1981. Filed with Secretary of State August 26, 1981.]

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

SECTION 1. Chapter 12 (commencing with Section 7100) is added to Title 7 of Part 3 of the Penal Code, to read:

CHAPTER 12. NEW PRISON CONSTRUCTION BOND ACT OF 1981

7100. This chapter shall be known and may be cited as the New Prison Construction Bond Act of 1981.

7101. The State General Obligation Bond Law is adopted for the purpose of the issuance, sale and repayment of, and otherwise providing with respect to, the bonds authorized to be issued by this chapter, and the provisions of that law are included in this chapter as though set out in full in this chapter except that, notwithstanding anything in the State General Obligation Bond Law, the maximum maturity of the bonds shall not exceed 20 years from the date of each respective series. The maturity of each respective series shall be calculated from the date of such series.

7102. There is in the State Treasury the New Prison Construction Fund, which fund is hereby created.

7103. The New Prison Construction Committee is hereby created. The committee shall consist of the Controller, the State Treasurer, and the Director of Finance. Such committee shall be the "committee," as that term is used in the State General Obligation Bond Law.

7104. The committee is hereby authorized and empowered to create a debt or debts, liability or liabilities, of the State of California, in the aggregate of four hundred ninety-five million dollars ($495,000,000), in the manner provided in this chapter. Such debt or debts, liability or liabilities, shall be created for the purpose of providing the fund to be used for the object and work specified in Section 7106.

7105. The committee may determine whether or not it is necessary or desirable to issue any bonds authorized under this chapter, and if so, the amount of bonds then to be issued and sold. The committee may authorize the State Treasurer to sell all or any part of the bonds herein authorized at such time or times as may be

fixed by the State Treasurer.

7106. The moneys in the fund shall be used for the construction, renovation, remodeling, and deferred maintenance of state correctional facilities.

7107. All bonds herein authorized, which shall have been duly sold and delivered as herein provided, shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereon.

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

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

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

7108. There is hereby appropriated from the General Fund in the State Treasury for the purpose of this chapter such an amount as will equal the following:

(a) Such sum annually as will be necessary to pay the principal of and the interest on the bonds issued and sold pursuant to the provisions of this chapter.

(b) Such sum as is necessary to carry out the provisions of Section 7109, which sum is appropriated without regard to fiscal years.

7109. For the purpose of carrying out the provisions of this chapter, the Director of Finance may by executive order authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund and shall be disbursed by the committee in accordance with this chapter. Any money made available under this section to the board shall be returned by the board to the General Fund from moneys received from the sale of bonds sold for the purpose of carrying out this chapter. Such withdrawals from the General Fund shall be returned to the General Fund with interest at the rate which would otherwise have been earned by those sums in the Pooled Money Investment Fund.

7110. All proceeds from the sale of bonds, except those derived from premiums and accrued interest, shall be available for the purpose provided in Section 7106 but shall not be available for transfer to the General Fund to pay principal and interest on bonds. The money in the fund may be expended only as herein provided.

7111. Money in the fund may only be expended for projects specified in this chapter pursuant to appropriations by the Legislature.

SEC. 2. Section 1 of this act shall take effect upon the adoption by the people of California of the New Prison Construction Bond Act of 1981, as set forth in Section 1 of this act.

SEC. 3. Except as otherwise provided in this act, all of the provisions of law relating to the submission of measures and bond acts proposed by the Legislature shall apply to the measure submitted pursuant to this act.

SEC. 4. Notwithstanding any provision of law including Section 3525 of the Elections Code, Section 1 of this act shall be submitted to the voters at the next statewide election, pursuant to provisions of the Elections Code governing submission of statewide measures to the voters at a statewide election.

SEC. 5. Notwithstanding any other provision of law, all ballots of the election shall have printed thereon and in a square thereof, the words: "For the New Prison Construction Bond Act of 1981" and in the same square under those words, the following in eight-point type: "This act provides for a bond issue of four hundred ninety-five million dollars ($495,000,000) to be used for the construction of the state prisons." In the square immediately below the square containing such words, there shall be printed on the ballot the words, "Against the New Prison Construction Bond Act of 1981," and in the same square immediately below those words, in eight-point type: "This act provides for a bond issue of four hundred ninety-five million dollars ($495,000,000) to be used for the construction of the state prisons. Opposite the words "For the New Prison Construction Bond Act of 1981" and "Against the New Prison Construction Bond Act of 1981," there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act. Where the voting of the election is done by means of voting machines used pursuant to law in such manner as to carry out the intent of this section, such use of such voting machines and the expression of the voters' choice by means thereof, shall be deemed to comply with the provisions of this section. The Governor of this state shall include the submission of this act to the people, as aforesaid, in his proclamation calling for the election.

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

In order that the people may consider the New Prison Construction Bond Act of 1981 at the earliest possible time, it is

necessary that this act take effect immediately.

CHAPTER 274

An act to add Sections 1916.10 and 1916.11 to the Civil Code, to amend Sections 1227 and 5074 of, and to add Sections 1227.1 and 7150.1 to, the Financial Code, and to amend Sections 11346.1 and 11346.2 of the Government Code, relating to loans, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 27, 1981. Filed with Secretary of State August 27, 1981]

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

SECTION 1. Section 1916.10 is added to the Civil Code, to read:

1916.10. (a) Subject to the provisions of subdivision (b), any lender that makes "federally related mortgage loans," as defined in the Real Estate Settlement Procedures Act (RESPA) (12 U.S.C. 2602, P. L. 94-205, 89 Stat. 1157, as amended on January 2, 1976), may make loans bearing other than a fixed-rate of interest upon the security of real property, if the loans have been made pursuant to and in conformance with regulations adopted under Section 1227.1 or 7150.1 of the Financial Code.

(b) The Secretary of the Business, Transportation and Housing Agency or the secretary's designee shall by regulation determine whether lenders described in subdivision (a) may make loans authorized under either Section 1227.1 or Section 7150.1 of the Financial Code, or under both of these sections.

This determination shall only be made as to lenders not specifically authorized by Sections 1227.1 and 7150.1 to make loans bearing other than a fixed-rate of interest.

(c) Sections 1916.5, 1916.6, and 1916.8 of the Civil Code and any other provision of law restricting or setting forth requirements for changes in the rate of interest on loans shall not be applicable to loans made pursuant to this section.

SEC. 2. Section 1916.11 is added to the Civil Code, to read:

1916.11. Notwithstanding any other remedy a borrower may have based on an alleged failure to comply with Sections 1916.5 through 1916.9, the lien of the mortgage or deed of trust shall be valid.

SEC. 3. Section 1227 of the Financial Code is amended to read:

1227. A commercial bank may lend on the security of a first lien on real property or a first lien on a leasehold under a lease which does not expire, or which has been extended or renewed so that it does not expire, for at least 10 years beyond the maturity date of the loan, if:

(a) The term of the loan does not exceed 10 years and the amount

does not exceed 60 percent of the sound market value of the property or leasehold, together with the improvements located on the property which are made subject to the lien, as determined by proper appraisal; or

(b) The term of the loan does not exceed 30 years, is repayable in substantially equal installments not less often than monthly (or such variation therefrom as may be authorized under a loan executed pursuant to Section 1916.5 or 1916.8 of the Civil Code), with payments commencing not later than 60 days from the date of the loan or, in the case of a construction loan, commencing not later than one year from the date of the loan, and the amount does not exceed 90 percent of the sound market value of the property or leasehold, together with the improvements located on the property which are made subject to the lien, as determined by proper appraisal, provided, however, such loan may exceed 90 percent of the sound market value of the property or leasehold if that portion of the loan which is in excess of such 90 percent is guaranteed or insured by a qualified private insurer as determined by the superintendent; or

(c) The loan is made pursuant to and in conformance with regulations adopted under Section 1227.1 of the Financial Code; or

(d) The loan is on a farm or productive agricultural lands, the term does not exceed 30 years, is repayable in substantially equal installments not less often than annually, and the amount does not exceed 90 percent of the sound market value of the property or leasehold, together with the improvements located on the property which are made subject to the lien, as determined by proper appraisal; or

(e) The term of the loan does not exceed six months and the amount does not exceed 85 percent of the sound market value of the property or leasehold, together with the improvements located on the property which are made subject to the lien, as determined by proper appraisal; or

(f) The term of the loan does not exceed 60 months, the amount does not exceed 85 percent of the sound market value of the property or leasehold, together with the improvements located on the property which are made subject to the lien, as determined by proper appraisal, and the loan is for the purpose of financing building operations under a plan providing for payment of the loan or providing for refinancing by loans otherwise permitted by this chapter.

A commercial bank may make a loan without regard to the above restrictions when necessary to facilitate the sale of real property owned by the bank.

SEC. 4. Section 1227.1 is added to the Financial Code, to read:

1227.1. (a) The Legislature finds that the operating environment of banks has become increasingly erratic as a result of inflation, volatile market interest rates, and the phasing out of interest rate ceilings. In response to this change in environment and to promote the convenience, advantage, and best interests of

California residents while maintaining an equivalent level of competition between state-chartered and national banks, the Legislature further finds and declares that:

(1) There is a critical shortage in this state of affordably priced funds for the financing of home purchase and home construction.

(2) Commercial banks have been a major source of loans for these purposes and in the past have derived a significant portion of their loan funds from savings deposits and from the sale of home loans in national secondary mortgage markets.

(3) The ability of banks to attract savings deposits and to sell loans has been adversely affected by inflation and volatile interest rates and the failure of bank loan portfolios to generate sufficient income to pay the increased costs of funds.

(4) The Comptroller of the Currency has adopted regulations (12 CFR Part 29) establishing broad parameters for residential mortgage loans which national banks may make. Interest rates for these loans may be adjusted from time-to-time to reflect changing interest rate conditions. It is contemplated that these regulations, which may be amended from time-to-time, will form the basis for guidelines that governmental and private secondary market loan purchase agencies will develop regarding the purchase of home loans from banks and subsidiaries of bank holding companies doing business in California.

(5) In order to enable state-chartered banks and subsidiaries of bank holding companies to operate on a parity basis with national banks and to enable and encourage them to make home loans in this state as well as sell them in the secondary market, it is the purpose of this section to grant an exemption from Sections 1916.5, 1916.6, and 1916.8 of the Civil Code, and any other provisions of law restricting or setting forth requirements for changes in the rate of interest, for loans conforming to the federal regulations or conforming to the eligibility standards of governmental loan purchase agencies.

(6) It is also the purpose of this section to establish a procedure under the direction and control of the Legislature whereby state-chartered banks and subsidiaries of bank holding companies are not placed at a competitive disadvantage in mortgage markets with respect to national banks doing business in California. This procedure, as set forth in subdivision (b), shall be implemented by the Superintendent of Banks in a manner which is intended to effect compliance with the provisions of this section, and with the discretion necessary to carry out this mandate within the parameters established by other provisions of California law not specifically preempted by subdivision (g).

(b) The Superintendent of Banks shall by regulation, to the extent permitted by the laws of California, authorize state-chartered banks and subsidiaries of bank holding companies to make or consummate loans bearing other than a fixed rate of interest upon the security of real property, if national banks doing business in California are authorized by federal law or regulation to make such loans.

(c) When adopting regulations pursuant to this section, the

superintendent shall insure that the borrower receives all disclosures which are necessary to adequately inform the borrower as to the type and terms of the loan which is offered. Provisions for such disclosure shall include, but shall not be limited to, a summary and a short explanation of the key terms in, and an example of the operation of, the type of loan offered. In addition, prepayment provisions outlining the borrower's rights and responsibilities shall be provided to the borrower. State-chartered banks and subsidiaries of bank holding companies shall make all required disclosure information available to applicants for loans at the time the applicant requests the application.

(d) Regulations authorized by this section shall be adopted by the superintendent within 30 days of the effective date of the federal law, regulation, or guideline with which conformity is intended. Regulations adopted pursuant to this section shall be amended or repealed within 30 days of the effective date of any amendment or repeal of the federal law, regulation or guideline with which conformity was intended at the time the regulation was adopted.

(e) Any regulations adopted pursuant to this section which are adopted on or before December 31, 1982, shall expire three years after their effective date. Subsequent amendments to these regulations cannot extend this expiration date.

(f) Any regulations adopted pursuant to this section which are adopted on or after January 1, 1983, shall expire on January 1 of the second succeeding year following the end of the calendar year in which the regulation was promulgated. Subsequent amendments to these regulations cannot extend this expiration date

(g) Sections 1916.5, 1916.6, and 1916.8 of the Civil Code and any other provision of law restricting or setting forth requirements for changes in the rate of interest on loans shall not be applicable to loans made pursuant to and in conformance with regulations adopted by the superintendent as authorized by this section.

SEC. 5. Section 5074 of the Financial Code is amended to read:

5074. An amortized loan is a loan which provides for payments to be made of interest and on the principal in monthly installments. The installments as to the combined principal and interest shall be at least of a sufficient amount so that the smallest installment provided in the note evidencing the loan, other than the last installment, if continued at such monthly intervals would result in paying the entire principal within the maximum legal term for the particular loan. The first installment which includes principal on each amortized loan must fall due within the time limits specified in Section 7151.

For the purposes of this division the following are amortized loans:

(a) A loan made to finance the construction of real property if it meets the requirements set forth or if such loan provides for payment in full on or before 36 months have elapsed from the date of the loan.

(b) A loan which conforms to the provisions of Sections 1916.5, 1916 6, 1916.7 or 1916.8 of the Civil Code whether or not the

provisions of such sections are applicable to the loan.

(c) A loan made under the authority of Section 1916.10 of the Civil Code or Section 7150.1 of the Financial Code.

SEC. 6. Section 7150.1 is added to the Financial Code, to read:

7150.1. (a) The Legislature recognizes that the operating environment of savings and loan associations has become increasingly erratic as a result of inflation, volatile market interest rates and phasing out of interest rate ceilings, and differentials on deposits. In response to this change in environment and to promote the convenience, advantage, and best interests of California residents while maintaining an equivalent level of competition between state-licensed and federally chartered savings and loan associations, the Legislature further finds and declares that:

(1) There is a critical shortage in this state of affordably priced funds for the finance of home purchase and home construction.

(2) Savings and loan associations have been the primary source of loans for such purpose and in the past have derived their loan funds from savings deposits and from the sale of home loans in national secondary mortgage markets.

(3) The ability of such associations to attract savings deposits and to sell loans has been adversely affected by inflation and volatile interest rates and the failure of association loan portfolios to generate sufficient income to pay the increased costs of funds.

(4) Standardization of variable rate mortgage instruments is critical in order to make them more easily understood by, and useful to, California consumers. This consistency will increase attractiveness and corresponding saleability of these mortgages on the secondary market, which is crucial to the generation of new funds as traditional sources, such as passbook and other types of savings accounts, become increasingly unreliable.

(5) The Federal Home Loan Bank Board has adopted regulations (12 CFR Sections 545.6-4 and 545.6-4a) establishing broad parameters for residential mortgage loans which federal savings and loan associations may make. Interest rates for these loans may be adjusted from time-to-time to reflect changing interest rate conditions. It is contemplated that these regulations, which may be amended from time-to-time, will form the basis for guidelines that governmental and private secondary market loan purchase agencies will develop regarding the purchase of home loans from savings and loan associations doing business in California.

(6) In order to enable state-licensed savings and loan associations to operate on a parity basis with federal associations and to enable and encourage them to make home loans in this state as well as sell them in the secondary market, it is the purpose of this section to grant an exemption from Sections 1916 5, 1916 6, and 1916.8 of the Civil Code, and any other provisions of law restricting or setting forth requirements for changes in the rate of interest, for loans conforming to the federal regulations or conforming to the eligibility standards of governmental loan purchase agencies.

(7) It is also the purpose of this section to establish a procedure under the direction and control of the Legislature whereby state-licensed savings and loan associations are not placed at a competitive disadvantage in mortgage markets with respect to federally regulated savings and loan associations doing business in California. This procedure, as set forth in subdivision (b), shall be implemented by the Savings and Loan Commissioner in a manner which is intended to effect compliance with the provisions of this section, and with the discretion necessary to carry out this mandate within the parameters established by other provisions of California law not specifically preempted by subdivision (g).

(b) The commissioner shall by regulation, to the extent permitted by the laws of California, authorize domestic associations to make loans bearing other than a fixed rate of interest upon the security of real property, if federal savings and loan associations doing business in California are authorized by federal law or regulation to make such loans.

(c) When adopting regulations pursuant to this section, the commissioner shall insure that the borrower receives all disclosures which are necessary to adequately inform the borrower as to the type and terms of the loan which is offered. Provisions for such disclosure shall include, but shall not be limited to, a summary and a short explanation of the key terms in, and example of the operation of, the type of loan offered. In addition, prepayment provisions outlining the borrower's rights and responsibilities shall be provided to the borrower. Domestic associations shall make all required disclosure information available to applicants for loans at the time the applicant requests the application.

(d) Regulations authorized by this section shall be adopted by the commissioner within 30 days of the effective date of the federal law, regulation or guideline with which conformity is intended. Regulations adopted pursuant to this section shall be amended or repealed within 30 days of the effective date of any amendment or repeal of the federal law, regulation or guideline with which conformity was intended at the time the regulation was adopted.

(e) Any regulations adopted pursuant to this section which are adopted on or before December 31, 1982, shall expire three years after their effective date. Subsequent amendments to these regulations cannot extend this expiration date.

(f) Any regulations adopted pursuant to this section which are adopted on or after January 1, 1983, shall expire on January 1 of the second succeeding year following the end of the calendar year in which the regulation was promulgated. Subsequent amendments to these regulations cannot extend this expiration date.

(g) Sections 1916.5, 1916.6 and 1916.8 of the Civil Code and any other provision of law restricting or setting forth requirements for changes in the rate of interest on loans shall not be applicable to loans made pursuant to and in conformance with regulations adopted by the commissioner as authorized by this section.

SEC. 7. Section 11346.1 of the Government Code is amended to read:

11346.1. (a) The provisions of this article shall not apply to any regulation not required to be filed with the Secretary of State under this chapter, and only this section, Section 11346.2 and Section 11349.6 shall apply to any regulation prescribing an agency's organization or procedure or to an emergency regulation adopted pursuant to subdivision (b), or to any regulations adopted under Section 1227.1, 5500.5, or 7150.1 of the Financial Code.

(b) Except as provided in subdivision (c), if a state agency makes a finding that the adoption of a regulation or order of repeal is necessary for the immediate preservation of the public peace, health and safety or general welfare, the regulation or order of repeal may be adopted as an emergency regulation or order of repeal.

Any finding of an emergency shall include a written statement which contains the information required by Section 11346.5 and a description of the specific facts showing the need for immediate action.

The statement and the regulation or order of repeal shall be filed immediately with the Rules Committees of both houses of the Legislature and shall be published in the next issue of the notice supplement to the California Administrative Register.

(c) (1) Notwithstanding any other provision of the law, no board or commission shall have the power to adopt an emergency regulation to interpret, implement, or make specific provisions of the law relating to campaign disclosure except by a unanimous vote of all members of such board or commission present at the proceeding at which such regulation is adopted.

(2) Notwithstanding any other provision of law, no emergency regulation which is a building standard, as defined in Section 18909 of the Health and Safety Code, shall be filed, nor shall such building standard be effective, unless such building standards submitted to the State Building Standards Commission, and is approved and filed pursuant to the provisions of Sections 18937 and 18938 of the Health and Safety Code.

(d) The emergency regulation or order of repeal shall become effective upon filing or upon any later date specified by the state agency in a written instrument filed with, or as a part of, the regulation or order of repeal.

(e) No regulation adopted as an emergency regulation shall remain in effect more than 120 days unless the adopting agency has complied with Sections 11346.4 to 11346.8, inclusive, prior to the adoption of the emergency regulation, or has, within the 120-day period, given notice of the adoption of the emergency regulation in a manner substantially similar to that required for the proposed adoption of a regulation and has afforded interested persons the opportunity to present statements, arguments, or contentions in a manner substantially similar to that required by Section 11346.8. The agency shall, prior to the expiration of the 120-day period, transmit

to the office for filing with the Secretary of State a certification that either Sections 11346.4 to 11346.8, inclusive, were complied with prior to adoption, or that there was compliance with the provisions of this section within the 120-day period.

(f) In the event an emergency regulation was filed as an amendment to an existing regulation, upon failure of the adopting agency to comply with subdivision (e) as provided above, the regulation as it existed prior to such emergency amendment shall thereupon become effective and after notice to the adopting agency by the Office of Administrative Law shall be reprinted in the California Administrative Code in the place of such emergency amendment.

(g) In the event a regulation is orginally adopted and filed as an emergency and the adopting agency fails to comply with subdivision (e) as provided above, such failure shall constitute a repeal thereof and after notice to the adopting agency by the Office of Administrative Law, shall be deleted.

(h) A regulation adopted as an emergency regulation or, an emergency regulation substantially equivalent thereto, shall not be readopted as an emergency regulation except with the express prior approval of the Director of the Office of Administrative Law.

SEC. 8. Section 11346.2 of the Government Code is amended to read:

11346.2. A regulation or an order of repeal required to be filed with the Secretary of State shall become effective on the 30th day after the date of filing unless:

(a) Otherwise specifically provided by the statute pursuant to which the regulation or order of repeal was adopted, in which event it becomes effective on the day prescribed by such statute.

(b) It is a regulation prescribing an agency's organization or procedure, or a regulation adopted under Section 1227.1, 5500.5, or 7150.1 of the Financial Code, in which event it shall become effective upon filing or upon any later date specified by the state agency in a written instrument filed with, or as part of, the regulation or order of repeal.

(c) A later date is prescribed by the state agency in a written instrument filed with, or as part of, the regulation or order of repeal.

(d) The regulation or order of repeal is determined to be a building standard, as defined in Section 18909 of the Health and Safety Code, by the State Building Standards Commission and such building standard has not been approved by such commission. The office shall consult with the State Building Standards Commission on all regulations which may appear to be such building standards. Any such building standard improperly transmitted to the office as determined pursuant to this subdivision shall be transmitted to the State Building Standards Commission and the adopting state agency shall be notified of such transmittal.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within

the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

(a) The critical shortage of affordable housing funds in the State of California requires the most expedient and evolutionary treatment possible from the California Legislature.

(b) California citizens have the right to expect and receive as much assistance from their elected representatives as possible to help mitigate the inflationary dilemma which is currently depriving many of the ability to own their own homes.

(c) To provide the utmost flexibility and competitive benefit to existing and potential California homeowners, lenders that make federally related mortgage loans, state-chartered and national banks, and state and federally regulated savings and loan associations must receive and be continuously authorized equivalent powers regarding mortgage instruments in particular, and consumer lending activities in general.

To provide such protection of the interests and security of California citizens, it is necessary that this act take effect immediately.

CHAPTER 275

An act to amend Sections 73084.1, 73084.2, 73084.3, 73084.4, 73084.5, 73084.6, 73089, and 73096 of the Government Code, relating to courts.

[Became law without Governor's signature Filed with Secretary of State August 30, 1981]

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

SECTION 1. Section 73084.1 of the Government Code is amended to read:

73084.1. The clerk and administrative officer of the municipal court for the Alameda Judicial District may appoint the following deputy clerks:

(a) One deputy clerk, supervising municipal court clerk II.
(b) One deputy clerk, municipal courtroom clerk.
(c) Three deputy clerks, senior municipal court clerks.
(d) One deputy clerk, municipal court clerk.
(e) Three deputy clerks, clerk II.
(f) One deputy clerk, accounting technician

Not more than one such deputy clerk may be assigned as court interpreter at the additional percentage compensation provided for county employees required to possess bilingual capabilities.

SEC. 2. Section 73084.2 of the Government Code is amended to read:

73084.2. The clerk and administrative officer of the municipal court for the Berkeley-Albany Judicial District may appoint the

following deputy clerks:

(a) One chief deputy clerk.

(b) Three deputy clerks, supervising municipal court clerk II.

(c) Four deputy clerks, municipal courtroom clerk.

(d) Two deputy clerks, senior municipal court clerk.

(e) Twelve deputy clerks, municipal court clerk.

(f) Six deputy clerks, clerk II.

(g) One deputy clerk, secretary II.

(h) One deputy clerk, accounting technician.

(i) One deputy clerk, account clerk II.

(j) One deputy clerk, account clerk I.

(k) Two deputy clerks, data input clerk.

Not more than three such deputy clerks may be assigned as court interpreter at the additional percentage compensation provided for county employees required to possess bilingual capabilities.

SEC. 3. Section 73084.3 of the Government Code is amended to read:

73084.3. The clerk and administrative officer of the municipal court for the Oakland-Piedmont-Emeryville Judicial District may appoint the following deputy clerks:

(a) One chief deputy clerk.

(b) Three deputy clerks, division chiefs. The clerk and administrative officer may transfer the division chiefs from one division to another regardless of any resulting change in salary as set forth in subdivision (a) of Section 73086.

(c) Four deputy clerks, assistant division chiefs.

(d) One deputy clerk, calendar coordinator.

(e) Four deputy clerks, supervising municipal court clerk II.

(f) Sixteen deputy clerks, municipal courtroom clerk.

(g) Seven deputy clerks, supervising municipal court clerk I.

(h) Six deputy clerks, senior municipal court clerk.

(i) Forty-seven deputy clerks, municipal court clerk

(j) Twenty deputy clerks, clerk II.

(k) One deputy clerk, supervising secretary II.

(*l*) Three deputy clerks, secretary I.

(m) Nine deputy clerks, data input clerk.

(n) One deputy clerk, supervising accountant I.

(o) One deputy clerk, information systems analyst.

Not more than eight such deputy clerks may be assigned as court interpreters at the additional percentage compensation provided for county employees required to possess bilingual capabilities.

SEC. 4. Section 73084.4 of the Government Code is amended to read:

73084.4. The clerk and administrative officer of the municipal court for the San Leandro-Hayward Judicial District may appoint the following deputy clerks:

(a) One chief deputy clerk.

(b) Three deputy clerks, division chiefs. The clerk and administrative officer may transfer such division chiefs from one

division to another regardless of any resulting change in salary as set forth in Section 73086.

(c) Seven deputy clerks, municipal courtroom clerk.
(d) Three deputy clerks, supervising municipal court clerk I.
(e) One deputy clerk, senior municipal court clerk.
(f) Twenty-four deputy clerks, municipal court clerk.
(g) Three deputy clerks, clerk II.
(h) One deputy clerk, secretary I.
(i) One deputy clerk, supervising accountant I.
(j) One deputy clerk, account clerk II.
(k) Two deputy clerks, data input clerk.
(*l*) One deputy clerk, staff services assistant.

Not more than three such deputy clerks may be assigned as court interpreters at the additional percentage compensation provided for county employees required to possess bilingual capabilities.

SEC. 5. Section 73084.5 of the Government Code is amended to read:

73084.5. The clerk and administrative officer of the municipal court for the Fremont-Newark-Union City Judicial District may appoint the following deputy clerks:

(a) One chief deputy clerk.
(b) Three deputy clerks, municipal courtroom clerk.
(c) Three deputy clerks, supervising municipal court clerk I.
(d) Two deputy clerks, senior municipal court clerk.
(e) Eight deputy clerks, municipal court clerk.
(f) Six deputy clerks, clerk II.
(g) One deputy clerk, secretary I.
(h) One deputy clerk, accounting technician.
(i) One deputy clerk, account clerk II.
(j) One deputy clerk, account clerk I.

Not more than three such deputy clerks may be assigned as court interpreters at the additional percentage compensation provided for county employees required to possess bilingual capabilities.

SEC. 6. Section 73084.6 of the Government Code is amended to read:

73084.6. The clerk and administrative officer of the municipal court for the Livermore-Pleasanton Judicial District may appoint the following deputy clerks:

(a) One chief deputy clerk.
(b) Three deputy clerks, municipal courtroom clerk
(c) Three deputy clerks, supervising municipal court clerk I.
(d) Three deputy clerks, senior municipal court clerk.
(e) Six deputy clerks, municipal court clerk.
(f) One deputy clerk, accounting technician.

Not more than one such deputy clerk may be assigned as court interpreter at the additional percentage compensation provided for county employees required to possess bilingual capabilities.

SEC. 7. Section 73089 of the Government Code is amended to read:

73089. With the approval of the board of supervisors, judges of each municipal court concerned within Alameda County may establish such additional titles and pay rates as are required and may appoint such additional deputy clerks, officers, assistants and other employees as deemed necessary for the powers conferred by law upon the court and its members. Rates of compensation of the clerk and administrative officers, deputy clerks, officers, assistants and other employees may be adjusted by joint action and approval of the board of supervisors and the judges in each respective municipal court within the county.

If the board of supervisors provides by ordinance or resolution for any increase in the number or rate of compensation of any municipal court personnel pursuant to this section, such increase shall be effective only until January 1, 1984, and shall be effective at the same time and in the same manner as such increases for Alameda County employees generally.

SEC. 8. Section 73096 of the Government Code is amended to read:

73096. Official reporters of municipal courts in Alameda County, in lieu of any other compensation provided by law for their services in reporting testimony and proceedings in such court, shall receive:

(a) Ninety-two dollars ($92) a day for the days they actually are on duty under order of the court; or

(b) A minimum payment of forty-six dollars ($46) for serving four hours or less a day, plus an hourly rate of eleven dollars and fifty cents ($11 50) for each hour served in excess of four hours, up to the maximum amount specified in subdivision (a). However, not more than three official reporters in a judicial district having three or more judges shall each receive an annual salary, vacation leave and sick leave, in the same amounts as the official reporters of the Superior Court in Alameda County.

Rates of compensation of regular official reporters and official reporters pro tempore may be adjusted by joint action and approval of the board of supervisors and a majority of the judges of the court, provided, however, that any changes in compensation which are made pursuant to this section shall be on an interim basis and shall remain in effect only until January 1, 1984, unless ratified by statute by the Legislature prior to that date.

SEC 9. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act.

CHAPTER 276

An act to amend Section 70047.1 of the Government Code, relating to courts.

[Became law without Governor's signature Filed with Secretary of State August 30, 1981]

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

SECTION 1. Section 70047.1 of the Government Code is amended to read:

70047.1. In Stanislaus County, the duties of official reporters shall be performed as elsewhere provided by law. As full compensation for taking notes in criminal cases in the superior court each reporter shall receive a monthly salary of one thousand six hundred sixteen dollars ($1,616), pro tempore reporters shall receive seventy-five dollars ($75) per diem, or any fractional part thereof, for reporting criminal matters, and the fee for reporting testimony and proceedings in civil contested cases is ninety-five dollars ($95) a day, or any fractional part thereof, and for the purposes of retirement, the compensation of each reporter shall be deemed to be the total of all per diem and transcription fees paid by the county to all of the reporters of the superior court for all phonographic reporting services, divided by the number of superior court official reporters, plus his salary. All other fees of such reporters shall be as elsewhere provided by law. In cases where it is necessary to appoint a pro tempore reporter, he shall be allowed the fees elsewhere provided by law

The salary range of official court reporters may be adjusted by joint action and approval of the board of supervisors and a majority of the judges of the superior court. Such changes in compensation made pursuant to this provision shall be on an interim basis and shall expire January 1 following adjournment of the next regular session of the Legislature unless ratified at such session.

SEC. 2. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act.

CHAPTER 277

An act to repeal Sections 1 and 2 of Chapter 635 of the Statutes of 1979, relating to community college facilities.

[Approved by Governor August 28, 1981 Filed with Secretary of State August 31, 1981.]

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

SECTION 1. Ratcliffe Stadium currently owned by the State Center Community College District was designed by the State Division of Architecture for Fresno State College in 1940–41. The stadium was designed in accordance with codes and regulations in effect at the time, including seismic design factors applicable to public school buildings.

As a state college facility, Ratcliffe Stadium was not subject to the so-called "Field Act" but was designed and constructed in accordance with codes and regulations similar to those used for school construction under the "Field Act."

The Legislature finds and declares that Ratcliffe Stadium in the State Center Community College District met the requirements of the so-called "Field Act" as they existed at the time the stadium was constructed and therefore complies with the so-called "Field Act" (Article 7 (commencing with Section 81130) and Article 8 (commencing with Section 81160) of Chapter 1 of Part 49 of the Education Code).

SEC. 2. Section 1 of Chapter 635 of the Statutes of 1979 is repealed.

SEC. 3 Section 2 of Chapter 635 of the Statutes of 1979 is repealed.

SEC. 4. The Legislature finds and declares that a general act cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution to the stadium to which this act relates and that special legislation is therefore necessary. The facts constituting this necessity are:

In order that the stadium, which is presently serving the needs of students of the State Center Community College District and other residents of California may continue to be utilized, since there are no other facilities available to provide the same services.

CHAPTER 278

An act to amend Section 522 of, and to add Sections 675, 676, and 677 to, the Harbors and Navigation Code, relating to vessels.

[Approved by Governor August 28, 1981 Filed with Secretary of State August 31, 1981]

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

SECTION 1. Section 522 of the Harbors and Navigation Code is amended to read:

522. Any hulk, derelict, wreck, or parts of any ship, vessel, or

other watercraft sunk, beached, or allowed to remain in an unseaworthy or dilapidated condition upon publicly owned submerged lands, salt marsh, or tidelands within the corporate limits of any municipal corporation, or public corporation, or other public entity having jurisdiction or control over tidelands, without its consent expressed by resolution of the legislative body having jurisdiction over the territory or control of the lands, for a period longer than 100 days without a watchman or other person being maintained upon or near and in charge of the property, is abandoned property.

Thereafter, a municipal corporation, or public corporation, or other public entity having jurisdiction or control over tidelands, having jurisdiction or control over the lands on which abandoned property may be located, may cause the property to be sold, destroyed, or otherwise disposed of in such manner as it may deem expedient or convenient. Any such sale shall vest complete title in the purchaser who shall forthwith take steps to remove the property. Any proceeds derived from the sale shall be the property of the municipal corporation, or public corporation, or other public entity having jurisdiction or control over tidelands.

If the owner of the property securely affixes to it a notice in plain view setting forth his name and address and claim of ownership, together with the name and address of an agent or representative whom he may designate, within the State of California, if the owner does not reside in the state, and files a copy of the notice with the secretary of the municipal or other public body having jurisdiction over or control of the lands at least five days prior to the removal, the municipal or other public corporation, shall not sell, destroy, or otherwise dispose of the property until it has first given the owner or his agent, at the address specified in the claim of ownership, 30 days' notice to remove or cause the property to be removed, and then only if the property is not removed by the owner or his agent within such time or such reasonable extensions of time as the municipal corporation or other public corporation or entity may by resolution grant. If a registration number appears on the watercraft, notice shall also be sent to the registered owner at least five days prior to the removal.

SEC. 2. Section 675 is added to the Harbors and Navigation Code, to read:

675. Any peace officer, as described in Section 663, may remove a vessel from a public waterway under any of the following circumstances:

(a) When any vessel is left unattended and is moored, docked, beached, or made fast to land in such a position as to obstruct the normal movement of traffic or in such a condition as to create a hazard to other vessels using the waterway.

(b) When any vessel is found upon a waterway and report has previously been made that the vessel has been stolen or complaint has been filed and a warrant thereon issued charging that the vessel

has been embezzled.

(c) When the person or persons in charge of a vessel are by reason of physical injuries or illness incapacitated to such an extent as to be unable to provide for its custody or removal.

(d) When an officer arrests any person operating or in control of a vessel for an alleged offense, and the officer is by any provision of this code or other statute required or permitted to take, and does take, the person arrested before a magistrate without unnecessary delay.

SEC. 3. Section 676 is added to the Harbors and Navigation Code, to read:

676. (a) Any peace officer, as described in Section 663, may remove a vessel from private property when the vessel is found on or attached to private property and a report has previously been made that the vessel has been stolen or a complaint has been filed and a warrant thereon issued charging that the vessel has been embezzled.

(b) Any such peace officer may, after a reasonable period of time, remove a vessel from private property if the vessel has been involved in and left at the scene of a boating accident and no owner is available to grant permission to remove the vessel. This subdivision shall not authorize the removal of a vessel where the owner has been contacted and has refused to grant permission to remove the vessel.

(c) Nothing in this section is intended to expand the territorial jurisdiction of peace officers beyond the provisions of Sections 830.1 and 830.2 of the Penal Code.

SEC. 4. Section 677 is added to the Harbors and Navigation Code, to read:

677. (a) Except for urgent and immediate concern for the safety of those aboard a vessel, no person shall abandon a vessel upon a public waterway or public or private property without the express or implied consent of the owner or person in lawful possession or control of the property.

(b) The abandonment of any vessel in a manner as provided in subdivision (a) shall constitute prima facie evidence that the last registered owner of record, not having notified the appropriate registration or documenting agency of any relinquishment of title or interest therein, is responsible for the abandonment and is thereby liable for the cost of removal and disposition of the vessel.

CHAPTER 279

An act to amend Sections 17052.2, 17053.5, 17109, 17171, 17739, 18689, 19281, 23101.5, 23604, 24466, 24514, 25563, and 25901c of, to add Sections 17039 and 17054.6 to, to repeal and add Section 26425 of, and to repeal Sections 17236 and 24379 of, the Revenue and Taxation Code, and to amend Section 13020 of the Unemployment Insurance

Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor August 28, 1981. Filed with Secretary of State August 31, 1981]

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

SECTION 1. Section 17039 is added to the Revenue and Taxation Code, to read:

17039. (a) Notwithstanding any provision in this part to the contrary, including but not limited to, Sections 17052.2, 17052.5, 17052.6, and 17052.7, Section 17052.8 as added by Chapter 693 of the Statutes of 1980, Section 17052.8 as added by Chapter 904 of the Statutes of 1980, Section 17052.8 as added by Chapter 906 of the Statutes of 1980, and Section 17053.7, for the purposes of computing tax credits, the term "net tax" means the tax imposed under either Section 17041 or 17048 less the credits allowed by Section 17054 (relating to personal exemption credits) and Section 17054.5 (relating to student credits). Credits shall be allowed against "net tax" in the following order:

(1) Credits which do not contain carryover or refundable provisions, except those described in paragraph (4);

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

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

(4) Credits for taxes paid to other states, and

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

For the purposes of paragraphs (2), (3), and (5), the order within each paragraph shall be determined by the Franchise Tax Board.

(b) Notwithstanding the provisions of Sections 17053.5, 17061, and 18551.1, the credits provided in those sections shall be allowed in the order provided in paragraph (5) of subdivision (a).

(c) This section shall be applied in the computation of taxes for taxable years beginning on and after January 1, 1981.

SEC. 2 Section 17052.2 of the Revenue and Taxation Code is amended to read:

17052.2. (a) (1) There shall be allowed as a credit against the amount of "net tax" (as defined in subdivision (f)), an amount equal to the amount determined in paragraph (2).

(2) The amount of the credit allowed by this section shall be 20 percent of the cost incurred by the taxpayer of any pollution abatement equipment on premises in California which are owned by the taxpayer at the time of installation and which is installed as a result of the requirements of the Federal Water Pollution Control Act of 1972. The amount of costs to which such credit may be applied shall not exceed eighty thousand dollars ($80,000). The owner of the premises on which the pollution abatement equipment is installed

may claim the tax credit for costs incurred. In order to qualify for the tax credit the taxpayer must be a metal finisher who has employed 100 or less employees and has not been a subsidiary, division, or affiliate of an entity engaged in other unrelated operations during the taxable year.

This credit shall be claimed in four equal annual installments commencing with the taxable year in which the pollution abatement equipment was installed and for three succeeding taxable years.

(3) The credit provided under this section shall be reduced by any grant provided by a public entity for such equipment.

(b) The credit shall be in lieu of any deduction under this part to which the taxpayer otherwise may be entitled, if any.

(c) The basis of any pollution abatement equipment for which a credit is allowed shall either be reduced to its salvage value at the end of its useful life, or reduced by the amount of the credit, whichever results in the lesser basis. The basis adjustment shall be made for the taxable year in which the equipment was installed.

(d) With the exception of a husband and wife, if there is more than one owner of a premises on which pollution abatement equipment is installed, each owner shall be eligible to receive the tax credit in proportion to his or her ownership interests in the premises. In the case of a husband or wife who files a separate return, the credit may be taken by either or equally divided between them.

(e) The tax credit provided by this section shall not apply to trusts or estates subject to tax under this part.

(f) For purposes of this section.

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

(2) "Net tax" means the tax imposed under either Section 17041 or 17048 minus all credits, except the credits provided by Section 17061 (relating to excess state disability insurance withheld), Section 18555.1 (relating to excess income tax withheld), Section 17053.5 (relating to the renters' credit).

(3) "Owner" includes a duly recorded holder of legal title, a lessee with at least three years remaining on his or her lease, or a person purchasing premises under a contract of sale.

(4) "Premises" means land or buildings

(5) "Pollution abatement equipment" means new identifiable equipment which is used in connection with a plant or other property to abate or control water pollution or contamination by removing, altering, disposing, storing, or preventing the creation or admission of pollutants, contaminants, wastes, or heat, and which does not significantly:

(A) Increase the output or capacity, extend the useful life, or reduce the total operating costs of such plant or other property (or any unit thereof), or

(B) Alter the nature of the manufacturing or production process or facility.

(6) A "metal finisher" is a person who is exclusively engaged in

one or more of the following business activities with respect to metals:

(A) Electroplating.

(B) Powder coating.

(C) Galvanizing.

(D) Anodizing.

(E) Metalizing.

(F) Bumper recycling or electroforming.

(G) Metal plating on printed circuits.

(H) Enameling, buffing, or polishing in connection with any of the foregoing processes.

SEC. 3. Section 17053.5 of the Revenue and Taxation Code is amended to read:

17053.5. (a) In the case of qualifed renters, there shall be allowed credits against the tax computed under this part, minus all other credits provided for in this part except the credit provided in Section 18551.1 (relating to withholding credit), the credit provided in Section 17061 (relating to excess tax credit), the credit provided in Section 17052.5 (relating to solar energy tax credit), the credit provided in Section 17052.8 (relating to energy conservation measure tax credit), and the credit provided in Section 17061.5 (relating to worker contribution credits). The credit shall be in the amount of one hundred thirty-seven dollars ($137) for married couples, heads of household and surviving spouses (as defined in Section 17046), and sixty dollars ($60) for other individuals.

Except as provided in subdivision (b) of this section a husband and wife shall receive but one credit under this section. If the husband and wife file separate returns, the credit may be taken by either or equally divided between them, except as follows:

(1) If one spouse was a resident for the entire taxable year and the other spouse was a nonresident for part or all of the taxable year, the resident spouse shall be allowed one-half the credit allowed to married persons and the nonresident spouse shall be permitted one-half the credit allowed to married persons, prorated as provided in subdivision (d).

(2) If both spouses were nonresidents for part of the taxable year, the credit allowed to married persons shall be divided equally between them subject to the proration provided in subdivision (d).

(b) In the case of a husband and wife, if each spouse maintained a separate place of residence and resided in this state during the entire taxable year, each spouse will be allowed one-half the full credit allowed to married persons provided in subdivision (a).

(c) For purposes of this section, a "qualified renter" means an individual who on March 1 of the taxable year—

(1) Was a resident of this state, as defined in Section 17014, and

(2) On such date rented and occupied premises in this state which constitute his principal place of residence.

The term "qualified renter" does not include an individual who on March 1 of the taxable year rented and occupied premises which

were exempt from property taxes, except that an individual, otherwise qualified, shall be deemed a qualified renter if the owner of those premises pays possessory interest taxes, or makes payments in lieu of property taxes which are substantially equivalent to property taxes paid on properties of comparable market value.

The term "qualified renter" does not include an individual whose principal place of residence is with any other person who claimed such individual as a dependent for income tax purposes.

The term "qualified renter" does not include an individual who has been granted or whose spouse has been granted the homeowners' property tax exemption during the taxable year. This paragraph shall not apply in the case of an individual whose spouse has been granted the homeowners' property tax exemption if each spouse maintained a separate residence for the entire taxable year.

(d) Any individual who is a nonresident for any portion of the taxable year shall claim the credits set forth in subdivision (a) at the rate of one-twelfth of such credits for each full month such individual resided within this state during the taxable year.

(e) Every person claiming the credit provided in this section shall, as part of such claim, and under penalty of perjury, furnish such information as the Franchise Tax Board prescribes on a form supplied by such board.

(f) The credit provided in this section shall be claimed on returns in such form as the Franchise Tax Board may from time to time prescribe, and shall be filed with the Franchise Tax Board on the date prescribed by Section 18432.

(g) For the purposes of this section, the term "premises" means a house or a dwelling unit used to provide living accomodations in a building or structure and the land incidental thereto, but does not include land only, except in the case where the dwelling unit is a mobilehome.

(h) In the case of qualified renters whose credits provided in this section exceed their tax liability computed under this part, minus all other credits provided for in this part except the credits provided in Sections 17052.5, 17052.8, 17061, 17061.5, and 18551.1, the qualified renter shall be allowed a credit to the extent of his tax liability plus a refund in excess of that amount up to a combined credit and refund equal to the credit otherwise provided in this section.

(i) The changes made to paragraph (2) of subdivision (c) of this section by the 1977–78 Legislature and the changes made to subdivisions (a) and (b) of this section by the 1979–80 Legislature, shall be applied with respect to taxable years beginning on January 1, 1979, and thereafter.

SEC. 4. Section 17054.6 is added to the Revenue and Taxation Code, to read:

17054.6. For taxable years beginning in 1981 and thereafter, the Franchise Tax Board shall compute the amount of the credit provided in Section 17054.5 in the manner prescribed in subdivision (h) of Section 17054.

SEC. 5. Section 17109 of the Revenue and Taxation Code is amended to read:

17109. Where an annuitant died after December 31, 1952, and before the annuity starting date, if such date is on or after January 1, 1968, and the basis of a surviving annuitant's interest in the joint and survivor annuity contract was determinable under Section 17746.5 of the Personal Income Tax Law of 1954 or subdivision (g) of Section 18045 then—

(a) Section 17104 shall not apply with respect to such contracts;

(b) For purposes of Sections 17101 to 17112, inclusive, the aggregate amount of premiums or other consideration paid for the contract is the basis of the contract determined under Section 17746.5 or subdivision (g) of Section 18045;

(c) For purposes of paragraph (2) of subdivision (a) of Section 17103, there shall be taken into account only the aggregate amount received by the surviving annuitant under the contract before the annuity starting date, to the extent that such amount was excludable from gross income under this part or prior income tax laws.

SEC. 6. Section 17171 of the Revenue and Taxation Code is amended to read:

17171. (a) A taxpayer may elect to take a standard deduction as follows:

(1) In the case of a taxpayer, other than a head of a household or a surviving spouse (as defined in Section 17046) or a married couple filing a joint return, the standard deduction shall be one thousand dollars ($1,000);

(2) In the case of a head of household or a surviving spouse (as defined in Section 17046) or a married couple filing a joint return, the standard deduction shall be two thousand dollars ($2,000).

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

(c) For each taxable year beginning on or after January 1, 1979, the Franchise Tax Board shall recompute the standard deductions prescribed in this section, as follows:

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

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

(3) The Franchise Tax Board shall multiply the prior taxable year's standard deduction amounts by the inflation adjustment factor provided in paragraph (2), rounded off to the nearest ten dollars ($10).

(4) In computing the deductions pursuant to this subdivision, the deduction provided in paragraph (2) of subdivision (a) shall be twice the amount provided in paragraph (1) of subdivision (a).

SEC. 7. Section 17236 of the Revenue and Taxation Code is repealed.

SEC. 8. Section 17739 of the Revenue and Taxation Code is amended to read:

17739. For purposes of this chapter, the term "distributable net income" means, with respect to any taxable year, the taxable income of the estate or trust computed with the following modifications:

(a) No deduction shall be taken under Sections 17751 and 17761 (relating to additional deductions).

(b) Gains from the sale or exchange of capital assets shall be excluded to the extent that such gains are allocated to corpus and are not (1) paid, credited, or required to be distributed to any beneficiary during the taxable year, or (2) paid, permanently set aside, or to be used for the purposes specified in Section 17734. Capital gains not excluded by the preceding sentence shall be included without regard to Section 18162.5. Losses from the sale or exchange of capital assets shall be excluded, except to the extent such losses are taken into account in determining the amount of gains from the sale or exchange of capital assets which are paid, credited, or required to be distributed to any beneficiary during the taxable year.

(c) For purposes only of Article 2 (relating to trusts which distribute current income only), there shall be excluded those items of gross income constituting extraordinary dividends or taxable stock dividends which the fiduciary, acting in good faith, does not pay or credit to any beneficiary by reason of his determination that such dividends are allocable to corpus under the terms of the governing instrument and applicable local law.

(d) There shall be included any tax-exempt interest to which Section 17137 applies, reduced by any amounts which would be deductible in respect of disbursements allocable to such interest but for the provisions of Section 17285 (relating to disallowance of certain deductions).

If the estate or trust is allowed a deduction under Section 17734, the amount of the modification specified in subdivision (d) shall be reduced to the extent that the amount of income which is paid, permanently set aside, or to be used for the purposes specified in Section 17734 is deemed to consist of items specified in subdivision (d). For this purpose, such amount shall (in the absence of specific provisions in the governing instrument) be deemed to consist of the same proportion of each class of items of income of the estate or trust as the total of each class bears to the total of all classes.

SEC. 9. Section 18689 of the Revenue and Taxation Code is amended to read:

18689. Interest shall be imposed under this article in respect of any assessable penalty only if such assessable penalty is not paid

within 10 days from the date of notice and demand, or within 10 days of the date of the notice of deficiency proposed to be assessed, whichever date is applicable. In such case, interest shall be imposed only for the period from the applicable date of the notice to the date of payment.

SEC. 10. Section 19281 of the Revenue and Taxation Code is amended to read:

19281. The Franchise Tax Board shall preserve tax returns for four years from the due dates thereof and thereafter until it orders them to be destroyed. Tax returns or documents filed pursuant to Chapter 19 (commencing with Section 18801) shall be preserved until the Franchise Tax Board orders them to be destroyed.

SEC. 11. Section 23101.5 of the Revenue and Taxation Code is amended to read:

23101.5. (a) The Franchise Tax Board may determine that a corporation is not doing business in this state for purposes of this chapter or deriving income from sources within this state for purposes of Chapter 3 (beginning with Section 23501) if its only activities within this state are either or both of the following:

(1) The purchase of personal property or services solely for its own use or use by its affiliate outside this state if the corporation does not have more than 100 employees in this state, and their duties are limited to solicitation, negotiation, liaison, monitoring, auditing, and inspecting the property or services acquired, or providing technical advice with respect to its requirements

(2) The presence of employees in this state only for the purpose of attending a public or private school, college or university.

(b) A corporation may petition the Franchise Tax Board for a determination in accord with procedures established by the Franchise Tax Board. The filing of that petition shall be deemed a waiver of the confidentiality provisions of Section 26451 with respect to the facts alleged in the petition and any additional evidence produced with respect to those facts.

(c) If such determination is made, it shall remain in force for five years as long as the corporation continues to meet the above criteria; provided that, with respect to corporations meeting the above criteria on or before January 1, 1978, the determination shall remain in force indefinitely so long as the corporation continues to meet the above criteria.

SEC. 12. Section 23604 of the Revenue and Taxation Code is amended to read:

23604. (a) (1) There shall be allowed as a credit against the taxes imposed by this part (except the minimum franchise tax and the tax on preference income), an amount equal to the amount determined in paragraph (2).

(2) The amount of the credit allowed by this section shall be 20 percent of the cost (including installation charges but excluding interest charges) incurred by the taxpayer of any pollution abatement equipment on premises in California which are owned by

the taxpayer at the time of installation and which is installed as a result of the requirements of the Federal Water Pollution Control Act of 1972. The amount of costs to which such credit may be applied shall not exceed eighty thousand dollars ($80,000). The owner of the premises on which the pollution abatement equipment is installed may claim the tax credit for costs incurred. In order to qualify for the tax credit the taxpayer must be a metal finisher who has employed 100 or less employees and has not been a subsidiary, division, or affiliate of an entity engaged in other unrelated operations during the income year.

The pollution abatement equipment credit shall be claimed in four equal annual installments commencing with the income year in which the pollution abatement equipment was installed and for three succeeding income years.

(3) The credit provided under this section shall be reduced by any grant provided by a public entity for such equipment.

(b) The credit for such cost shall be in lieu of any deduction under this part to which the taxpayer otherwise may be entitled, if any.

(c) The basis of any pollution abatement equipment for which a credit is allowed shall either be reduced to its salvage value at the end of its useful life, or reduced by the amount of the credit, whichever results in the lesser basis. The basis adjustment shall be made for the income year in which the equipment was installed.

(d) The following definitions govern construction of this section:

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

(2) "Owner" includes a duly recorded holder of legal title, a lessee with at least three years remaining on his or her lease, or a person purchasing premises under a contract of sale.

(3) "Premises" means land or buildings.

(4) "Pollution abatement equipment" means new identifiable equipment which is used in connection with a plant or other property to abate or control water pollution or contamination by removing, altering, disposing, storing, or preventing the creation or admission of pollutants, contaminants, wastes, or heat, and which does not significantly:

(A) Increase the output or capacity, extend the useful life, or reduce the total operating costs of such plant or other property (or any unit thereof), or

(B) Alter the nature of the manufacturing or production process or facility.

(5) A "metal finisher" is an entity which is exclusively engaged in one or more of the following business activities with respect to metals:

(A) Electroplating.

(B) Powder coating.

(C) Galvanizing.

(D) Anodizing.

(E) Metalizing.

(F) Bumper recycling or electroforming.

(G) Metal plating on printed circuits.

(H) Enameling, buffing, or polishing in connection with any of the foregoing processes.

SEC. 13. Section 24379 of the Revenue and Taxation Code is repealed.

SEC. 14. Section 24466 of the Revenue and Taxation Code is amended to read:

24466. (a) For purposes of this chapter, the term "Section 24464 stock" means stock which meets the requirements of paragraph (1), (2), or (3) of this subdivision.

(1) Stock (other than common stock issued with respect to common stock) which was distributed to the shareholder selling or otherwise disposing of such stock if, by reason of Section 24463(a), any part of such distribution was not includable in the gross income of the shareholder.

(2) Stock which is not common stock and—

(A) Which was received, by the shareholder selling or otherwise disposing of such stock, in pursuance of a plan of reorganization (within the meaning of Section 24562), or in a distribution or exchange to which Section 24533 (or so much of Sections 24535 to 24539, inclusive, as relates to Section 24533) applied; and

(B) With respect to the receipt of which gain or loss to the shareholder was to any extent not recognized by reason of Chapter 10, but only to the extent that either the effect of the transaction was substantially the same as the receipt of a stock dividend, or the stock was received in exchange for Section 24464 stock.

For purposes of this article, a receipt of stock to which the foregoing provisions of this paragraph apply shall be treated as a distribution of stock.

(3) Except as otherwise provided in paragraph (2), stock the basis of which (in the hands of the shareholder selling or otherwise disposing of such stock) is determined by reference to the basis (in the hands of such shareholder or any other person) of Section 24464 stock.

(b) For purposes of this article, the term "Section 24464 stock" does not include any stock no part of the distribution of which would have been a dividend at the time of the distribution if money had been distributed in lieu of the stock.

SEC. 15. Section 24514 of the Revenue and Taxation Code is amended to read:

24514. (a) This section and Sections 24512 and 24513 shall not apply to any sale or exchange—

(1) Made by a collapsible corporation (as defined in Section 17412 of the Personal Income Tax Law), or

(2) Following the adoption of a plan of complete liquidation, if Section 24503 applies with respect to such liquidation, or

(3) Made by a corporation all of whose shareholders are not United States persons (as defined in Section 7701(a)(30) of the

Internal Revenue Code of 1954). In the case, however, of a corporation having both United States person and non-United States person shareholders (within the meaning of the preceding sentence) this section and Sections 24512 and 24513 shall apply only to the extent the gain or loss from the sale or exchange represents the United States persons' shareholder interest in the corporation.

(b) In the case of a sale or exchange following the adoption of a plan of complete liquidation, if Section 24502 applies with respect to such liquidation, then

(1) If the basis of the property of the liquidating corporation in the hands of the distributee is determined under Section 24504(b)(1), this section and Sections 24512 and 24513 shall not apply; or

(2) If the basis of the property of the liquidating corporation in the hands of the distributee is determined under Section 24504(b)(2), this section and Sections 24512 and 24513 shall apply only to that portion (if any) of the gain which is not greater than the excess of (A) that portion of the adjusted basis (adjusted for any adjustment required under the second sentence of Section 24504(b)(2) of the stock of the liquidating corporation which is allocable, under regulations prescribed by the Franchise Tax Board, to the property sold or exchanged, over (B) the adjusted basis, in the hands of the liquidating corporation, of the property sold or exchanged.

(c) (1) Subdivision (b) shall not apply to a sale or exchange by a corporation (hereinafter in this subdivision referred to as the "selling corporation") if:

(A) Within the 12-month period beginning on the date of the adoption of a plan of complete liquidation by the selling corporation, the selling corporation and each distributee corporation is completely liquidated, and

(B) None of the complete liquidations referred to in subparagraph (A) is a liquidation with respect to which Section 24503 applies.

(2) For purposes of paragraph (1):

(A) The term "distributee corporation" means a corporation in the chain of includable corporations to which the selling corporation or a corporation above the selling corporation in such chain makes a distribution in complete liquidation within the 12-month period referred to in paragraph (1)(A).

(B) The term "chain of includable corporation" includes, in the case of any distribution, any corporation which (at the time of such distribution) is in a chain of includable corporations for purposes of Section 23361. Such term includes, where appropriate, the common parent corporation.

(d) The amendment made to subdivision (b) by the 1977–78 Regular Session of the Legislature shall apply to sales or exchanges made pursuant to a plan of complete liquidation adopted after December 31, 1976.

SEC. 16. Section 25563 of the Revenue and Taxation Code is amended to read:

25563. (a) If the amount of estimated tax does not exceed two hundred dollars ($200), or twenty-five dollars ($25) in the case of a corporation described in paragraph (1) of subdivision (a) of Section 23153, the entire amount of the estimated tax shall, for income years beginning after December 31, 1971, be due and payable on or before the 15th day of the fourth month of the income year.

(b) If the amount of estimated tax exceeds two hundred dollars ($200), or twenty-five dollars ($25) in the case of a corporation described in paragraph (1) of subdivision (a) of Section 23153, the amount payable shall for income years beginning after December 31, 1971, be paid in installments as follows:

	The following percentages of the estimated tax shall be paid on the 15th day of the—			
If the requirements of this subdivision are first met—	4th month	6th month	9th month	12th month
Before the 1st day of the 4th month of the income year	25 (but not less than the minimum tax provided in Section 23153)	25	25	25
After the last day of the 3rd month and before the 1st day of the 6th month of the income year	——	33⅓	33⅓	33⅓
After the last day of the 5th month and before the 1st day of the 9th month of the income year	——	——	50	50
After the last day of the 8th month and before the 1st day of the 12th month of the income year	——	——	——	100

SEC. 17. Section 25901c of the Revenue and Taxation Code is amended to read:

25901c. Interest shall be imposed under this article in respect of any assessable penalty only if such assessable penalty is not paid within 10 days from the date of notice and demand, or within 10 days of the date of the notice of deficiency proposed to be assessed, whichever date is applicable. In such case, interest shall be imposed only for the period from the applicable date of the notice to the date of payment.

SEC. 18. Section 26425 of the Revenue and Taxation Code is repealed.

SEC. 19. Section 26425 is added to the Revenue and Taxation Code, to read:

26425. The Franchise Tax Board shall preserve reports and tax returns for four years from the due dates thereof and thereafter until it orders them to be destroyed.

SEC. 20. Section 13020 of the Unemployment Insurance Code is amended to read·

13020. (a) Every employer who pays wages to a resident employee for services performed either within or without this state, or to a nonresident employee for services performed in this state, shall deduct and withhold from such wages, except as provided in Sections 13025 and 13026, for each payroll period, a tax computed in such manner as to produce, so far as practicable, with due regard to the credits for personal exemptions allowable under Section 17054 of the Revenue and Taxation Code, a sum which is substantially equivalent to the amount of tax reasonably estimated to be due under Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code resulting from the inclusion in the gross income of the employee of the wages which were subject to withholding. The method of determining the amount to be withheld shall be prescribed by the Franchise Tax Board pursuant to Section 18806 of the Revenue and Taxation Code.

(b) The department upon request may permit the use of accounting machines to calculate the proper amount to be deducted and withheld from such wages, if such calculation produces an amount substantially equivalent to the amount of tax required to be withheld under subdivision (a).

SEC. 21. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. However, Sections 9 and 17 shall be applied with respect to notices and demands, or notices of deficiency, on and after July 1, 1982.

CHAPTER 280

An act to add Section 25280 to the Vehicle Code, relating to vehicles.

[Approved by Governor August 28, 1981 Filed with Secretary of State August 31, 1981.]

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

SECTION 1. Section 25280 is added to the Vehicle Code, to read:

25280. Vehicles operated by a local public entity, or pursuant to a permit, license, contract, or franchise with a local public entity, and used to collect and transport garbage, rubbish, or refuse may display flashing amber warning lights to the front, sides, or rear while stopped upon a street and actually engaged in the collection of garbage, rubbish, or refuse, or while moving between stops at a speed not greater than 10 miles per hour.

CHAPTER 281

An act to amend Section 22654 of the Vehicle Code, relating to vehicles.

[Approved by Governor August 28, 1981 Filed with Secretary of State August 31, 1981]

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

SECTION 1. Section 22654 of the Vehicle Code is amended to read:

22654. (a) Whenever any peace officer, as that term is defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, or other employee directing traffic or enforcing parking laws and regulations, finds a vehicle standing upon a highway, located within the territorial limits in which the officer or employee is empowered to act, in violation of Sections 22500 and 22504, the officer or employee may move the vehicle or require the driver or other person in charge of the vehicle to move it to the nearest available position off the roadway or to the nearest parking location, or may remove and store the vehicle if moving it off the roadway to a parking location is impracticable.

(b) Whenever the officer or employee finds a vehicle standing upon a street, located within the territorial limits in which the officer or employee is empowered to act, in violation of a traffic ordinance enacted by local authorities to prevent flooding of adjacent property, he or she may move the vehicle or require the driver or person in charge of the vehicle to move it to the nearest available location in

the vicinity where parking is permitted.

(c) Any state, county, or city authority charged with the maintenance of any highway may move any vehicle which is disabled or abandoned or which constitutes an obstruction to traffic from the place where it is located on a highway to the nearest available position on the same highway as may be necessary to keep the highway open or safe for public travel. In addition, employees of the Department of Transportation may remove any disabled vehicle which constitutes an obstruction to traffic on a freeway from the place where it is located to the nearest available location where parking is permitted; and, if the vehicle is unoccupied, the department shall comply with the notice requirements of subdivision (d).

(d) Any state, county, or city authority charged with the maintenance or operation of any highway, highway facility, or public works facility, in cases necessitating the prompt performance of any work on or service to the highway, highway facility, or public works facility, may move to the nearest available location where parking is permitted, any unattended vehicle which obstructs or interferes with the performance of the work or service or may remove and store the vehicle if moving it off the roadway to a location where parking is permitted would be impracticable. If the vehicle is moved to another location where it is not readily visible from its former parked location or it is stored, the person causing the movement or storage of the vehicle shall immediately, by the most expeditious means, notify the owner of the vehicle of its location. If for any reason the vehicle owner cannot be so notified, the person causing the vehicle to be moved or stored shall immediately, by the most expeditious means, notify the police department of the city in which the vehicle was parked, or, if the vehicle had been parked in an unincorporated area of a county, notify the sheriff's department and nearest office of the California Highway Patrol in that county. No vehicle may be removed and stored pursuant to this subdivision unless signs indicating that no person shall stop, park, or leave standing any vehicle within the areas marked by the signs because the work or service would be done, were placed at least 24 hours prior to the movement or removal and storage.

(e) Whenever any peace officer finds a vehicle parked or standing upon a highway in a manner so as to obstruct necessary emergency services, or the routing of traffic at the scene of a disaster, the officer may move the vehicle or require the driver or other person in charge of the vehicle to move it to the nearest available parking location. If the vehicle is unoccupied, and moving the vehicle to a parking location is impractical, the officer may store the vehicle pursuant to Sections 22850, 22852, and 22853. If the vehicle so moved or stored was otherwise lawfully parked, no moving or storage charges shall be assessed against or collected from the driver or owner.

CHAPTER 282

An act to amend Section 465 of the Business and Professions Code, relating to senior citizen discount programs.

[Approved by Governor August 28, 1981 Filed with Secretary of State August 31, 1981]

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

SECTION 1. The Legislature hereby declares that in enacting Chapter 31 of the Statutes of 1980, it intended and does now intend that the Golden State Senior Citizen Discount Program described therein be a voluntary program and include programs under which senior citizens are provided reduced portions of retail food at reduced prices.

SEC. 2. Section 465 of the Business and Professions Code is amended to read:

465. The Legislature recognizes that senior citizens, who are retired or living on fixed incomes are significantly affected by rising inflation. They must spend their limited incomes on those items that are visibly spiraling upward such as food and meals, health care, shelter, and energy costs. It is also recognized that one way to strengthen the purchasing power of this group is to reduce the prices of services and goods by offering immediate relief through discounts.

Therefore, the intent of the Legislature in enacting this chapter is to encourage the development of community discount programs for senior citizens in California, which will accomplish the following:

(a) Increase the purchasing power of senior citizens in California.

(b) Encourage commitments from the private and public sector to assist senior citizens.

(c) Assist and instruct local entities, including the private sector, in the implementation of discount programs.

CHAPTER 283

An act to repeal and add Section 1203.05 of the Penal Code, relating to probation.

[Approved by Governor August 28, 1981 Filed with Secretary of State August 31, 1981]

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

SECTION 1. Section 1203.05 of the Penal Code is repealed.

SEC. 2. Section 1203.05 is added to the Penal Code, to read:

1203.05. Any report of the probation officer filed with the court, including any report arising out of a previous arrest of the person

who is the subject of the report, may be inspected or copied only as follows:

(a) By any person, from the date judgment is pronounced or probation granted or, in the case of a report arising out of a previous arrest, from the date the subsequent accusatory pleading is filed, to and including 60 days from the date judgment is pronounced or probation is granted, whichever is earlier.

(b) By any person, at any time, by order of the court, upon filing a petition therefor by such person.

(c) By the general public, if the court upon its own motion orders that a report or reports shall be open or that the contents of the report or reports shall be disclosed.

(d) By any person authorized or required by law to inspect or receive copies of the report.

CHAPTER 284

An act to amend Section 1203.1b of the Penal Code, relating to probation.

[Approved by Governor August 29, 1981 Filed with Secretary of State August 31, 1981.]

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

SECTION 1. Section 1203.1b of the Penal Code is amended to read:

1203.1b. (a) In any case in which a defendant is convicted of an offense and granted probation, the court may, after a hearing, make a determination of the ability of the defendant to pay all or a portion of the reasonable cost of probation; and of conducting the presentence investigation and preparing the presentence report made pursuant to Section 1203. The reasonable cost of such services and of probation shall not exceed the amount determined to be the actual average cost thereof. The court may, in its discretion, hold additional hearings during the probationary period. The court may, in its discretion, order the defendant to appear before a county officer designated by the court to make an inquiry into the ability of the defendant to pay all or a portion of such costs. At a hearing, the defendant shall be entitled to have, but shall not be limited to, the opportunity to be heard in person, to present witnesses and other documentary evidence, and to confront and cross-examine adverse witnesses, and to disclosure of the evidence against the defendant, and a written statement of the findings of the court. If the court determines that the defendant has the ability to pay all or part of the costs, the court may set the amount to be reimbursed and order the defendant to pay that sum to the county in the manner in which the court believes reasonable and compatible with the defendant's

financial ability. In making a determination of whether a defendant has the ability to pay the court shall take into account the amount of any fine imposed upon the defendant and any amount the defendant has been ordered to pay in restitution.

If practicable, the court shall order payments to be made on a monthly basis as directed by the probation officer. Execution may be issued on the order in the same manner as a judgment in a civil action. The order to pay all or part of the costs shall not be enforced by contempt.

A payment schedule for reimbursement of the costs of presentence investigation based on income shall be developed by the probation department of each county and approved by the presiding judges of the municipal and superior courts.

(b) The term "ability to pay" means the overall capability of the defendant to reimburse the costs, or a portion of the costs, of conducting the presentence investigation, preparing the presentence report, and probation, and shall include, but shall not be limited to, the defendant's:

(1) Present financial position.

(2) Reasonably discernible future financial position. In no event shall the court consider a period of more than six months from the date of the hearing for purposes of determining reasonably discernible future financial position.

(3) Likelihood that the defendant shall be able to obtain employment within the six-month period from the date of the hearing.

(4) Any other factor or factors which may bear upon the defendant's financial capability to reimburse the county for the costs.

(c) At any time during the pendency of the judgment rendered according to the terms of this section, a defendant against whom a judgment has been rendered may petition the rendering court to modify or vacate its previous judgment on the grounds of a change of circumstances with regard to the defendant's ability to pay the judgment. The court shall advise the defendant of this right at the time of rendering of the judgment.

(d) All sums paid by a defendant pursuant to this section shall be allocated for the operating expenses of the county probation department.

(e) The provisions of this section shall be operative in a county upon the adoption of an ordinance to that effect by the board of supervisors.

CHAPTER 285

An act to add Section 945.3 to the Government Code, relating to public liability.

[Approved by Governor August 29, 1981 Filed with Secretary of State August 31, 1981]

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

SECTION 1. Section 945.3 is added to the Government Code, to read:

945.3. No person charged by indictment, information, complaint, or other accusatory pleading charging a criminal offense may bring a civil action for money or damages against a peace officer or the public entity employing a peace officer based upon conduct of the peace officer relating to the offense for which the accused is charged, including an act or omission in investigating or reporting the offense or arresting or detaining the accused, while the charges against the accused are pending before a justice, municipal, or superior court.

Any applicable statute of limitations for filing and prosecuting these claims shall be tolled during the period that the charges are pending before a justice, municipal, or superior court.

CHAPTER 286

An act to amend Section 72056.1 of, to add and repeal Section 68090.2 of, and to repeal Sections 71665.6 and 71675 of, the Government Code, relating to courts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 31, 1981 Filed with Secretary of State August 31, 1981]

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

SECTION 1. Section 68090.2 is added to the Government Code, to read:

68090.2. The board of supervisors of any county may by resolution adopted prior to September 1, 1981, fix the amounts to be charged as total filing fees in the courts within the county pursuant to Sections 26820.4, 26826, 26827, 72055, and 72056, and establish the components thereof, for the period September 1, 1981, to December 31, 1982. A copy of any such resolution shall be forwarded promptly to the Judicial Council.

This section shall remain in effect only until December 31, 1982, and as of such date is repealed.

SEC. 2. Section 71665.6 of the Government code is repealed.

SEC. 3. Section 71675 of the Government Code is repealed.

SEC. 4. Section 72056.1 of the Government Code is amended to read:

72056.1. A fee of two dollars ($2) for the Judges' Retirement Fund shall be included within the total fees collected pursuant to Sections 72055 and 72056 in each action in a municipal court.

The funds shall be transmitted at the end of each month to the Controller for payment into the Judges' Retirement Fund.

SEC. 5. Section 72056.1 of the Government Code is amended to read:

72056.1. A fee of five dollars ($5) for the Judges' Retirement Fund shall be included within the total fees collected pursuant to Sections 72055 and 72056 in each action in a municipal court.

The funds shall be transmitted at the end of each month to the Controller for payment into the Judges' Retirement Fund.

SEC. 6. It is the intent of the Legislature, if this bill and Senate Bill 594 are both chaptered and become effective on or before January 1, 1982, both bills amend Section 72056.1 of the Government Code, and this bill is chaptered after Senate Bill 594, that Section 72056.1 of the Government Code, as amended by Section 4 of this act, shall remain operative until the effective date of Senate Bill 594, and that on the effective date of Senate Bill 594 Section 72056.1 of the Government Code, as amended by Section 4 of this act, be further amended in the form set forth in Section 5 of this act to incorporate the changes in Section 72056.1 proposed by Senate Bill 594. Therefore, if this bill and Senate Bill 594 are both chaptered and become effective on or before January 1, 1982, and Senate Bill 594 is chaptered before this bill and amends Section 72056.1, Section 5 of this act shall become operative on the effective date of Senate Bill 594.

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

In order to clarify filing fee requirements for multiple parties and to authorize the adoption of filing fee resolutions between January 1, 1981, and September 1, 1981, it is necessary that this act take effect immediately.

CHAPTER 287

An act to amend Section 14906 of the Government Code, relating to state publications.

[Approved by Governor September 2, 1981. Filed with Secretary of State September 2, 1981]

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

SECTION 1. Section 14906 of the Government Code is amended to read:

14906. Any municipal or county free library, any state college or state university library, the library of any incorporated college or university in this state, the library of any public community college in this state, and the State Library, may contract as above provided. Applications are to be considered in the order of their receipt by the Department of General Services.

CHAPTER 288

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

[Approved by Governor September 2, 1981 Filed with Secretary of State September 2, 1981]

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

SECTION 1. Notwithstanding any other provision of law, programs for the severely handicapped for which funds are appropriated in Schedule (f) of Item 340 of the Budget Act of 1980 (Chapter 510, Statutes of 1980) shall be deemed to comply with Chapter 2 (commencing with Section 8200) of Part 6 of the Education Code. Except for Section 8262, the Superintendent of Public Instruction may waive the provisions of Chapter 2 and other provisions of the Education Code as are necessary to carry out the provisions of this act.

It is the intent of the Legislature that the unencumbered balance of funds appropriated in Schedule (f) of Item 340 of the Budget Act of 1980 for the purposes of the severely handicapped shall continue to be available for expenditure for those purposes under this act.

This section shall apply retroactively from July 1, 1980, and shall remain in effect only until June 30, 1981.

SEC. 2. Any action taken after June 30, 1980, and before the effective date of this act in continuing to fund those programs for the severely handicapped for which funds are appropriated in Schedule (f) of Item 340 of the Budget Act of 1980, is hereby validated, ratified, confirmed, and declared legally effective if the action would have been authorized by this act had it been effective during that time. This section shall apply to all acts, all contracts, and all funds expended for the purpose of the programs to which this section applies.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go

into immediate effect. The facts constituting the necessity are:

In order to correct an inadvertent omission in Chapter 798 of the Statutes of 1980 which revised provisions on child development programs and to ratify and continue certain programs for the severely handicapped, it is necessary that this act take effect immediately.

CHAPTER 289

An act to amend Section 8620 of the Business and Professions Code, relating to structural pest control.

[Approved by Governor September 2, 1981 Filed with Secretary of State September 2, 1981]

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

SECTION 1. Section 8620 of the Business and Professions Code is amended to read:

8620. The board may upon its own motion, and shall upon verified complaint in writing of any person, investigate the actions of any person acting as, or making application for a license as, an operator or field representative.

After hearing, the board may temporarily suspend or permanently revoke a license issued under the provisions of this chapter if the holder, while a licensee or applicant, is guilty of or commits any one or more of the acts or omissions constituting grounds for disciplinary action. In addition to its authority to suspend or revoke a license, the board shall have the authority to assess a civil penalty as follows:

(a) Upon the conclusion of a hearing held pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, if the proposed decision of the hearing officer is that the licensee is guilty of or has committed any one of the acts or omissions constituting grounds for disciplinary action, the proposed decision shall provide for the imposition of a suspension or for the revocation of the license. In such a case the board may impose the suspension or revocation. The board may also, in lieu of a suspension, assess a civil penalty. The licensee may express a preference for a form of discipline, but the board shall not be bound by any such expression of preference.

If a licensee elects to stipulate to a disciplinary action prior to an administrative hearing, the board may impose a civil penalty, in accordance with the provisions of this section, in lieu of suspension.

If a proposed stipulation is rejected by the board, it shall be null and void and shall not constitute an admission of any violation charged.

(b) The civil penalty shall not be more than two thousand dollars ($2,000) for an actual suspension of one to 19 days.

(c) The civil penalty shall not be more than five thousand dollars ($5,000) for an actual suspension of 20 to 45 days.

(d) If a licensee is assessed the civil penalty in lieu of an actual suspension, the penalty shall be paid before the effective date of the decision.

(e) If the civil penalty is not paid before the effective date of the suspension, the license shall be suspended until the penalty is paid or until the actual suspension is served.

No civil penalty shall be assessed in lieu of any suspension which exceeds 45 days. The proceedings under this article shall be conducted in accordance with Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code, and the board shall have all the powers granted therein.

In any order of suspension or revocation the board may authorize the completion of any contract or work contracted for under terms and conditions set forth in the order.

CHAPTER 290

An act to amend Section 1140 of the Civil Code, relating to personal property.

[Approved by Governor September 2, 1981 Filed with Secretary of State September 2, 1981]

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

SECTION 1. Section 1140 of the Civil Code is amended to read:

1140. (a) For purposes of this section:

(1) The term "customer" means any individual or entity who causes or caused a molder to fabricate, cast, or otherwise make a die, mold, or form.

(2) The term "molder" means any individual or entity, including, but not limited to, a tool or die maker, who fabricates, casts, or otherwise makes a die, mold, or form.

(3) For purposes of this section, the term "within three years following the last prior use" shall be construed to include any period following the last prior use of a die, mold, or form regardless of whether or not that period precedes the effective date of this section.

(b) In the absence of any agreement to the contrary, the customer shall have all rights and title to any die, mold, or form in the possession of the molder.

(c) If a customer does not claim possession from a molder of a die, mold, or form within three years following the last prior use thereof, all rights and title to any die, mold, or form may be transferred by operation of law to the molder for the purpose of destroying or otherwise disposing of such die, mold, or form, consistent with this section.

(d) If a molder chooses to have all rights and title to any die, mold, or form transferred to the molder by operation of law, the molder shall send written notice by registered mail to the chief executive officer of the customer or, if the customer is not a business entity, to the customer himself or herself at the customer's last known address indicating that the molder intends to terminate the customer's rights and title by having all such rights and title transferred to the molder by operation of law pursuant to this section.

(e) If a customer does not respond in person or by mail to claim possession of the particular die, mold, or form within 120 days following the date the notice was sent, or does not make other contractual arrangements with the molder for storage thereof, all rights and title of the customer shall transfer by operation of law to the molder. Thereafter, the molder may destroy or otherwise dispose of the particular mold, tool, or die as the molder's own property without any risk of liability to the customer, except that this section shall not be construed in any manner to affect any right of the customer, under federal patent or copyright law or any state or federal law pertaining to unfair competition.

CHAPTER 291

An act to repeal Sections 256 and 2156 of the Streets and Highways Code, relating to streets and highways, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 2, 1981 Filed with Secretary of State September 2, 1981]

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

SECTION 1. Section 256 of the Streets and Highways Code is repealed.

SEC. 2. Section 2156 of the Streets and Highways Code is repealed.

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

In order to make the changes on reporting requirements at the earliest opportunity, it is necessary that this act take effect immediately.

CHAPTER 292

An act to amend Sections 253.1, 253.2, 253.4, 253.5, 253.7, 253.8, 263.2, 263.3, 263.5, 263.6, 263.7, 309, 323, 324, 327, 339, 340, 347, 350, 362, 372, 379, 384, 399, 405, 405.1, 411, 439, 460, 495, 522, 575, and 635 of, to add Sections 351, 351.1, 410, and 624 to, and to repeal Sections 302.1, 302.2, 302.3, 311, 321.1, 364.2, 392.1, 442.1, 443.1, 514, 544.1, 550, 620.1, and 622 of, the Streets and Highways Code, relating to state highways.

[Approved by Governor September 2, 1981 Filed with Secretary of State September 2, 1981]

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

SECTION 1. Section 253.1 of the Streets and Highways Code is amended to read:

253.1. The California freeway and expressway system shall include:

Routes 5, 6, 7, 8, 10, 14, 15, 18, 24, 28, 30, 32, 34, 37, 40, 44, 47, 48, 50, 51, 52, 53, 54, 55, 56, 57, 59, 60, 61, 63, 65, 67, 68, 70, 71, 73, 74, 78, 80, 81, 83, 85, 87, 88, 89, 90, 93, 97, 100, 102, 105, 107, 108, 118, 121, 122, 124, 125, 126, 133, 134, 136, 139, 140, 141, 145, 148, 149, 154, 156, 157, 161, 163, 164, 171, 179, 181, 183, 184, 194, 199, 205, 208, 210, 217, 221, 223, 230, 232, 234, 235, 237, 238, 239, 242, 247, 249, 251, 252, 256, 257, 258, 259, 280, 330, 371, 380, 405, 505, 580, 605, 680, 780, 805, and 980 in their entirety.

SEC. 2. Section 253.2 of the Streets and Highways Code is amended to read:

253.2. The California freeway and expressway system shall also include:

Route 1 from:

(a) Los Angeles-Ventura county line to Route 101 near El Rio.

(b) Route 101 near Las Cruces to Route 227 south of Oceano.

(c) Route 101 near San Luis Obispo to San Simeon.

(d) Carmel to the west city limits of Santa Cruz.

(e) The Higgins-Purisima Road to Route 280 south of San Francisco.

(f) Route 280 to the San Francisco county line.

(g) Route 101 near the southerly end of Marin Peninsula to the vicinity of Valley Ford.

(h) Route 128 near the mouth of the Navarro River to Route 208 near Rockport.

Route 2 from Glendale Boulevard in Los Angeles County to Route 210.

Route 3 from Route 299 near Weaverville to Route 5 near Yreka.

Route 4 from:

(a) Route 80 near Hercules to Route 99 near Stockton.

(b) Route 99 near Stockton to Route 65.

Route 12 from:

(a) Route 1 near Valley Ford to Route 101 at Santa Rosa.

(b) Route 101 near Santa Rosa to Melita Road near Santa Rosa.

(c) Route 29 in the vicinity of Napa to Route 80 near Cordelia.

(d) Route 80 near Fairfield to Route 99 near Lodi via Rio Vista.

(e) Route 99 near Lodi to Route 88 near Lockeford.

(f) Route 88 near Clements to Route 49 near San Andreas.

Route 13 from:

(a) Route 61 near the Oakland International Airport to Route 24.

(b) Route 80 to Route 61 near Emeryville.

Route 16 from:

(a) Route 505 to Route 5 near Woodland.

(b) Route 50 near Perkins to Route 49 near Drytown.

Route 17 from:

(a) Route 1 near Santa Cruz to Granite Creek Road near Scott's Valley.

(b) The south city limits of Los Gatos to Route 80 in Oakland.

(c) Route 80 near Albany to Route 101 near San Rafael via the Richmond-San Rafael Bridge.

(d) Route 101 near San Rafael to Route 1 near Point Reyes Station.

Route 20 from Route 101 to Route 80 near Emigrant Gap.

SEC. 3. Section 253.4 of the Streets and Highways Code is amended to read:

253.4. The California freeway and expressway system shall also include:

Route 46 from Route 101 in San Luis Obispo County to Route 99 near Famoso.

Route 49 from:

(a) Route 41 near Oakhurst to Route 140 near Mariposa.

(b) Route 108 south of Jamestown to Route 108 near Sonora.

(c) Route 88 near Jackson to Route 50 near Placerville.

(d) Route 80 near Auburn to Route 20 near Grass Valley.

(e) Route 20 at Nevada City to Route 89 near Sattley.

(f) Route 89 near Sierraville to Route 70 near Vinton.

Route 58 from:

(a) Route 5 to Route 43.

(b) Route 43 to Route 99.

(c) Route 99 near Bakersfield to Route 15 near Barstow.

Route 62 from Route 10 near Whitewater to Route 247 near Yucca Valley.

Route 76 from Route 5 near Oceanside to Route 15.

Route 77 from Route 93 westerly of Moraga to Route 24 near Lafayette.

SEC. 4. Section 253.5 of the Streets and Highways Code is amended to read:

253.5. The California freeway and expressway system shall also include:

Route 79 from:

(a) Route 8 near Descanso to Route 78.

(b) Route 371 near Aguanga to Route 15 near Temecula.
(c) Route 15 near Temecula to Route 74 near Hemet.
(d) Route 74 near Hemet to Route 10 near Beaumont.
Route 84 from:
(a) The westerly approach to the Dumbarton Bridge to Route 238.
(b) Route 680 near Scotts Corners to Route 580.
(c) Route 580 to Route 4 near Brentwood.
(d) Route 12 at Rio Vista to Route 50 near Broderick.
Route 86 from Route 78 near Brawley to Route 10 near Indio.
Route 91 from Route 405 to Route 194 near Riverside.
Route 92 from:
(a) Route 1 near Half Moon Bay to Route 280.
(b) Route 280 to Route 238.
Route 94 from Route 5 near San Diego to Route 54 near Jamacha Road.
Route 95 from Route 10 near Blythe to Route 40 near Needles.
Route 99 from:
(a) Route 5 south of Bakersfield to Route 50 in Sacramento.
(b) Route 5 in Sacramento to Route 20.
(c) Route 20 to Route 5 near Red Bluff.
Route 101 from:
(a) Route 5 near Seventh Street in Los Angeles to near Fell Street in San Francisco.
(b) A point in Marin County opposite San Francisco to the Oregon state line north of Crescent City
Route 110 from Route 47 to Colorado Boulevard in Pasadena
SEC. 5. Section 253.7 of the Streets and Highways Code is amended to read:
253.7. The California freeway and expressway system shall also include:
Route 137 from Route 99 near Tulare to Route 65 near Lindsay.
Route 138 from Route 5 near Gorman to Route 15 near Cajon Pass.
Route 142 from Route 71 near Chino to Route 30 near Upland.
Route 152 from Route 101 to Route 65 near Sharon via Pacheco Pass.
Route 160 from:
(a) Route 4 near Antioch to Route 12 near Rio Vista.
(b) Sacramento to Route 51.
Route 166 from:
(a) Route 101 near Santa Maria to Route 33 in Cuyama Valley.
(b) Route 33 near Maricopa to Route 5.
Route 168 from Fresno to Huntington Lake.
Route 170 from:
(a) Los Angeles International Airport to Route 90.
(b) Route 101 near Riverside Drive to Route 5 near Tujunga Wash.
Route 178 from:
(a) Bakersfield to Route 14 near Freeman.
(b) Route 14 near Freeman to the vicinity of the San Bernardino

county line.

Route 180 from:

(a) Route 101 near Gilroy to Route 156

(b) Route 156 to Route 5 passing near Paicines.

(c) Route 5 to Route 99 passing near Mendota.

(d) Route 99 near Fresno to General Grant Grove section of Kings Canyon National Park.

Route 190 from Route 136 near Keeler to Route 127 near Death Valley Junction.

Route 193 from Route 65 near Lincoln to Route 80 near Newcastle.

Route 198 from Route 5 near Oilfields to the Sequoia National Park line.

SEC. 6. Section 253.8 of the Streets and Highways Code is amended to read:

253.8. The California freeway and expressway system shall also include:

Route 227 from Route 1 south of Oceano to Route 101 near Arroyo Grande.

Route 244 from Route 80 to Auburn Boulevard.

Route 299 from.

(a) Route 101 near Arcata to Route 5 at Redding.

(b) Route 5 at Redding to Route 395 at Alturas.

Route 395 from:

(a) Route 15 near Cajon Pass to the Nevada state line.

(b) Nevada state line northwest of Reno to Route 36 near Johnstonville.

(c) Route 36 near Termo to the Oregon state line.

Route 480 from Route 280 near Harrison Street in San Francisco to Bay Street and the Embarcadero.

SEC. 7. Section 263.2 of the Streets and Highways Code is amended to read:

263.2. The state scenic highway system shall also include:

Route 1 from:

(a) Route 5 south of San Juan Capistrano to Route 19 near Long Beach.

(b) Route 187 near Santa Monica to Route 101 near El Rio.

(c) Route 101 at Las Cruces to Route 246 near Lompoc.

(d) Route 227 south of Oceano to Route 101 near Pismo Beach.

(e) Route 101 near San Luis Obispo to Route 35 near Daly City.

(f) Route 35 in San Francisco to Route 480 in San Francisco.

(g) Route 101 near Marin City to Route 208 near Rockport.

Route 2 from Route 210 near La Canada to Route 138 near Wrightwood.

Route 3 from:

(a) Route 36 near Peanut to Route 299 near Douglas City.

(b) Route 299 near Weaverville to Montague.

Route 4 from:

(a) Route 239 near Brentwood to Route 160 near Antioch.

(b) Route 49 near Angels Camp to Route 89.

SEC. 8. Section 263.3 of the Streets and Highways Code is amended to read:

263.3. The state scenic highway system shall also include:

Route 5 from:

(a) The international boundary near Tijuana to Route 75 near the south end of San Diego Bay.

(b) San Diego opposite Coronado to Route 74 near San Juan Capistrano.

(c) Route 210 near Tunnel Station to Route 126 near Castaic.

(d) Route 152 west of Los Banos to Route 580 near Vernalis.

(e) Route 44 near Redding to the Shasta Reservoir.

(f) Route 89 near Mt. Shasta to Route 97 near Weed.

(g) Route 3 near Yreka to the Oregon state line near Hilts.

Route 8 from Sunset Cliffs Boulevard in San Diego to Route 98 near Coyote Wells.

Route 9 from:

(a) Route 1 near Santa Cruz to Route 236 near Boulder Creek.

(b) Route 236 near Boulder Creek to Route 236 near Waterman Gap.

(c) Route 236 near Waterman Gap to Route 35.

(d) Saratoga to Route 17 near Los Gatos.

(e) Blaney Plaza in Saratoga to Route 35.

Route 10 from Route 38 near Redlands to Route 62 near Whitewater.

Route 12 from Route 101 near Santa Rosa to Route 121 near Sonoma.

Route 14 from Route 58 near Mojave to Route 395 near Little Lake.

Route 15 from:

(a) Route 76 near the San Luis Rey River to Route 91 near Corona.

(b) Route 138 near Cajon Pass to Route 138 near Cajon Pass.

(c) Route 58 near Barstow to Route 127 near Baker.

Route 16 from Route 20 to Capay.

Route 17 from:

(a) Route 1 near Santa Cruz to Route 9 near Los Gatos.

(b) Route 37 near Nicasio to Route 1 near Point Reyes Station.

Route 18 from Route 138 near Mt. Anderson to Route 247 near Lucerne Valley.

Route 20 from:

(a) Route 1 near Fort Bragg to Route 101 near Willits.

(b) Route 101 near Calpella to Route 16.

(c) Route 49 near Grass Valley to Route 80 near Emigrant Gap.

Route 24 from the Alameda-Contra Costa county line to Route 680 in Walnut Creek.

Route 27 from Route 1 to Mullholland Drive.

Route 29 from:

(a) Route 37 near Vallejo to Route 121 near Napa.

(b) Route 221 near Napa to Route 20 near Upper Lake.

Route 30 from Route 330 near Highland to Route 10 near Redlands.

Route 33 from:

(a) Route 101 near Ventura to Route 150.
(b) Route 150 to Route 166 in Cuyama Valley.
(c) Route 198 near Coalinga to Route 198 near Oilfields.
Route 36 from:
(a) Route 101 near Alton to Route 3 near Peanut.
(b) Route 89 near Morgan Springs to Route 89 near Deer Creek Pass.

SEC. 9. Section 263.5 of the Streets and Highways Code is amended to read:

263.5. The state scenic highway system shall also include:
Route 78 from Route 79 near Santa Ysabel to Route 86 passing near Julian.
Route 79 from:
(a) Route 8 near Descanso to Route 78 near Julian.
(b) Route 78 near Santa Ysabel to Route 371 near Aguanga.
Route 80 from:
(a) Route 280 near First Street in San Francisco to Route 61 in Oakland.
(b) Route 20 near Emigrant Gap to the Nevada state line near Verdi, Nevada.
Route 88 from:
(a) Route 49 near Jackson to Route 89 near Picketts.
(b) Route 89 near Woodfords to the Nevada state line
Route 91 from Route 55 near Santa Ana Canyon to Route 15 near Corona.
Route 92 from Route 1 near Half Moon Bay to Route 280 near Crystal Springs Lake.
Route 94 from Route 125 near Spring Valley to Route 8 west of Jacumba.

SEC. 10. Section 263.6 of the Streets and Highways Code is amended to read:

263.6. The state scenic highway system shall also include:
Route 101 from:
(a) Route 1 near El Rio to Route 46 near Paso Robles.
(b) Route 156 near Prunedale northeasterly to Route 156.
(c) A point in Marin County opposite San Francisco to Route 1 near Marin City.
(d) Route 37 near Ignacio to Route 37 near Novato.
(e) Route 20 near Calpella to Route 20 near Willits.
(f) Route 208 near Leggett to Route 199 near Crescent City.
(g) Route 197 near Fort Dick to the Oregon state line.
Route 108 from Route 49 near Sonora to Route 395.
Route 111 from:
(a) Bombay Beach in Salton Sea State Park to Route 195 near Mecca.
(b) Route 74 near Palm Desert to Route 10 near Whitewater.
Route 118 from Route 23 to DeSoto Avenue near Browns Canyon.
Route 120 from:
(a) Route 49 near Chinese Camp to Route 49 near Moccasin

Creek.

(b) The east boundary of Yosemite National Park to Route 395 near Mono Lake.

Route 121 from:

(a) Route 37 near Sears Point to Route 12 near Sonoma.

(b) Route 29 near Napa State Hospital to Route 221 near Napa.

Route 125 from Route 94 near Spring Valley to Route 8 near La Mesa.

Route 126 from Route 150 near Santa Paula to Route 5 near Castaic.

SEC. 11. Section 263.7 of the Streets and Highways Code is amended to read:

263.7. The state scenic highway system shall also include:

Route 138 from:

(a) Route 2 near Wrightwood to Route 15 near Cajon Pass.

(b) Route 15 near Cajon Pass to Route 18 near Mt. Anderson.

Route 139 from Route 299 near Canby to the Oregon state line near Hatfield.

Route 140 from Route 49 near Mariposa to Yosemite National Park near El Portal.

Route 142 from the Orange-San Bernardino County line to Peyton Drive.

Route 146 from Pinnacles National Monument to Route 25 in Bear Valley.

Route 152 from:

(a) Route 1 to the Santa Clara county line at Hecker Pass.

(b) Route 156 near San Felipe to Route 5.

Route 160 from:

(a) Route 4 near Antioch to Route 12 near Rio Vista.

(b) Route 12 near Rio Vista to Sacramento.

Route 163 from Ash Street in San Diego to Route 8.

Route 166 from Route 101 near Santa Maria to Route 33 in Cuyama Valley.

Route 168 from:

(a) Route 65 near Clovis to Huntington Lake.

(b) Camp Sabrina to Route 395

(c) Big Pine to the Nevada state line via Oasis.

Route 178 from the east boundary of Death Valley National Monument to Route 127 near Shoshone.

Route 180 from:

(a) Route 156 near Hollister to Route 25 near Paicines.

(b) Route 65 near Minkler to General Grant Grove section of Kings Canyon National Park.

(c) General Grant Grove section of Kings Canyon National Park to Kings River Canyon.

Route 190 from Route 65 near Porterville to Route 127 near Death Valley Junction.

SEC 12. Section 302.1 of the Streets and Highways Code is repealed.

SEC. 13. Section 302.2 of the Streets and Highways Code is

repealed.

SEC. 14. Section 302.3 of the Streets and Highways Code is repealed.

SEC. 15. Section 309 of the Streets and Highways Code is amended to read:

309. Route 9 is from Route 1 near Santa Cruz to Route 17 near Los Gatos via Waterman Gap and Saratoga Gap and along the ridge between the San Lorenzo and Pescadero Creeks.

SEC. 16. Section 311 of the Streets and Highways Code is repealed.

SEC. 17. Section 321.1 of the Streets and Highways Code is repealed.

SEC. 18. Section 323 of the Streets and Highways Code is amended to read:

323. Route 23 is from:

(a) Route 1 near Aliso Canyon to Route 101.

(b) Route 101 near Newbury Park to Route 118.

(c) Route 118 to Route 126 near Fillmore.

SEC. 19. Section 324 of the Streets and Highways Code is amended to read:

324. Route 24 is from:

(a) Route 580 in Oakland to Route 680 in Walnut Creek.

(b) Route 680 near Walnut Creek to Route 4 near Pittsburg.

SEC. 20. Section 327 of the Streets and Highways Code is amended to read:

327. Route 27 is from Route 1 near Topanga Beach to Route 118.

SEC. 21. Section 339 of the Streets and Highways Code is amended to read:

339. Route 39 is from:

(a) Route 1 near Huntington Beach to Route 72 in La Habra via Beach Boulevard.

(b) Beach Boulevard to Harbor Boulevard in La Habra via Whittier Boulevard.

(c) Whittier Boulevard in La Habra to Route 2 via Harbor Boulevard to the vicinity of Fullerton Road, then to Azusa Avenue, Azusa Avenue to San Gabriel Canyon Road, San Gabriel Avenue southbound between Azusa Avenue and San Gabriel Canyon Road, and San Gabriel Canyon Road.

The department shall not assume maintenance of any portion of Route 39 until such portion has been constructed or reconstructed to the minimum state highway standards established pursuant to Sections 81 and 2109.

SEC. 22. Section 340 of the Streets and Highways Code is amended to read:

340. Route 40 is from Route 15 at Barstow to the Arizona state line near Topock, Arizona via Needles.

SEC. 23. Section 347 of the Streets and Highways Code is amended to read:

347. Route 47 is from Route 110 in San Pedro to Route 10 via the

Vincent Thomas Bridge.

SEC. 24. Section 350 of the Streets and Highways Code is amended to read:

350. Route 50 is from Route 80 west of Sacramento to the Nevada state line near Lake Tahoe via Placerville.

SEC. 25. Section 351 is added to the Streets and Highways Code, to read:

351. Route 51 is from Route 50 in Sacramento to Route 80 east of Sacramento.

SEC. 26. Section 351.1 is added to the Streets and Highways Code, to read:

351.1. Notwithstanding Section 640, Route 51 shall be signed Interstate Business Loop 80.

SEC. 27. Section 362 of the Streets and Highways Code is amended to read:

362. Route 62 is from Route 10 near Whitewater to the Arizona state line near Earp via Morongo Valley, the vicinity of Yucca Valley, Twentynine Palms, Rice, and Vidal Junction.

SEC. 28. Section 364.2 of the Streets and Highways Code is repealed.

SEC. 29. Section 372 of the Streets and Highways Code is amended to read.

372. Route 72 is from Route 39 to Downey Road near the City of Los Angeles. Route 72 shall cease to be a state highway when Route 90 freeway is completed from Route 5 to Route 39.

SEC. 30. Section 379 of the Streets and Highways Code is amended to read:

379. Route 79 is from:

(a) Route 8 near Descanso to Route 78 near Julian.

(b) Route 78 near Santa Ysabel to Route 15 near Temecula.

(c) Route 15 near Temecula to Route 74 near Hemet.

(d) Route 74 near Hemet to Route 10 near Beaumont.

SEC. 31. Section 384 of the Streets and Highways Code is amended to read:

384. Route 84 is from:

(a) Route 1 to Route 35.

(b) Route 35 to Route 238.

(c) Route 238 to Route 680 near Scotts Corners via the vicinity of Sunol.

(d) Route 680 near Scotts Corners to Route 580.

(e) Route 580 to Route 4 near Brentwood.

(f) Route 12 at Rio Vista to Route 80 near Bryte via Ryer Island.

SEC. 32. Section 392.1 of the Streets and Highways Code is repealed.

SEC. 33. Section 399 of the Streets and Highways Code is amended to read:

399. Route 99 is from:

(a) Route 5 south of Bakersfield to Route 50 in Sacramento.

(b) Route 5 in Sacramento to Route 20, passing near Catlett and

Tudor.

(c) Route 20 to Route 5 near Red Bluff.

SEC. 34. Section 405 of the Streets and Highways Code is amended to read:

405. Route 105 is from the south boundary of the Los Angeles International Airport near El Segundo to Route 605.

SEC. 35. Section 405.1 of the Streets and Highways Code is amended to read:

405.1. The department may let, in an economically depressed area, as defined in subdivision (b) of Section 135.4, and without competitive bidding, contracts for the maintenance of the portion of the right-of-way bounded by Imperial Highway, Alameda Street, 120th Street, and the Harbor Freeway (Route 110), and improvements thereon, acquired for Route 105 and for any other work necessary to insure that the right-of-way is kept in a safe and sanitary condition and does not become a blight in the community.

SEC. 36. Section 410 is added to the Streets and Highways Code, to read:

410. Route 110 is from San Pedro to Colorado Boulevard in Pasadena.

SEC. 37. Section 411 of the Streets and Highways Code is amended to read:

411. Route 111 is from:

(a) The international boundary south of Calexico to Route 78 near Brawley, passing east of Heber.

(b) Route 78 near Brawley to Route 86 via the north shore of the Salton Sea

(c) Route 10 near Indio to Route 10 near Whitewater, passing near Palm Desert.

SEC. 38. Section 439 of the Streets and Highways Code is amended to read:

439. Route 139 is from:

(a) Route 36 in Susanville to Route 299 near Adin.

(b) Route 299 near Canby to the Oregon state line near Hatfield.

SEC. 39. Section 442.1 of the Streets and Highways Code is repealed.

SEC. 40. Section 443.1 of the Streets and Highways Code is repealed.

SEC 41. Section 460 of the Streets and Highways Code is amended to read:

460. Route 160 is from:

(a) Route 4 near Antioch to Route 12 near Rio Vista.

(b) Route 12 near Rio Vista to Route 51 via Sacramento.

SEC. 42. Section 495 of the Streets and Highways Code is amended to read:

495. Route 195 is from Route 86 near Oasis to Route 111 near Mecca via Pierce Street and Avenue 66.

This route shall cease to be a state highway when Route 86 Expressway is constructed from near Oasis to Route 10.

SEC. 43. Section 514 of the Streets and Highways Code is repealed.

SEC. 44. Section 522 of the Streets and Highways Code is amended to read:

522. Route 222 is from Route 101 near Ukiah easterly to East Side Road in Talmadge.

SEC. 45. Section 544.1 of the Streets and Highways Code is repealed.

SEC. 46. Section 550 of the Streets and Highways Code is repealed.

SEC. 47. Section 575 of the Streets and Highways Code is amended to read:

575. Route 275 is from Route 50 near Westacre Road west of Sacramento to the junction of Capitol Avenue and Ninth Street in Sacramento.

No funds in the State Highway Account shall be used for the construction or maintenance of any further aesthetic improvements on that portion of the route in the City of Sacramento.

SEC. 48. Section 620.1 of the Streets and Highways Code is repealed.

SEC. 49. Section 622 of the Streets and Highways Code is repealed.

SEC. 50. Section 624 is added to the Streets and Highways Code, to read.

624. Route 980 is from Route 17 in Oakland to Route 580.

SEC. 51. Section 635 of the Streets and Highways Code is amended to read:

635. State Highway Route 1 from Las Cruces to San Francisco shall be known and designated as the "Cabrillo Highway."

State highway routes embracing portions of Routes 280, 82, 101, 5, and 72, and connecting city streets and county roads thereto, and extending in a continuous route from San Francisco southerly to the international border and near the route historically known as El Camino Real shall be known and designated as "El Camino Real."

State Highway Route 1 from south of San Juan Capistrano to near El Rio shall be known and designated as the "Pacific Coast Highway."

CHAPTER 293

An act to repeal Section 25666 of the Health and Safety Code, relating to health.

[Approved by Governor September 2, 1981 Filed with Secretary of State September 2, 1981]

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

SECTION 1. Section 25666 of the Health and Safety Code is repealed.

CHAPTER 294

An act to amend Section 43206 of the Health and Safety Code, relating to air pollution.

[Approved by Governor September 2, 1981 Filed with Secretary of State September 2, 1981]

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

SECTION 1. Section 43206 of the Health and Safety Code is amended to read:

43206. Commencing January 1, 1982, and annually thereafter, every person who manufactures new motor vehicles for sale in California shall file with the state board a report as to the person's efforts and progress in meeting state standards adopted pursuant to Section 43101 and federal standards and research objectives specified in Section 7521 of Title 42 of the United States Code.

The reports shall be available to the public. However, the manufacturer may designate that a portion of the report is a trade secret and the portion shall not be released except to the state board employees specifically designated by the executive officer, unless the state board, after an investigation, determines that the portion is not in fact a trade secret. State board employees having access to the trade secret shall maintain its confidentiality.

The state board shall conduct investigations with respect to the reports as it deems necessary and shall file a summary of the annual reports with the Legislature and the Governor as soon after January 1 as possible.

No report is required from the manufacturer once all models of motor vehicles of the manufacturer which are sold in California and which are subject to the state standards adopted pursuant to Section 43101, and the federal standards and research objectives specified in Section 7521 of Title 42 of the United States Code, meet all those standards and objectives.

CHAPTER 295

An act to amend Section 14780 of the Government Code, relating to transportation contracts.

[Approved by Governor September 2, 1981 Filed with Secretary of State September 2, 1981]

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

SECTION 1. Section 14780 of the Government Code is amended to read:

14780. All contracts entered into by any state agency for (a) the hiring or purchase of equipment, supplies, materials, or of textbooks for use in the day and evening elementary schools of the state, (b) services, whether or not the same involve the furnishing or use of equipment, materials or supplies or are performed by an independent contractor, (c) the construction, alteration, improvement, repair or maintenance of property, real or personal, or (d) the performance of work or services by such state agency for or in cooperation with any person, or public body, are of no effect unless and until approved by the Department of General Services. Every such contract shall be transmitted with all papers, estimates, and recommendations concerning it to the department and, if approved by the department, shall be effective from the date of such approval. This section shall apply to any state agency which by general or specific statute is expressly or impliedly authorized to enter into transactions referred to herein. This section shall not apply to any contract let by a department under the State Contract Act or the State College Contract Law, nor to any contract of a type specifically mentioned and authorized to be entered into by the Department of Transportation under Section 14035 or 14035.5 of the Government Code, Sections 99316 to 99319, inclusive, of the Public Utilities Code, or the Streets and Highways Code, nor any contract entered into by the Department of Transportation which is not funded by money derived by state tax sources but, rather, is funded by money derived from federal or local tax sources, nor to any contract let by the Legislature, nor to any contract entered into under the authority of Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code.

CHAPTER 296

An act relating to Kern Desert Regional Park.

[Approved by Governor September 2, 1981 Filed with Secretary of State September 2, 1981]

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

SECTION 1. Pursuant to Section 5096.27 of the Public Resources Code, the County of Kern is hereby authorized to dedicate to the City of Ridgecrest lands in Kern Desert Regional Park comprising portions of Coso Avenue and Las Flores Avenue which were acquired with a grant of State Beach, Park, Recreational, and Historical Facilities Fund moneys appropriated by Item 370(b) of the Budget Act of 1968 (Chapter 430, Statutes of 1968) and under Department of Parks and Recreation Project No. 815-103; provided, that the primary purpose of Coso Avenue and Las Flores Avenue shall be the provision of ingress and egress to the areas and facilities of Kern Desert Regional Park; and provided further, that incidental uses shall be permissible only if they do not interfere with the quality and accessibility of that park as determined by resolution of the Kern County Board of Supervisors.

This act involves unique and peculiar circumstances in the Kern Desert Regional Park. The Legislature, therefore, finds and declares that this act cannot and shall not be construed as precedent for any other legislation affecting the grant of state funds for the Kern Desert Regional Park or affecting any other local assistance grant administered by the Department of Parks and Recreation or as precedent for the manner in which any other local assistance grant may be administered.

CHAPTER 297

An act to amend Section 476a of the Penal Code, relating to forgery.

[Approved by Governor September 2, 1981 Filed with Secretary of State September 2, 1981]

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

SECTION 1. Section 476a of the Penal Code is amended to read:

476a. (a) Any person who for himself or as the agent or representative of another or as an officer of a corporation, willfully, with intent to defraud, makes or draws or utters or delivers any check, or draft or order upon any bank or depositary, or person, or firm, or corporation, for the payment of money, knowing at the time of such making, drawing, uttering or delivering that the maker or drawer or the corporation has not sufficient funds in, or credit with said bank or depositary, or person, or firm, or corporation, for the payment of such check, draft, or order and all other checks, drafts, or orders upon such funds then outstanding, in full upon its presentation, although no express representation is made with reference thereto, is punishable by imprisonment in the county jail

for not more than one year, or in the state prison.

(b) However, if the total amount of all such checks, drafts, or orders that the defendant is charged with and convicted of making, drawing, or uttering does not exceed one hundred dollars ($100), the offense is punishable only by imprisonment in the county jail for not more than one year, except that this subdivision shall not be applicable if the defendant has previously been convicted of a violation of Section 470, 475, or 476, or of this section, or of the crime of petty theft in a case in which defendant's offense was a violation also of Section 470, 475, or 476 or of this section or if the defendant has previously been convicted of any offense under the laws of any other state or of the United States which, if committed in this state, would have been punishable as a violation of Section 470, 475 or 476 or of this section or if he has been so convicted of the crime of petty theft in a case in which, if defendant's offense had been committed in this state, it would have been a violation also of Section 470, 475, or 476, or of this section.

(c) Where such check, draft, or order is protested, on the ground of insufficiency of funds or credit, the notice of protest thereof shall be admissible as proof of presentation, nonpayment and protest and shall be presumptive evidence of knowledge of insufficiency of funds or credit with such bank or depositary, or person, or firm, or corporation.

(d) In any prosecution under this section involving two or more checks, drafts, or orders, it shall constitute prima facie evidence of the identity of the drawer of a check, draft, or order if:

(1) At the time of the acceptance of such check, draft or order from the drawer by the payee there is obtained from the drawer the following information: name and residence of the drawer, business or mailing address, either a valid driver's license number or Department of Motor Vehicles identification card number, and the drawer's home or work phone number or place of employment. Such information may be recorded on the check, draft, or order itself or may be retained on file by the payee and referred to on the check, draft, or order by identifying number or other similar means; and

(2) The person receiving the check, draft, or order witnesses the drawer's signature or endorsement, and, as evidence of that, initials the check, draft, or order at the time of receipt.

(e) The word "credit" as used herein shall be construed to mean an arrangement or understanding with the bank or depositary or person or firm or corporation for the payment of such check, draft or order.

(f) If any of the preceding paragraphs, or parts thereof, shall be found unconstitutional or invalid, the remainder of this section shall not thereby be invalidated, but shall remain in full force and effect.

CHAPTER 298

An act to amend the heading of Article 5.5 (commencing with Section 36961) of Chapter 2 of Part 3 of Division 15 of, to amend Sections 33704, 33704.5, 36961, 36962, 36963, 36964, 36965, 36991, 38261, and 43332 of, to add Sections 36964.5 and 36966 to, and to add Article 5.5 (commencing with Section 38251) to Chapter 5 of Part 3 of Division 15 of, the Food and Agricultural Code, relating to agriculture.

[Approved by Governor September 2, 1981 Filed with Secretary of State September 2, 1981.]

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

SECTION 1. Section 33704 of the Food and Agricultural Code is amended to read:

33704. The provisions of Sections 33701, 33731, 33732, 33733, 33734, 33767, 33768, 33770, 33771, 33776, and 34593 do not apply to the manufacture of a milk drink if such product is manufactured from milk drink mix or sterilized milk drink mix, or to ice cream which is manufactured from ice cream mix, or to ice milk which is manufactured from ice milk mix, or to frozen yogurt, which is manufactured from frozen yogurt mix, or to lowfat frozen yogurt, which is manufactured from lowfat frozen yogurt mix, or to lowfat frozen dairy dessert, which is manufactured from lowfat frozen dairy dessert mix, or to nonfat frozen dairy dessert which is manufactured from nonfat frozen dairy dessert mix, or to nondairy frozen dessert which is manufactured from nondairy frozen dessert mix, if such products are manufactured in a freezing device from which such products are served directly in a semifrozen state, without packaging of any type, for consumption on the premises in or from rooms where food is served to the public.

Except for nondairy frozen dessert mix, all such mixes so used shall be secured from a licensed manufacturer of milk products.

Frozen yogurt mix, lowfat frozen yogurt mix, frozen dairy dessert mix, and nondairy frozen dessert mix shall be manufactured into a semifrozen state without adulteration and freezing device salvage shall not be reused as a mix.

Nondairy frozen dessert mix shall be obtained from manufacturers licensed pursuant to Section 38931 or under Section 38984. Any dry or condensed mix to be reconstituted into freezable form shall be reconstituted on the premises in containers or equipment that meet the requirements of Sections 33763, 33764, 33765, and 33766. Any water used for reconstitution shall be treated in such a manner to assure a quality equal to potable pasteurized water. Upon reconstitution, the product shall be poured directly into the freezing unit or refrigerated at a temperature not to exceed 50 degrees Fahrenheit, and so maintained until frozen, or both.

Where any retail establishment manufactures two or more of the products provided for under this section, each such product shall be processed in a separate freezing device, and such freezing device shall be clearly identified as to the product being manufactured therein.

The director may by agreement with any approved milk inspection service, authorize such service to inspect and enforce requirements of this code applicable to the establishments covered by this section. Any such agreement shall provide that the approved inspection service shall collect the applicable license fee for such establishments as provided in Sections 35221 and 38933. The fees so collected shall be retained by the approved service to cover its cost of enforcement, provided that 25 percent of the fees collected shall be remitted to the director to cover the cost of administration.

SEC. 2. Section 33704.5 of the Food and Agricultural Code is amended to read:

33704.5. (a) Any person who manufactures and directly serves frozen yogurt, lowfat frozen yogurt, lowfat frozen dairy dessert, nonfat frozen dairy dessert, or nondairy frozen dessert in the manner specified in Section 33704, shall post on the premises where such manufacture and service takes place a sign, or signs, which (1) states that frozen yogurt, lowfat frozen yogurt, lowfat frozen dairy dessert, nonfat frozen dairy dessert, or nondairy frozen dessert, is served on such premises and (2) lists the ingredients in each of such products served.

(b) The sign required to be posted pursuant to subdivision (a) shall be placed in a conspicuous location, such as on a menu or other sales device, and shall be printed in a legible manner that is understandable under normal conditions by the person purchasing such frozen products.

SEC. 3. The heading of Article 5.5 (commencing with Section 36961) of Chapter 2 of Part 3 of Division 15 of the Food and Agricultural Code is amended to read:

Article 5.5. Lowfat Frozen Dairy Dessert and Nonfat Frozen Dairy Dessert

SEC. 4. Section 36961 of the Food and Agricultural Code is amended to read:

36961. Lowfat frozen dairy dessert is the food prepared by freezing while stirring a pasteurized mix containing skim milk, concentrated skim milk, nonfat dry milk, whole milk, cream, or edible dried whey, or any combination of such ingredients, and any of the following optional ingredients: water; edible proteins derived from milk; fruit or fruit juices, or both; eggs and egg products; harmless flavor and color; nut meats; any safe and suitable stabilizers, emulsifiers, and nutritive sweetening agents and nonnutritive sweeteners approved by the director.

SEC. 5. Section 36962 of the Food and Agricultural Code is

amended to read:

36962. Lowfat frozen dairy dessert shall meet all of the following:

(a) Contain not less than 0.5 percent and not more than 1.90 percent by weight of milk fat.

(b) Contain not less than 12 percent by weight of total milk solids, not including milk components which may be added as ingredients.

(c) Contain not less than 1.3 pounds of food solids per gallon. If microcrystalline cellulose is used, the quantity of food solids shall be not less than 1.3 pounds exclusive of the weight of the microcrystalline cellulose.

(d) Contain not more than 75,000 bacteria per gram when sold by the manufacturer or retailer.

(e) Weigh not less than 4.5 pounds per gallon.

SEC. 6. Section 36963 of the Food and Agricultural Code is amended to read:

36963. Lowfat frozen dairy dessert when sold in packages or containers shall bear the name "Lowfat Frozen Dairy Dessert" in bold face block letters in a color contrasting with the background color of the container. Each letter of the name shall be the same size, type, and color, and at least one-half as large as the largest letter, numeral, or symbol used on the container as part of a trade name or trademark. The container shall bear the product name on the principal display panel and shall bear the product name adjacent to each use of the trademark or trade symbol. The label shall state the name and address, including the zip code, of the manufacturer or distributor, preceded by the phrase "Manufactured by" or "Distributed by," as applicable.

If nonnutritive sweeteners are used as ingredients, the statement "contains nonnutritive sweeteners" shall immediately follow the name of the food in type of a size easily read under customary circumstances of purchase.

SEC. 7. Section 36964 of the Food and Agricultural Code is amended to read:

36964. Vitamins and minerals required in human nutrition may be added to lowfat frozen dairy dessert.

If any such vitamins or minerals are added to the product, the name of the food shall be immediately preceded or followed with the phrase "vitamin _____ added," with the blank filled in with the name of the vitamin or vitamins used in type of the same style and at least one-half the size of the type used for the name "Lowfat Frozen Dairy Dessert," required under Section 36963, and on the same contrasting background.

SEC. 8. Section 36964.5 is added to the Food and Agricultural Code, to read:

36964.5. Nonfat frozen dairy dessert shall meet all of the requirements of lowfat frozen dairy dessert except the milk fat content shall be less than 0.5 percent by weight of milk fat. The product shall be labeled in the same manner as lowfat frozen dairy dessert, except for the name of food which shall be "nonfat frozen

dairy dessert" with the accompanying phrase of "less than 0.5 percent milk fat."

SEC. 9. Section 36965 of the Food and Agricultural Code is amended to read:

36965. Lowfat frozen dairy dessert mix is an unfrozen liquid product which is used in the manufacture of frozen dairy dessert. It shall comply with all requirements for frozen dairy dessert under this article.

SEC. 10. Section 36966 is added to the Food and Agricultural Code, to read:

36966. Nonfat frozen dairy dessert mix is an unfrozen liquid product which is used in the manufacture of nonfat frozen dairy dessert. It shall comply with all requirements for nonfat frozen dairy dessert under this article.

SEC. 11. Section 36991 of the Food and Agricultural Code is amended to read:

36991. Frozen yogurt, lowfat frozen yogurt, and nonfat frozen yogurt are frozen dairy products. They shall be made from milk, with or without added milk solids, flavoring, or seasoning, which has been pasteurized and afterwards fermented by one or more strains of Lactobacillus bulgaricus, including yogurt strains, Streptococcus thermophilus and Lactobacillus acidophilus. They shall not be pasteurized following fermentation. Fruits may be added before or after the mix is pasteurized and cultured. Such product may contain harmless edible stabilizers or emulsifiers not to exceed 0.6 percent. It shall have a titratable acidity of not less than 0.5 percent expressed as lactic acid, except when flavoring is added that contains no fruit or fruit flavoring the titratable acidity may be reduced to not less than 0.30 percent expressed as lactic acid; it shall contain no more than 10 coliform bacteria per gram; it shall contain no more than 10 colonies per gram each of molds, yeasts, and other fungi; and it shall be free of any other objectionable bacteria which may impair the quality of the product. The freezing and air incorporation shall not exceed 60 percent by volume of the product.

SEC. 12. Article 5.5 (commencing with Section 38251) is added to Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code, to read:

Article 5.5. Evaporated Lowfat Milk or Condensed Lowfat Milk

38251. Evaporated lowfat milk or condensed lowfat milk is the liquid food obtained by the partial removal of water and milk fat from milk. The milk fat and total milk solids content of the food shall not be less than 2 percent and 19.5 percent, respectively. Evaporated lowfat milk shall contain added vitamins A and D as prescribed in Section 38252. These products shall be homogenized and packaged in hermetically sealed containers and so processed by heat, either before or after sealing, so as to prevent spoilage.

38252. The following vitamin requirements shall be followed:

(a) Vitamin A shall be present in such quantity that each fluid ounce of the food contains not less than 125 International Units thereof, within limits of good manufacturing practice.

(b) Vitamin D shall be present in such quantity that each fluid ounce of the food contains 25 International Units thereof within limits of good manufacturing practice.

38253. The following safe and suitable optional ingredients may be used:

(a) Carriers for vitamins A and D.

(b) Emulsifiers.

(c) Stabilizers, with or without dioctyl sodium sulfosuccinate (when permitted by and complying with the provisions of Section 172.810 of Title 21 of the Code of Federal Regulations).

(d) Characterizing flavoring ingredients, with or without coloring as follows:

(1) Fruit and fruit juice, including concentrated fruit and fruit juice.

(2) Natural and artificial food flavoring.

SEC. 13. Section 38261 of the Food and Agricultural Code is amended to read:

38261. (a) Evaporated skim milk or condensed skim milk is skim milk from which a considerable portion of moisture has been evaporated. It shall contain not less than 20 percent by weight, of total milk solids and not more than 0.5 percent by weight, of milk fat. Evaporated skimmed milk is the same as, and shall meet the same standards as, evaporated skim milk.

(b) Evaporated skim milk may contain added vitamins A and D. When added, vitamin D shall be present in such quantity that each fluid ounce of the food contains 25 International Units thereof within limits of good manufacturing practice. When added, vitamin A shall be present in such quantity that each fluid ounce of the food contains not less than 125 International Units thereof within limits of good manufacturing practice.

(c) Evaporated skim milk may be homogenized.

(d) The following safe and suitable ingredients may be optionally used in evaporated skim milk:

(1) Carriers for vitamins A and D.

(2) Emulsifiers.

(3) Stabilizers, with or without dioctyl sodium sulfosuccinate (when permitted by and complying with the provisions of Section 172.810 of Title 21 of the Code of Federal Regulations) as a solubilizing agent.

(4) Characterizing flavoring ingredients, with or without coloring and nutritive carbohydrate sweeteners, as follows:

(A) Fruit and fruit juice including concentrated fruit and fruit juice.

(B) Natural and artificial food flavoring.

SEC. 14. Section 43332 of the Food and Agricultural Code is amended to read:

43332. It is unlawful for any person who has been issued a valid permit pursuant to regulations established by the director to sell, buy, receive, transport, deliver, or cause to be transported, or for any person to transport unless such a permit accompanies the vehicle which is transporting, any fruits, nuts, or vegetables which are exempt from the standards which are established in this chapter, except a person that comes within one of the following classes:

(a) A common carrier which operates over a regular route or between fixed termini and transports any such fruits, nuts, or vegetables in good faith and in accordance with its duties as a common carrier.

(b) A person that is transporting fruits, nuts, or vegetables from the orchard or field where they were produced to a packing plant within the state for first processing, grading, or packing.

(c) A person that is transporting fruits, nuts, or vegetables in accordance with the terms of a disposal order which is duly issued pursuant to Section 42881.

SEC. 15. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 299

An act to amend Section 639 of, and to add Section 645.1 to, the Code of Civil Procedure, relating to references.

[Approved by Governor September 2, 1981 Filed with Secretary of State September 2, 1981]

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

SECTION 1. Section 639 of the Code of Civil Procedure is amended to read:

639. When the parties do not consent, the court may, upon the application of any party, or of its own motion, direct a reference in the following cases:

(a) When the trial of an issue of fact requires the examination of a long account on either side; in which case the referees may be directed to hear and decide the whole issue, or report upon any specific question of fact involved therein.

(b) When the taking of an account is necessary for the information of the court before judgment, or for carrying a judgment or order into effect.

(c) When a question of fact, other than upon the pleadings, arises upon motion or otherwise, in any stage of the action.

(d) When it is necessary for the information of the court in a special proceeding.

(e) When the court in any pending action determines in its discretion that it is necessary for the court to appoint a referee to hear and determine any and all discovery motions and disputes relevant to discovery in the action and to report findings and make a recommendation thereon.

SEC. 2. Section 645.1 is added to the Code of Civil Procedure, to read:

645.1. The court may order the parties to pay the fees of referees who are not employees or officers of the court at the time of appointment, as fixed pursuant to Section 1023, in any manner determined by the court to be fair and reasonable, including an apportionment of the fees among the parties.

CHAPTER 300

An act to add Sections 4016 1 and 4016.2 to the Insurance Code, relating to insurance.

[Approved by Governor September 2, 1981. Filed with Secretary of State September 2, 1981]

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

SECTION 1. Section 4016.1 is added to the Insurance Code, to read:

4016.1. Notice of all meetings of members whether annual or special shall be given in writing to the members entitled to vote by the secretary, or an assistant secretary, or other persons charged with that duty, or if there be no such officer, or in case of his or her neglect or refusal, by any director or member. At the option of the insurer the notice may be imprinted on premium notices or receipts or on both.

A notice may be given by the insurer to any member either personally, or by mail, or other means of written communication, charges prepaid, addressed to the member at his or her address appearing on the books of the insurer, or given by him or her to the insurer for the purpose of notice. If a member gives no address, notice shall be deemed to have been given him or her if sent by mail or other means of written communication addressed to the place where the principal office of the insurer is situated, or if published at least once in a newspaper of general circulation in the county in which the office is located.

Notice of any meeting of members shall be sent to each member entitled thereto not less than seven days before a meeting, unless the

bylaws provide otherwise.

Notice of any meeting of members shall specify the place, the day, and the hour of the meeting and the general nature of the business to be transacted.

Notice of an annual meeting to be held at the time and place specified shall be sufficiently given if published at least once in each of four successive weeks in a newspaper of general circulation in the county in which the principal office of the insurer is located, and if so published no other notice of the meeting shall be required.

SEC. 2. Section 4016.2 is added to the Insurance Code, to read:

4016.2. The presence in persons or by proxy of 5 percent of the members entitled to vote at any meeting shall constitute a quorum for the transaction of all business of the insurer, including but not limited to, the amendment of the articles of incorporation or bylaws of the insurer, unless otherwise provided in the bylaws.

CHAPTER 301

An act to amend Section 68083 of the Government Code, relating to courts.

[Approved by Governor September 2, 1981. Filed with Secretary of State September 2, 1981.]

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

SECTION 1. Section 68083 of the Government Code is amended to read:

68083. (a) A judge of a justice court shall not practice law before any justice court in the county in which he resides. As used in this section, the practice of law includes being in partnership or sharing fees, commissions, or expenses in the practice of law with any person acting as an attorney in such court.

Except as provided in subdivision (b), a judge of a justice court may, however, have as a partner, and may share fees, commissions, or expenses with, any person acting as attorney in any court before which such judge may practice law.

(b) In any county, the board of supervisors may provide by ordinance, adopted by at least a two-thirds vote, that a justice court judge of that county who is designated and compensated as a full-time justice court judge and whose term of office begins on or after the effective date of the ordinance shall not practice law in any court.

CHAPTER 302

An act to repeal Chapter 6 (commencing with Section 28100) of Division 12 of the Vehicle Code, relating to vehicle equipment safety.

[Approved by Governor September 2, 1981. Filed with Secretary of State September 2, 1981.]

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

SECTION 1. Chapter 6 (commencing with Section 28100) of Division 12 of the Vehicle Code is repealed.

CHAPTER 303

An act to amend Section 65361 of the Government Code, relating to land use planning.

[Approved by Governor September 2, 1981. Filed with Secretary of State September 2, 1981.]

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

SECTION 1. Section 65361 of the Government Code is amended to read:

65361. (a) Except as provided in subdivision (b), no mandatory element of a general plan shall be amended more frequently than three times during any calendar year, which amendment or amendments may occur at any time as determined by the legislative body.

(b) This section does not apply to amendment of any general plan element requested and necessary for a single development of residential units, at least 25 percent of which will be occupied by or available to persons and families of low or moderate income, as defined by Section 50093 of the Health and Safety Code. The specified percentage of low- or moderate- income housing may be developed on the same site as the other residential units proposed for development, or on another site or sites encompassed by the general plan, in which case the combined total number of residential units shall be considered a single development proposal.

This section does not apply to the adoption of any element to the general plan.

CHAPTER 304

An act to amend Section 2435 of the Business and Professions Code, relating to the Board of Medical Quality Assurance and making an appropriation therefor.

[Approved by Governor September 2, 1981. Filed with Secretary of State September 2, 1981.]

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

SECTION 1. Section 2435 of the Business and Professions Code is amended to read:

2435. The following fees apply to physician's and surgeon's certificates, certificates to practice podiatric medicine, certificates of drugless practitioners and certificates to practice midwifery:

(a) Each applicant for a certificate by written examination, unless otherwise provided by this chapter, shall pay an application fee fixed by the board at an amount not to exceed one hundred dollars ($100) nor less than fifteen dollars ($15). If the applicant's credentials are insufficient or if the applicant does not desire to take the examination, the sum of ten dollars ($10) shall be retained and the remainder of the fee is returnable to the applicant.

(b) Each applicant for a certificate based upon a national board diplomate certificate, and each applicant for a certificate based upon reciprocity, shall pay an application fee of ten dollars ($10) 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.

(c) Each applicant who qualifies for a certificate, as a condition precedent to its issuance, in addition to other fees required herein, shall pay an initial license fee, if any. The initial license fee shall be fixed by the board at a sum not in excess of two hundred dollars ($200), except that if the license will expire less than one year after its issuance, then the initial license fee is an amount equal to 50 percent of the initial license fee fixed by the board. Any licensee enrolled in an approved residency program shall be required to pay only 50 percent of the initial license fee in effect. The board may waive or refund the initial license fee where the license will expire within 45 days after it is issued.

(d) The biennial renewal fee shall be fixed by the board at an amount not to exceed two hundred dollars ($200). 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 twenty-five dollars ($25).

(f) The duplicate certificate fee is two dollars ($2).

(g) The endorsement fee is five dollars ($5).

CHAPTER 305

An act to amend Section 68 of the Military and Veterans Code, relating to the California Veterans Board.

[Approved by Governor September 2, 1981. Filed with Secretary of State September 2, 1981.]

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

SECTION 1. Section 68 of the Military and Veterans Code is amended to read:

68. Each member of the board shall receive, for each day's attendance at each meeting of the board, a per diem of fifty dollars ($50) and shall receive the same per diem for each day spent on official duties assigned by the board. In addition, each member shall be reimbursed for his necessary traveling and other expenses incurred in the performance of his official duties.

CHAPTER 306

An act to establish a Public Contract Code, thereby consolidating and revising the law relating to public contracts, and to repeal Chapter 3 (commencing with Section 14250) of Part 5 of Division 3 of Title 2 of the Government Code.

[Approved by Governor September 2, 1981. Filed with Secretary of State September 2, 1981]

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

SECTION 1. Chapter 3 (commencing with Section 14250) of Part 5 of Division 3 of Title 2 of the Government Code is repealed.

SEC. 2. The Public Contract Code is enacted, to read:

PUBLIC CONTRACT CODE

DIVISION 2. GENERAL PROVISIONS

CHAPTER 1. STATE CONTRACT ACT

Article 1. Scope of Chapter and General Provisions

10100. This part may be cited as the State Contract Act.

10101. Contracts for the purchase of supplies or materials, which are purchased pursuant to Chapter 6 (commencing with Section 14780), Part 5.5, Division 3, Title 2 of the Government Code, are not subject to this part, even though the seller is required to perform

some incidental work or service in connection with the delivery of the material or supplies.

10102. Improvements on the property of the state on the waterfront of the City and County of San Francisco under the jurisdiction of the Board of State Harbor Commissioners are not subject to this part.

10103. Work done directly by any public utility company pursuant to order of the Public Utilities Commission or other public authority, is not subject to this part, whether or not done under public supervision or paid for in whole or part out of public funds.

10104. As used in this part, "mobilization" includes preparatory work and operations, including, but not limited to, those necessary for the movement of personnel, equipment, supplies and incidentals to the project site, for the establishment of all offices, buildings and other facilities necessary for work on the project, and for all other work and operations which must be performed or costs incurred prior to beginning work on the various items on the project site.

10105. As used in this part, "project" includes the erection, construction, alteration, repair or improvement of any state structure, building, road, or other state improvement of any kind which will exceed in cost a total of twenty-five thousand dollars ($25,000).

10106. "Department," as used in this part, means (a) the Department of Water Resources as to any project under the jurisdiction of that department, (b) the Department of General Services as to any project under the jurisdiction of that department, (c) the Department of Boating and Waterways as to any project under the jurisdiction of that department pursuant to Article 2.5 (commencing with Section 65) of Chapter 2 of Division 1 of the Harbors and Navigation Code, and (d) the Department of Transportation as to all other projects.

"Director," as used in this part, means the director of each department as defined herein respectively.

10107. Whenever provision is made by law for any project which is not under the jurisdiction of the Department of Water Resources, the Department of Boating and Waterways pursuant to Article 2.5 (commencing with Section 65) of Chapter 2 of Division 1 of the Harbors and Navigation Code, or the Department of General Services, the project shall be under the sole charge and direct control of the Department of Transportation.

10108. Where the nature of the work in the opinion of the department is such that its services in connection therewith are not required, it may authorize the carrying out of the project directly by the state agency concerned therewith if the estimated cost does not exceed two hundred thousand dollars ($200,000), except that the two hundred thousand dollars ($200,000) limitation shall not apply to a project of a district agricultural association or a project of the State Lands Commission.

If the estimated total cost of any construction project or work

carried out under this section exceeds twenty-five thousand dollars ($25,000), the district or agency shall solicit bids in writing and shall award the work to the lowest responsible bidder or reject all bids; provided, however, that the director may authorize the district or agency to carry out work in excess of twenty-five thousand dollars ($25,000) under the provisions of this section by day labor if he deems that the award of a contract, the acceptance of bids, or the acceptance of further bids is not in the best interests of the state; however, in no event shall the amount of work performed by day labor under this section exceed the sum of fifty thousand dollars ($50,000) in the case of district agricultural association fair projects, or thirty-five thousand dollars ($35,000) in other cases.

10109. Any notice inviting bids on a project which specifies locations of possible materials, such as a borrow pit or gravel bed, for use in the proposed project which would be subject to Section 1601 or 1603 of the Fish and Game Code shall include any conditions or modifications established pursuant to Section 1601.

Article 2. Plans and Specifications

10120. Before entering into any contract for a project, the department shall prepare full, complete, and accurate plans and specifications and estimates of cost, giving such directions as will enable any competent mechanic or other builder to carry them out.

10121. The plans, specifications, and estimates of cost shall be approved by the director and the original draft or a certified copy filed permanently in the office of the department before further action is taken.

10122. Work on all projects shall be done under contract awarded to the lowest responsible bidder pursuant to this part, except that it may be done by day's labor under the direction of the department, by contract upon informal bids, or by a combination thereof:

(a) In case of emergency due to the failure or threat of failure of any bridge or other highway structure.

(b) In case of emergency due to the failure or threat of failure of any dam, reservoir, aqueduct, or other water facility or facility appurtenant thereto.

(c) In case of emergency due to damage to a state-owned building or any other state-owned real property or improvements located thereon, by an act of God, including but not limited to damage by storm, flood, fire or earthquake, for work and remedial measures which are required immediately.

(d) At any time after the approval of plans, specifications and estimates of cost, if the director deems the advertising or award of a contract, the acceptance of any bid, or the acceptance of any further bids after the rejection of all submitted bids, is not in the best interests of the state.

10123. Contracts upon informal bids authorized under Section 10122 shall be let only to a holder of a valid state contractor's license

unless such work is exempt from such licensing requirement by any other provision of law.

10124. Bids may be received and contracts awarded on a unit basis, that is, the bids compared upon the basis of estimates of the quantities of the work to be done.

10125. Except in unit basis contracts, contracts shall not be made exceeding in amount the estimates of costs approved by the director and plans and specifications and estimates of costs including expense of advertising and inspection, shall not be approved by the director requiring a greater expenditure of money than is appropriated for the specific purpose in the law authorizing the expenditure.

10126. Notwithstanding the provisions of Section 10125, the estimate of cost may be approved by the director, which includes alternates contemplating additions to, or deletions from, the base bid, provided:

(a) Estimates are made for each contingency and, in the aggregate, such alternates do not exceed 10 percent of the estimated cost for the project;

(b) The available funds are at least sufficient to cover the filed estimate for the base project;

(c) The low bid is determined through adding or deducting alternates in listed numerical sequence; and

(d) The contract is awarded to the lowest bidder providing the lowest total costs for the base bid and the alternatives accepted.

10127. The department may, with the approval of the State Public Works Board, receive bids for the construction of several public works projects at one state institution as a single project. Where more than one appropriation has been made for the several projects united as a single project under the provisions of this section, payments for the single project shall be made from the separate appropriations on such proportional basis as may be determined by the department and approved by the Department of Finance.

10128. All contracts awarded under this part shall comply with the applicable provisions of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code relating to public works contracts and shall contain all the contract provisions required therein.

Article 3. Advertisements for Bids

10140. Public notice of a project shall be given by publication once a week for at least two consecutive weeks, or once a week for more than two consecutive weeks if such longer period of advertising is deemed necessary by the department, next preceding the day set for the receiving of bids, as follows:

(a) In a newspaper of general circulation published in the county in which the project is located, or if located in more than one county, in such a newspaper in a county in which a major portion of the work is to be done; and

(b) In a trade paper of general circulation published in San Francisco for projects located in County Group No. 1, as defined in Section 187 of the Streets and Highways Code, or in Los Angeles for projects located in County Group No. 2, as defined in said Section 187, devoted primarily to the dissemination of contract and building news among contracting and building materials supply firms.

The department may publish the notice to bidders for a project in such additional trade papers or newspapers of general circulation as it deems advisable.

10141. The notice shall state the time and place for the receiving and opening of sealed bids, describing in general terms the work to be done and that the bids will be required for the entire project and for the performance of separate designated parts of the entire project, when the department determines that segregation is advisable.

Article 4. Bids and Bidders

10160. The department may, and on contracts the estimated cost of which exceeds three hundred thousand dollars ($300,000) the department shall, require from prospective bidders answers to questions contained in a standard form of questionnaire and financial statement including a complete statement of the prospective bidder's financial ability and experience in performing public works. When completed, the questionnaire and financial statement shall be verified under oath by the bidder in the manner in which pleadings in civil actions are verified.

10161. The department may also require from prospective bidders the completion, under penalty of perjury, of a standard form of questionnaire concerning the past safety record of each prospective bidder, any officer of such bidder, and any managing employee of such bidder. The department may refuse to prequalify any prospective bidder who fails to submit a completed questionnaire when required, or for the reason that the information contained in the submitted questionnaire or otherwise known to the department indicates a continuing unsatisfactory safety record.

The director of the department shall prescribe guidelines listing criteria which will be utilized administratively in determining an unsatisfactory safety record. A refusal by the department to prequalify a prospective bidder shall be issued only after the department has granted such bidder a hearing.

This section shall in no way abridge or restrict the right of the department to later determine whether the low bidder on a particular project is the lowest responsible bidder for purposes of award of the contract, including the holding of hearings thereon.

The Director of Industrial Relations shall approve the standard form of questionnaire and the guidelines listing criteria which will be utilized administratively by the department in determining an unsatisfactory safety record prior to their use by the department.

10162. The department shall require from all prospective bidders the completion, under penalty of perjury, of a standard form of questionnaire inquiring whether such prospective bidder, any officer of such bidder, or any employee of such bidder who has a proprietary interest in such bidder, has ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of law or a safety regulation, and if so to explain the circumstances.

A bid may be rejected on the basis of a bidder, any officer of such bidder, or any employee of such bidder who has a proprietary interest in such bidder, having been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local project because of a violation of law or a safety regulation.

10163. The department shall adopt and apply a uniform system of rating bidders, on the basis of the standard questionnaires and financial statements, in respect to the size of the contracts upon which each bidder is qualified to bid. When bids for more than one project are to be received at the same bid opening, the department may permit a bidder to submit bids for each project within such bidder's prequalification rating, even though such rating is insufficient to permit the bidder to be awarded the contract for each project bid upon.

In no event shall any bidder be awarded a contract if such contract award would result in the bidder having under contract work for which prequalification is required in excess of that authorized by his prequalification rating. In determining whether an award of a contract would result in a bidder having under contract work in excess of that authorized by his prequalification rating, the department may use its estimated cost of such contract rather than the amount of the bidder's bid. If the department determines that a bidder would be awarded the contract for two or more projects but cannot be awarded the contract for all such projects because of the inadequacy of his prequalification rating, the department shall determine which of the bids of such bidder are to be accepted and the contract awarded thereon and which of the bids of such bidder are to be disregarded. In making its decision the department shall be guided by the combination of contract awards which will result in the lowest total cost for the projects involved.

10164. In all state projects where federal funds are involved, no bid submitted or contract thereafter awarded shall be invalidated by the failure of the bidder or contractor to be properly licensed in accordance with the laws of this state, nor shall any such contractor be denied payment under any such contract because of such failure; provided, however, that the first payment for work or material under such contract shall not be made by the State Controller unless and until the Registrar of Contractors certifies to him that the records of the Contractors State License Board indicate that such contractor was or became properly licensed between the time of bid opening and the making of the certification. Any bidder or contractor not so

licensed shall be subject to all legal penalties imposed by such laws, including but not limited to any appropriate disciplinary action by the Contractors State License Board. The department shall include a statement to that effect in the standard form of prequalification questionnaire and financial statement.

10165. The questionnaires and financial statements are not public records and are not open to public inspection.

10166. The department shall furnish to each bidder a standard proposal form, which, when filled out and executed may be submitted as his bid. Bids not presented on forms so furnished shall be disregarded. The department shall not furnish proposal forms to any person who is required to submit and has not submitted a questionnaire and financial statement for prequalification at least five days prior to the date fixed for publicly opening sealed bids and been prequalified for at least one day prior to that date.

10167. All bids shall be presented under sealed cover and accompanied by one of the following forms of bidder's security: cash, a cashier's check, certified check, or a bidder's bond executed by an admitted surety insurer, made payable to the director of the department under which the work is to be performed. The security shall be in an amount equal to at least 10 percent of the amount bid. A bid shall not be considered unless one of the forms of bidder's security is enclosed with it.

10168. 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.

10169. Any bid may be withdrawn at any time prior to the time fixed in the public notice for the opening of bids only by written request for the withdrawal of the bid filed with the director of the department or the chief of the division under which the work is to be performed. The request shall be executed by the bidder or his duly authorized representative. The withdrawal of a bid does not prejudice the right of the bidder to file a new bid.

This section does not authorize the withdrawal of any bid after the time fixed in the public notice for the opening of bids.

Article 5. Award of Contracts

10180. On the day named in the public notice, the department shall publicly open the sealed bids and award the contracts to the lowest responsible bidders.

In the case of bids opened by a district director, pursuant to Section 10141, he shall report the contents thereof to the director. In all other respects, the contracts shall be awarded as are other contracts.

10181. If the successful bidder fails to execute the contract, his bidder's security shall be forfeited to the state. The cash or proceeds shall be deposited in the fund out of which the expenses of preparation and printing of the plans and specifications, estimates of cost, and publication of notice are paid.

10182. If the director deems it is for the best interests of the state, he may, on the refusal or failure of the successful bidder to execute the contract, award it to the second lowest responsible bidder.

If the second lowest responsible bidder fails or refuses to execute the contract, the director may likewise award it to the third lowest responsible bidder.

On the failure or refusal of the second or third lowest bidder, to whom a contract is so awarded, to execute it, his bidder's security shall be likewise forfeited to the state.

10183. The failure of the successful bidder to furnish any bond required of him by law, within the time fixed for his execution of the contract, constitutes a failure to execute the contract.

10184. The bidders' security of the second and third lowest responsible bidders may be withheld until the contract has been finally executed. The cash, cashier's checks and certified checks submitted by all other unsuccessful bidders shall be returned to them within 10 days after the contract is awarded, and their bidders' bonds shall be of no further effect.

10185. If the director deems the acceptance of the lowest responsible bid or bids is not for the best interests of the state, he may reject all bids and proceed by day's labor or advertise for other bids in the manner required by this part.

Article 6. Relief of Bidders

10200. A bidder shall not be relieved of his bid nor shall any change be made in his bid because of mistake, but he may bring an action against the department in a court of competent jurisdiction in the county in which the bids were opened for the recovery of the amount forfeited, without interest or costs.

The bond of an admitted surety insurer shall be filed with the complaint, in such sum as the court may fix, but not less than five hundred dollars ($500), conditioned that, if the plaintiff fails to recover judgment, he shall pay all costs incurred by the department in the suit, including a reasonable attorney's fee to be fixed by the court.

10201. The complaint shall be filed, and summons served on the director of the department or the chief of the division under which the work is to be performed, or an appearance made, within 90 days after the opening of the bid; otherwise, the action shall be dismissed.

10202. The bidder shall establish to the satisfaction of the court that:

(a) A mistake was made.

(b) He gave the department written notice within five days after the opening of the bids of the mistake, specifying in the notice in detail how the mistake occurred.

(c) The mistake made the bid materially different than he intended it to be.

(d) The mistake was made in filling out the bid and not due to

error in judgment or to carelessness in inspecting the site of the work, or in reading the plans or specifications.

10203. Other than the notice to the department, no claim is required to be filed before bringing the action.

10204. A bidder who claims a mistake or who forfeits his bid security shall be prohibited from participating in further bidding on the project on which the mistake was claimed or security forfeited.

10205. In all actions brought under the provisions of this article, all courts wherein such actions are or may hereafter be pending, shall give such actions preference over all other civil actions therein, in the matter of setting the same for hearing or trial, and in hearing the same, to the end that all such actions shall be quickly heard and determined.

Article 7. Contract Requirements

10220. Every contract awarded under this part shall be submitted to the Attorney General or the attorney appointed according to law and authorized to represent the department under which it is to be performed. Such a contract is not binding on the state until the appropriate attorney finds it to be in accordance with the requirements of this chapter, and endorses such finding thereon.

A certified copy of each contract shall be filed with the Controller, but the failure so to file does not invalidate it.

10221. Every contract shall provide for the filing of separate performance and payment bonds by the contractor executed by an admitted surety insurer, subject to the approval of the department.

10222. Each bond shall be in a sum equal to at least one-half of the contract price, except as otherwise provided in Section 3248 of the Civil Code or in the California Toll Bridge Authority Act.

10223. The payment bond shall secure the payment of the claims of laborers, mechanics or materialmen employed on the work under the contract and shall contain all other provisions required by law.

10224. The performance bond shall guarantee the faithful performance of the contract by the contractor.

10225. Whenever the director has cause to believe that the surety has become insufficient, he may demand in writing of the contractor such further bonds or additional surety, not exceeding that originally required, as in his opinion is necessary, considering the extent of the work remaining to be done. Thereafter no payment shall be made upon such contract to the contractor or any assignee of the contractor until the further bonds or additional surety has been furnished.

10226. Every contract shall contain a provision in regard to the time when the whole or any specified portion of the work contemplated shall be completed, and shall provide that for each day completion is delayed beyond the specified time, the contractor shall forfeit and pay to the state a specified sum of money, to be deducted from any payments due or to become due to the contractor. The sum

so specified is valid as liquidated damages unless manifestly unreasonable under the circumstances existing at the time the contract was made. A contract for a road project may also provide for the payment of extra compensation to the contractor, as a bonus for completion prior to the specified time, such provision, if used, to be included in the specifications and to clearly set forth the basis for such payment.

10227. Every contract shall provide that the department may make changes in the plans and specifications pursuant to this part.

10228. Every contract subject to this part or Chapter 14 (commencing with Section 25200) of Division 18 of Part 4 of the Education Code shall provide that monetary claims totaling in the aggregate fifty thousand dollars ($50,000) or less on any contract and filed in accordance with procedures set forth in such contract may, at the option of the contractor or the department, be subject to determination of rights under the contract in accordance with Section 10229.

10229. Every contract awarded by any agency of the State of California pursuant to the provisions of this part or Chapter 9 (commencing with Section 90100) of Part 55 of Division 8 of Title 3 of the Education Code shall include in the general conditions of such contract at the time of award a clause in the following form:

"(a) Any dispute arising under or relating to the performance of this contract, which is not disposed of by agreement and is a claim subject to Section 10228, shall be decided by the head of the agency awarding the contract or his duly authorized representative, who shall reduce his decision to writing in regard to the dispute and mail or otherwise furnish a copy thereof to the contractor. The decision of such party shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the contractor elects to file with the head of the agency a written appeal. Promptly upon receiving the appeal from the contractor, the head of the agency shall furnish a copy thereof to the Office of Administrative Hearings of the State of California. Pursuant to the rules and regulations adopted by the Office of Administrative Hearings pursuant to Section 10230 of the Government Code, a hearing shall be held upon the appeal. When such an appeal is taken, the preliminary decision which is the subject of the appeal shall not be pleaded as a defense, and the hearing afforded shall be a hearing de novo upon the merits. In addition, the provisions of Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of the Code of Civil Procedure shall be applicable to the hearings and the parties to the hearing shall have all the rights for discovery provided for by such provisions. However, such hearing shall be held only in the county wherein the work was performed under such contract unless the contractor and the state agency by written stipulation filed with the Office of Administrative Hearings agree to such hearing in some other county. Pending final decision of a dispute hereunder, the contractor shall proceed diligently with the performance of the contract and in accordance with the written

decision of the head of the agency or its authorized representative which is the subject of the contractor's appeal. Any such decision shall be subject to judicial review.

"(b) This "disputes" clause does not preclude consideration of questions of law in connection with decisions provided for in paragraph (a) above. Nothing in this contract, however, shall be construed as making final the decision of any administrative official or representative on a question of law.

"(c) When the Office of Administrative Hearings conducts a hearing on an appeal pursuant to paragraph (a), the hearing officer may apportion the costs of conducting such hearing between the parties in a manner which, in his discretion, is appropriate.

"(d) Either party to this contract may, subject to the provisions of paragraph (a), seek judicial review of the decision rendered by the Office of Administrative Hearings."

10230. The Office of Administrative Hearings shall adopt rules and regulations, pursuant to Chapter 4.5, Part 1, Division 3, Title 2 of the Government Code, to implement the claims procedure authorized by this article.

10231. Every contract subject to this part shall contain a provision requiring each contractor to comply with all air pollution control rules, regulations, ordinances, and statutes which apply to any work performed pursuant to the contract, including any air pollution control rules, regulations, ordinances, and statutes specified in Section 11017 of the Government Code.

Article 8. Modifications; Performance; Payment

10250. The department may increase or decrease quantities of work to be done under a unit basis contract during the progress of the work.

10251. The department may cause the insertion of provisions in any contract for the performance of such extra work and the furnishing of materials therefor by the contractor as the department requires for the proper completion or construction of the whole work contemplated, if the bidders have equal opportunity of knowing the proposed terms for the extra work.

10252. The director may grant such extensions of time for completion as he deems for the best interests of the state.

10253. If the director deems that a contractor has failed to supply an adequate working force, or material of proper quality, or has failed to comply with Section 10262, or has failed in any other respect to prosecute the work with the diligence and force specified by the contract, the director may:

(a) After written notice of at least five days to the contractor, specifying the defaults to be remedied, provide any such labor or materials and deduct the cost from any money due or to become due to the contractor under the contract; or

(b) If he considers that the failure is sufficient ground for such

action, he may give written notice of at least five days to the contractor and the contractor's sureties, that if the defaults are not remedied the contractor's control over the work will be terminated.

10254. If the defaults are not remedied within the time specified in the notice, the contractor's control shall terminate as of the expiration of that time.

10255. Upon such termination, the director may take possession of and use all or any part of the contractor's materials, tools, equipment, and appliances upon the premises to complete the contract. Thereupon, he may permit the surety to complete or cause the contract work to be completed, or he may direct that all or any part of the work be completed by day's labor or by employment of other contractors on informal contracts, or both.

10256. Such informal contracts may be awarded only after a proposal form has been prepared, a copy is served upon the contractor whose control has been terminated, and upon his surety, and three days allowed thereafter so that he may cause others to bid. Any person who is prequalified therefor under Article 4 may bid on informal contracts.

10257. The provisions of this part, except as to prequalification, are not applicable to the award of informal contracts.

10258. If the control of a contractor is terminated or he abandons the work, and the work is performed by day's labor or informal contract as provided in Section 10255, he is not entitled to receive any portion of the amount to be paid under the contract until it is fully completed. After completion, if the unpaid balance exceeds the sum of the amount expended by the state in finishing the work, plus all damages sustained or to be sustained by the state, the excess not otherwise required by law to be retained shall be paid to the contractor, but if such sum exceeds the unpaid balance, the contractor and his surety are liable to the state for the excess. If the surety completes the contract work, as provided in Section 10255, such surety shall be subrogated to money due under the contract and to money which shall become due in the course of completion by the surety, to the extent provided by law.

10259. On the completion of the contract, the original contractor is entitled to the return of all his unused materials, and his equipment, tools, and appliances, except that he shall have no claim on account of usual and ordinary depreciation, loss, and wear and tear.

10260. The notices required by this article may be served on the contractor or on his agent having charge of the work, personally, or by registered mail addressed to the contractor or his agent, or, if neither can be located or their addresses are unknown, by posting in a conspicuous place upon the premises of the project.

10261. Payments upon contracts shall be made as the department prescribes upon estimates made and approved by the department, but progress payments shall not be made in excess of 95 percent of the percentage of actual work completed plus a like percentage of

the value of material delivered on the ground or stored subject to or under the control of the state, and unused, except as otherwise provided in this section. The department shall withhold not less than 5 percent of the contract price until final completion and acceptance of the project. However, at any time after 95 percent of the work has been completed, the department may reduce the funds withheld to an amount not less than 125 percent of the estimated value of the work yet to be completed, as determined by the department, provided that such reduction has been approved in writing by the surety on the performance bond and by the surety on the payment bond. The Controller shall draw his warrants upon estimates so made and approved by the department and the Treasurer shall pay them.

10262. The contractor shall pay to his subcontractors, within 10 days of receipt of each progress payment, unless otherwise agreed in writing by the parties, the respective amounts allowed the contractor on account of the work performed by his subcontractors, to the extent of each such subcontractor's interest therein. Such payments to subcontractors shall be based on estimates made pursuant to Section 10261. Any diversion by the contractor of payments received for prosecution of a contract, or failure to reasonably account for the application or use of such payments constitutes ground for actions proscribed in Section 10253, in addition to disciplinary action by the Contractors' State License Board. The subcontractor shall notify in writing the Contractors' State License Board and the department of any payment less than the amount or percentage approved for the class or item of work as set forth in Section 10261.

10263. At the request and expense of the contractor and with the approval of the department, any payment withheld pursuant to Section 10261 shall be deposited with the State Treasurer or a state or federal chartered bank as the escrow agent, who shall pay such moneys to the contractor upon the placing of securities eligible for the investment of state funds under Section 16430 of the Government Code or bank certificates of deposit into such escrow account by the contractor.

The contractor shall be beneficial owner of any securities in an escrow account pursuant to this section and shall receive any interest thereon.

Any escrow agreement entered into pursuant to this section shall contain as a minimum, the following provisions:

(a) The amount of securities to be deposited;

(b) The terms and conditions of conversion to cash in case of the default of the contractor; and

(c) The termination of the escrow upon completion of the contract.

10264. In addition to the provisions for partial payment made in Section 10261, the department may make partial payments for the mobilization costs of a contract subject to this chapter, not to exceed the following:

(a) When 5 percent of the original contract amount is earned, 50 percent of the amount bid for mobilization, or 5 percent of the original contract amount, whichever is lesser, may be paid.

(b) When 10 percent of the original contract amount is earned, 75 percent of the amount bid for mobilization or 7.5 percent of the original contract amount, whichever is lesser, may be paid.

(c) When 20 percent of the original contract amount is earned, 95 percent of the amount bid for mobilization, or 9.5 percent of the original contract amount, whichever is lesser, may be paid.

(d) When 50 percent of the original contract amount is earned, 100 percent of the amount bid for mobilization, or 10 percent of the original contract amount, whichever is lesser, may be paid.

(e) Upon completion of all work on the project, payment of any amount bid for mobilization in excess of 10 percent of the original contract amount will be paid.

10265. A claim pursuant to Part 3, Division 3.6, Title 1 of the Government Code is not required, but legal action on any claim must be commenced within six months after final decision of the department or determination of rights by the hearing officer. The department shall have full authority to compromise or otherwise settle any claims arising from the contract at any time.

Article 9. Offenses

10280. Any officer or employee of the department who corruptly performs any official act to the injury of the state, is guilty of a felony.

10281. Any contractor or his agent or employee who corruptly permits the violation of any contract awarded under this part to the injury of the state, is guilty of a felony.

10282. Any subcontractor or agent or employee of any contractor or subcontractor, who has knowledge of any work being done in violation of any contract under this part and does not immediately notify the department or the inspector or resident engineer upon the project of the violation, is guilty of a felony.

10283. Such felonies are punishable by imprisonment in the state prison.

10284. Such persons are also liable to the state for double the amount the state may have lost, or be liable to lose by reason of the acts made crimes by this article.

SEC. 3. Any reference in any statute to a section in former Chapter 3 (commencing with Section 14250) of Part 5 of Division 3 of Title 2 of the Government Code shall be deemed to be a reference to the successor section of the Public Contract Code.

CHAPTER 307

An act to amend Section 18003 of the Government Code, relating to payroll warrants.

[Approved by Governor September 2, 1981. Filed with Secretary of State September 2, 1981.]

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

SECTION 1. Section 18003 of the Government Code is amended to read:

18003. The Controller may, prior to the close of any pay roll period, draw his warrant in favor of any officer or employee covering the total salary or compensation earnable by him during that pay roll period, and may deliver the same to an authorized officer of the state agency within which the payee is employed, whether or not such salary or compensation is already earned in full. Upon delivery of any warrant to an authorized officer of a state agency as provided herein, the Controller and his bondsmen shall be under no further obligation for the proper disbursement of the amount of the warrant or the money represented by it. The Controller, pursuant to the provisions of Article 5 (commencing with Section 11346) of Chapter 3.5 of Division 3 of Title 2, shall adopt rules and regulations for the delivery of payroll warrants to employees.

CHAPTER 308

An act to amend Section 29321 of the Government Code, relating to counties.

[Approved by Governor September 2, 1981. Filed with Secretary of State September 2, 1981.]

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

SECTION 1. Section 29321 of the Government Code is amended to read:

29321. The board of supervisors may establish a revolving fund for the use of any officer of the county by adopting a resolution setting forth: (a) the necessity for the fund, (b) the office, department, service, or institution for which the fund is available, and (c) the amount of the fund, which shall not exceed one hundred thousand dollars ($100,000).

CHAPTER 309

An act to amend Section 66452.5 of the Government Code, relating to subdivisions.

[Approved by Governor September 2, 1981. Filed with Secretary of State September 2, 1981.]

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

SECTION 1. Section 66452.5 of the Government Code is amended to read:

66452.5. (a) The subdivider, or any tenant of the subject property, in the case of a proposed conversion of residential real property to a condominium project, community apartment project, or stock cooperative project, may appeal from any action of the advisory agency with respect to a tentative map to the appeal board established by local ordinance or, if none, to the legislative body.

Any such appeal shall be filed with the clerk of the appeal board, or if there is none, with the clerk of the legislative body within 10 days after the action of the advisory agency from which the appeal is being taken.

Upon the filing of an appeal, the appeal board or legislative body shall set the matter for hearing. Such hearing shall be held within 30 days after the date of filing the appeal. Within 10 days following the conclusion of the hearing, the appeal board or legislative body shall render its decision on the appeal.

(b) The subdivider, any tenant of the subject property, in the case of a conversion of residential real property to a condominium project, community apartment project, or stock cooperative project, or the advisory agency may appeal from the action of the appeal board to the legislative body. Any such appeal shall be filed with the clerk of the legislative body within 10 days after the action of the appeal board from which the appeal is being taken.

Upon the filing of an appeal, the legislative body shall set the matter for hearing. Such hearing shall be held within 30 days after the date of filing the appeal. Within 10 days following the conclusion of the hearing, the legislative body shall render its decision on the appeal. The decision shall comply with the provisions of Sections 66473, 66473.5, and 66474, and shall include any findings required by such sections.

(c) If there is an appeal board and it fails to act upon an appeal within the time limit specified in this chapter, the decision from which the appeal was taken shall be deemed affirmed and an appeal therefrom may thereupon be taken to the legislative body as provided in subdivision (b) of this section. If no such further appeal is taken, the tentative map, insofar as it complies with applicable requirements of this division and local ordinance, shall be deemed approved or conditionally approved as last approved or conditionally

approved by the advisory agency, and it shall be the duty of the clerk of the legislative body to certify such approval, or if the advisory agency is one which is not authorized by local ordinance to approve, conditionally approve or disapprove the tentative map, the advisory agency shall submit its report to the legislative body as if no appeal had been taken.

If the legislative body fails to act upon an appeal within the time limit specified in this chapter, the tentative map, insofar as it complies with applicable requirements of this division and local ordinance, shall be deemed to be approved or conditionally approved as last approved or conditionally approved, and it shall be the duty of the clerk of the legislative body to certify such approval.

(d) Where local ordinance so provides, any interested person adversely affected by a decision of the advisory agency or appeal board may file a complaint with the governing body concerning any decision of the advisory agency or appeal board. Any such complaint shall be filed with the clerk of the governing body within 10 days after the action of the advisory agency or appeal board which is the subject of the complaint. Upon the filing of the complaint, the governing body may set the matter for hearing. Such hearing shall be held within 30 days after the filing of the complaint. Such hearing may be a public hearing for which notice shall be given in the time and manner provided.

Upon conclusion of the hearing the governing body shall, within seven days, declare its findings based upon the testimony and documents produced before it or before the advisory board or the appeal board. It may sustain, modify, reject, or overrule any recommendations or rulings of the advisory board or the appeal board and may make such findings as are not inconsistent with the provisions of this chapter or local ordinance adopted pursuant to this chapter.

(e) Notice of each hearing provided for in this section shall be sent by United States mail to each tenant of the subject property, in the case of a conversion of residential real property to a condominium project, community apartment project, or stock cooperative project, at least three days prior to any such hearing. The notice requirement of this sudivision shall be deemed satisfied if the notice complies with the legal requirements for service by mail. Pursuant to Section 66451.2, fees may be collected from the subdivider for expenses incurred under this section.

CHAPTER 310

An act to amend Sections 25210.14 and 54797.1 of the Government Code, relating to county service areas, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 2, 1981 Filed with Secretary of State September 2, 1981]

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

SECTION 1. Section 25210.14 of the Government Code is amended to read:

25210.14. Within 40 days after either a written request by two members of the board, or a resolution by the governing body of a city within the county, or a petition requesting the institution of proceedings for the establishment of a county service area is filed with it, the board of supervisors shall either adopt (1) a resolution of intention to establish a county service area in the form hereinafter specified, or (2) if authorized by the local agency formation commission pursuant to Section 54797.1, a resolution establishing a county service area without notice and hearing, without an election, or both. Upon adoption of the resolution establishing the county service area, the area shall be established for all purposes, subject only to compliance with the requirements of Chapter 8 (commencing with Section 54900) of Part 1 of Division 2 of Title 5 and subject to the provisions of Article 2.5 (commencing with Section 25210.21) of this chapter.

SEC. 2. Section 54797.1 of the Government Code is amended to read:

54797.1. If an application for an annexation to, or a detachment from, a city, or for the formation of a county service area, is signed by all of the owners of land within the territory proposed to be annexed to or detached from a city, or included within the county service area, or is accompanied by proof, satisfactory to the commission, that all of the owners within such territory have given their written consent to such annexation, detachment, or formation, the commission may approve such annexation, detachment, or formation without notice and hearing. In such cases, the commission may also approve and authorize the city council or board of supervisors, whichever is applicable, to conduct proceedings for the annexation, detachment, or formation (a) without notice and hearing,, (b) without an election, or (c) both.

As used in this section, "owner of land" means: any person shown as the owner of land on the last equalized assessment roll; where such person is no longer the owner, then any person entitled to be shown as owner of land on the next assessment roll; where land is subject to a recorded written agreement of sale, any person shown therein as purchaser; and any public agency owning land.

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

A noticed public hearing for the formation of a county service area is costly and time consuming. When all the owners of land within the

territory to be included in the county service area have consented to the formation of the county service area, a noticed public hearing serves no useful purpose. This bill deletes the requirement of a noticed public hearing when all owners have consented. In order that the bill may be applicable to pending county service area formations, it is necessary that it take effect immediately.

CHAPTER 311

An act to amend Sections 26920, 26921, 26922, and 26923 of the Government Code, relating to counties.

[Approved by Governor September 2, 1981. Filed with Secretary of State September 2, 1981.]

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

SECTION 1. Section 26920 of the Government Code is amended to read:

26920. (a) Except as otherwise provided in subdivision (b), at least once in each month the chairman of the board of supervisors, district attorney, and auditor shall count the money in the county treasury and make and verify in duplicate statements showing:

(1) The amount of money and the amount of receipts for bank deposits that should be in the treasury as shown by the books of the auditor and treasurer.

(2) The amount and kind of money and the amount of bank receipts for deposits which are actually in the treasury.

(b) In lieu of the procedure prescribed in subdivision (a), the board of supervisors of any county may prescribe by ordinance that the chairman of the board of supervisors, district attorney, and auditor shall, at least once in each month, perform an audit of the county treasury and express an opinion attesting to the accuracy of the treasury records relative to the amount and type of assets in the treasury. The audit shall be performed in accordance with generally accepted audit standards.

SEC. 2. Section 26921 of the Government Code is amended to read:

26921. The board of supervisors may by four-fifths vote direct that the duties to be performed pursuant to this article shall be performed by the auditor alone.

SEC. 3. Section 26922 of the Government Code is amended to read:

26922. One copy of the statement or report prepared pursuant to Section 26920 shall be filed in the office of the county clerk, and the auditor shall post and maintain the other in his or her office for at least one month.

SEC. 4. Section 26923 of the Government Code is amended to

read:

26923. The board of supervisors may by four-fifths vote direct that the duties to be performed pursuant to this article shall be performed at least once each quarter or more frequently at the discretion of the officer making the count or performing the audit.

CHAPTER 312

An act to add Chapter 4 (commencing with Section 8300) to Division 1 of Title 2 of the Government Code, relating to the Los Angeles Memorial Coliseum Commission.

[Approved by Governor September 2, 1981. Filed with Secretary of State September 2, 1981.]

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

SECTION 1. Chapter 4 (commencing with Section 8300) is added to Division 1 of Title 2 of the Government Code, to read:

CHAPTER 4. LOS ANGELES MEMORIAL COLISEUM COMMISSION

8300. The joint powers agreement entered into by the City of Los Angeles, the County of Los Angeles, and the Sixth District Agricultural Association known and designated as the California Museum of Science and Industry, creating the Los Angeles Memorial Coliseum Commission, shall be amended to provide that the membership of the commission shall be increased to include two additional ex officio, nonvoting members, one Member of the Senate appointed by the Committee on Rules of the Senate, and one Member of the Assembly appointed by the Speaker of the Assembly.

The two additional members shall serve terms which are the same as other members of the commission, and shall participate in the activities of the commission to the extent that participation is not incompatible with their respective positions as Members of the Legislature. For the purposes of this section, the Members of the Legislature shall constitute a joint investigating committee on the subject of the commission and shall have the powers and duties imposed upon the committees by the Joint Rules of the Senate and Assembly.

CHAPTER 313

An act to amend Section 117.5 of the Code of Civil Procedure, relating to small claims court.

[Approved by Governor September 2, 1981. Filed with Secretary of State September 2, 1981.]

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

SECTION 1. Section 117.5 of the Code of Civil Procedure is amended to read:

117.5. No claim shall be filed by or prosecuted in such small claims court by the assignee of such claim. This section shall not prevent the filing, prosecution, or defense of an action in the small claims court by a trustee in bankruptcy in the exercise of the trustee's duties as trustee, or by the holder of a security agreement, retail installment contract, or lien contract purchased by the holder, who takes title thereto by assignment, which contract was written pursuant to the provisions of the Unruh Act (Chapter 1 (commencing with Section 1801) of Title 2 of Part 4 of Division 3 of the Civil Code) or which was written pursuant to the provisions of the Automobile Sales Finance Act (Chapter 2b (commencing with Section 2981) of Title 14 of Part 4 of Division 3 of the Civil Code), and who has purchased that contract for his or her portfolio of investments, and who is not an assignee for the purpose of collection.

CHAPTER 314

An act to amend Section 35402 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 2, 1981. Filed with Secretary of State September 2, 1981.]

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

SECTION 1. Section 35402 of the Vehicle Code, as amended by Chapter 54 of the Statutes of 1981, is amended to read:

35402. (a) Any extension or device, including any adjustable axle added to the front or rear of a vehicle, used to increase the carrying capacity of a vehicle shall be included in measuring the length of a vehicle, except that a drawbar shall not be included in measuring the length of a vehicle but shall be included in measuring the overall length of a combination of vehicles.

(b) Notwithstanding subdivision (a), extensions of not more than 18 inches in length on each end of a vehicle or combination of vehicles used exclusively to transport vehicles shall not be included

in measuring the length of a vehicle or combination of vehicles when the vehicles are loaded.

(c) Notwithstanding subdivision (a), extensions of not more than 18 inches in length on the last vehicle in a combination of vehicles transporting loads shall not be included in measuring the length of a vehicle or combination of vehicles when the vehicles are loaded.

(d) Notwithstanding subdivision (a), any extension or device which is not used to carry any load and which does not exceed three feet in length, added to the rear of a vehicle, and is used exclusively for pushing the vehicle or a combination of vehicles, which vehicle or combination of vehicles is designed and used exclusively to transport earth, sand, gravel, and similar materials, shall be included in measuring the length of the vehicle but shall not be included in measuring the overall length of the combination of vehicles.

(e) Notwithstanding subdivision (a), a truck semitrailer combination, but not a truck tractor and semitrailer combination, may use a sliding fifth wheel, or a truck tractor, semitrailer, trailer, and a truck-trailer combination may use a sliding drawbar, to extend the length of the combination by not more than 2 feet 6 inches while traveling 35 miles per hour or less on any highway, except a freeway. These provisions shall apply, however, to freeway onramps and offramps and freeway connectors. The sliding fifth wheel or drawbar when extended shall not be included in measuring the overall length of the combination of vehicles if the pivot point of the semitrailer connection is more than two feet to the rear of the center of the rearmost axle of the motortruck or if the distance from the pivot point to the center of the rearmost axle of the semitrailer does not exceed 34 feet.

Combinations of vehicles permitted by this subdivision shall be in compliance with the weight limits provided in Article 1 (commencing with Section 35550) of Chapter 5 whenever any drawbar or sliding fifth wheel is extended, contracted, or in any intermediate position as provided for by this subdivision.

CHAPTER 315

An act to amend Section 1878.3 of, and to add Sections 1878.25 and 1878.5 to, the Insurance Code, relating to insurance.

[Approved by Governor September 2, 1981 Filed with Secretary of State September 2, 1981]

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

SECTION 1. Section 1878.25 is added to the Insurance Code, to read:

1878.25. An authorized agency shall notify the property insurer, if known and at the expense of the insurer, whenever it has reason

to believe that a fire loss was not accidentally caused. The agency may also release specific information regarding the fire loss whenever it determines that an ongoing investigation would not be jeopardized.

SEC. 2. Section 1878.3 of the Insurance Code is amended to read:

1878.3. In the absence of fraud or malice, no insurer or person acting in its behalf who (a) furnishes information whether oral or written, pursuant to this chapter, or (b) assists in any investigation conducted by an authorized agency, shall be liable for damages in a civil action, nor shall any authorized agency which releases information pursuant to this chapter be liable for damages in a civil action.

The act of furnishing information required pursuant to this chapter shall not constitute an act of fraud or malice.

SEC. 3. Section 1878.5 is added to the Insurance Code, to read:

1878.5. Any authorized agency which receives any information furnished as required by this chapter shall not make the information public until such time as its release is required in connection with a criminal or civil proceeding.

SEC. 4. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act.

CHAPTER 316

An act to amend Section 432.2 of the Labor Code, relating to polygraph tests.

[Approved by Governor September 2, 1981. Filed with Secretary of State September 2, 1981.]

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

SECTION 1. Section 432.2 of the Labor Code is amended to read:

432.2. (a) No employer shall demand or require any applicant for employment or prospective employment or any employee to submit to or take a polygraph, lie detector or similar test or examination as a condition of employment or continued employment. The prohibition of this section does not apply to the federal government or any agency thereof or the state government or any agency or local subdivision thereof, including, but not limited to, counties, cities and counties, cities, districts, authorities, and agencies.

(b) No employer shall request any person to take such a test, or administer such a test, without first advising the person in writing at

the time the test is to be administered of the rights guaranteed by this section.

CHAPTER 317

An act to amend Sections 935.4 and 31000.8 of the Government Code, relating to local agencies.

[Approved by Governor September 2, 1981 Filed with Secretary of State September 2, 1981.]

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

SECTION 1. Section 935.4 of the Government Code is amended to read:

935.4. A charter provision, or a local public entity by ordinance or resolution, may authorize an employee of the local public entity to perform such functions of the governing body of the public entity under this part as are prescribed by the local public entity, but only a charter provision may authorize such employee to allow, compromise or settle a claim against the local public entity if the amount to be paid pursuant to such allowance, compromise or settlement exceeds twenty thousand dollars ($20,000). A charter provision, ordinance, or resolution may provide that, upon the written order of such employee, the auditor or other fiscal officer of the local public entity shall cause a warrant to be issued upon the treasury of the local public entity in the amount for which a claim has been allowed, compromised or settled.

SEC. 2. Section 31000.8 of the Government Code is amended to read:

31000.8. Notwithstanding any other law to the contrary, the board of supervisors of a county which is wholly or partially self-insured under the workers' compensation laws, which is wholly or partially self-insured against public liability, or which is wholly or partially self-insured for employee health and welfare benefits, may contract with a qualified firm for the purpose of having such firm render investigative, administrative, and claims adjustment services relating to workers' compensation and public liability and employee health and welfare benefit claims against the county. The contract may provide that the contracting firm may reject, settle, compromise and approve workers' compensation, and public liability and employee health and welfare benefit claims against the county, its officers or employees, within such limits and for such amounts as the board of supervisors may specify, and may provide that the contracting firm may execute and issue checks in payment of such claims, which checks shall be payable only from a trust fund which may be established by the board of supervisors. Funds in the trust fund established by the board pursuant to the provisions of this

section shall not exceed a sum sufficient to provide for the settlement of claims for a 30-day period as determined by the board of supervisors or the sum of twenty thousand dollars ($20,000), whichever is larger, at any one time. The rejection or settlement and approval of a claim by the contracting firm in accordance with the terms of the contract shall have the same effect as would the rejection or settlement and approval of such a claim by the board of supervisors and the county auditor. The contract may also provide that the contracting firm may employ legal counsel, subject to such terms and limitations as the board may prescribe, to advise such contracting firm concerning the legality and advisability of rejecting, settling, compromising and paying claims referred to said contracting firm by the county for investigation and adjustment, or to represent the county in litigation concerning such claims. The compensation and expenses of such attorney for services rendered to the county shall be county charges.

The contract provided for in this section may contain such other terms and conditions as the board of supervisors may consider necessary or desirable to effectuate the county's self-insured programs.

In lieu of, or in addition to, contracting for the services described in this section, the board of supervisors may authorize a county employee to perform any or all of the services and functions which the board may contract for under the provisions of this section.

As used in this section:

(a) "Firm" includes a person, corporation, or other legal entity.

(b) "Board of supervisors" includes governing boards of districts and other public agencies for which the board of supervisors acts as the governing board.

(c) "County" includes such districts and other public agencies for which the board of supervisors acts as the governing board.

CHAPTER 318

An act to amend Section 786 of the Penal Code, relating to criminal prosecution.

[Approved by Governor September 2, 1981 Filed with Secretary of State September 2, 1981]

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

SECTION 1. Section 786 of the Penal Code is amended to read:

786. When property taken in one jurisdictional territory by burglary, robbery, theft, or embezzlement has been brought into another, or when property is received in one jurisdictional territory with the knowledge that it has been stolen or embezzled and such property was stolen or embezzled in another jurisdictional territory,

the jurisdiction of the offense is in any competent court within either jurisdictional territory.

CHAPTER 319

An act relating to the disposition of state property, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 2, 1981. Filed with Secretary of State September 2, 1981.]

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

SECTION 1. The Director of General Services, with the approval of the Department of Corrections and the State Public Works Board, is authorized to sell for fair market value, and upon those terms and conditions and with such reservations and exceptions which in his opinion may be in the best interest of the state, approximately five acres of land, being a portion of the California Medical Facility in Vacaville, located on Peabody Road at the southeast corner of the facility, to the City of Vacaville.

SEC. 2. Any cost or expense incurred in the disposition of this property may be reimbursed from the proceeds of this disposition.

SEC. 3. Subject to the provisions of Section 2, any money received from the disposition of the parcel described in Section 1 of this act shall be paid into the General Fund.

SEC. 4. As to the property sold pursuant to this act, the Director of General Services shall include as a recital in the deed, those exceptions and reservations to the state of all mineral deposits, as defined in Section 6407 of the Public Resources Code, below a depth of 500 feet, without surface rights of entry, and specify that the property shall be used solely for animal care and shelter purposes and if for any reason the property ceases to be used for animal care and shelter purposes, title to the property shall revert to the state.

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

In order to provide adequate care and shelter to animals abandoned or in need of care in the area, it is necessary that this act take effect immediately.

CHAPTER 320

An act to add Section 54307.4 to the Government Code, relating to revenue bonds.

[Approved by Governor September 2, 1981 Filed with Secretary of State September 2, 1981]

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

SECTION 1. Section 54307.4 is added to the Government Code, to read:

54307.4. Issuance of bonds for the construction of facilities for the generation, production, or transmission of electric energy by wind for lighting, heating, and power for public or private uses, shall not be subject to the election procedures of Article 3 (commencing with Section 54380), but undertaking the improvement, and the issuance of bonds therefor, shall be authorized by ordinance or resolution of the local agency governing board, and shall be subject to referendum.

CHAPTER 321

An act to amend Sections 3084 and 3093 of the Civil Code, and to amend Section 27287 of the Government Code, relating to mechanics' liens.

[Approved by Governor September 2, 1981 Filed with Secretary of State September 2, 1981]

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

SECTION 1. Section 3084 of the Civil Code is amended to read:

3084. (a) "Claim of lien" means a written statement, signed and verified by the claimant or by the claimant's agent, containing all of the following:

(1) A statement of the claimant's demand after deducting all just credits and offsets.

(2) The name of the owner or reputed owner, if known.

(3) A general statement of the kind of labor, services, equipment, or materials furnished by the claimant.

(4) The name of the person by whom the claimant was employed or to whom the claimant furnished the labor, services, equipment, or materials.

(5) A description of the site sufficient for identification.

(b) A claim of lien in otherwise proper form, verified and containing the information required by this section shall be accepted by the recorder for recording and shall be deemed duly recorded

without acknowledgment.

SEC. 2. Section 3093 of the Civil Code is amended to read:

3093. "Notice of completion" means a written notice, signed and verified by the owner or his agent, containing all of the following:

(a) The date of completion (other than a cessation of labor). The recital of an erroneous date of completion shall not, however, affect the validity of the notice if the true date of completion is within 10 days preceding the date of recording of such notice.

(b) The name and address of the owner.

(c) The nature of the interest or estate of the owner.

(d) A description of the site sufficient for identification, containing the street address of the site, if any. If a sufficient legal description of the site is given, the validity of the notice shall not, however, be affected by the fact that the street address recited is erroneous or that such street address is omitted.

(e) The name of the original contractor, if any, or if the notice is given only of completion of a contract for a particular portion of such work of improvement, as provided in Section 3117, then the name of the original contractor under such contract, and a general statement of the kind of work done or materials furnished pursuant to such contract.

The notice of completion shall be recorded in the office of the county recorder of the county in which the site is located, within 10 days after such completion. A notice of completion in otherwise proper form, verified and containing the information required by this section shall be accepted by the recorder for recording and shall be deemed duly recorded without acknowledgment.

If there is more than one owner, any notice of completion signed by less than all of such co-owners shall recite the names and addresses of all of such co-owners; and provided further, that any notice of completion signed by a successor in interest shall recite the names and addresses of his transferor or transferors.

For the purpose of this section, owner is defined as set forth in subdivision (g) of Section 3092.

SEC. 3. Section 27287 of the Government Code is amended to read:

27287. Unless it belongs to the class provided for in either Sections 27282 to 27286, inclusive, or Sections 1202 or 1203, of the Civil Code, or is a fictitious mortgage or deed of trust as provided in Sections 2952, or 2963, of the Civil Code, or is a fictitious oil and gas lease as provided in Section 1219 of the Civil Code, or is a claim of lien, as provided in Section 3084 of the Civil Code, or a notice of completion, as provided in Section 3093 of the Civil Code, before an instrument can be recorded its execution shall be acknowledged by the person executing it, or if executed by a corporation, by its president or secretary or other person executing it on behalf of the corporation, or proved by subscribing witness or as provided in Sections 1198 and 1199 of the Civil Code, and the acknowledgment or proof certified as prescribed by law.

CHAPTER 322

An act to amend Sections 73793, 73794, 73796, 73797, 73798, 74783, 74784, and 74785 of the Government Code, relating to courts.

[Became law without Governor's signature. Filed with Secretary of State September 3, 1981.]

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

SECTION 1. Section 73793 of the Government Code is amended to read:

73793. There shall be one administrative officer of the court known as the municipal court clerk-administrator, who shall be appointed by a majority of the judges of the court. The court clerk-administrator shall receive a biweekly salary on range 51.

SEC. 2. Section 73794 of the Government Code is amended to read:

73794. There may be two traffic referees who shall be appointed by a majority of the judges of the court. A traffic referee shall receive a biweekly salary on range 47.5. The provisions of Section 72400 do not apply to the traffic referees appointed pursuant to this section.

A traffic referee of the court shall have the powers and duties specified for traffic referees in Sections 72401, 72402, and 72403.

SEC. 3. Section 73796 of the Government Code is amended to read:

73796. There shall be one marshal of the Merced County Municipal Court. The marshal shall receive a salary on range 51.

The office of marshal shall be filled initially by appointment by a majority of the judges of the court from among those persons who have served as constable of a justice court in Merced County during the year of 1976.

SEC. 4. Section 73797 of the Government Code is amended to read:

73797. (a) The marshal may appoint:

(1) One assistant marshal on range 47.5.

(2) Seven deputy marshals II on range 44.

(3) Three civil assistants on range 34.

(b) The initial appointments to the positions of assistant marshal and deputy marshal shall be made from persons who have served as constables in a justice court in Merced County during the year of 1976. Such appointees shall become deputy marshals and receive the salary provided at the fifth step of the range designated for deputy marshal. The assistant marshal initially appointed shall receive the salary provided at the fifth step of the range designated for assistant marshal.

SEC. 5. Section 73798 of the Government Code is amended to read:

73798. The clerk-administrator may appoint:

(a) One supervising municipal court clerk II on range 42.5.
(b) Four supervising municipal court clerks I on range 39.
(c) Eight deputy court clerks II on range 36.
(d) Twelve deputy court clerks I on range 34.
(e) One supervising account clerk I on range 39.5.
(f) Three account clerks I on range 34.
(g) Four typist-clerks II on range 33.
(h) One pretrial release clerk on range 41.5.
(i) One typist clerk III on range 36.

SEC. 6. Section 74783 of the Government Code is amended to read:

74783. There shall be one clerk-administrator who shall be appointed by and serve at the pleasure of a majority of the judges of the court. The clerk shall be on salary range 60B. The clerk may appoint, with the approval of the judges of the court:

(a) One assistant clerk-administrator on range 53C.
(b) Eight courtroom clerks on range 48B.
(c) Four senior legal clerks on range 47B.
(d) One accounting technician on range 46B.
(e) Three legal clerk III's on range 45B.
(f) One account clerk III on range 44B.
(g) One stenographer clerk III on range 44B.
(h) Seven legal clerk II's on range 43B.
(i) Twenty legal clerk I's on range 41B.

SEC. 7. Section 74784 of the Government Code is amended to read:

74784. There shall be one marshal who shall be appointed by and serve at the pleasure of a majority of the judges of the court, and who shall be on range 57A. The marshal may appoint, with the approval of the judges of the court:

(a) One sergeant deputy marshal on range 54A.
(b) Eleven deputy marshals on range 50D.
(c) One supervising civil process technician on range 45B.
(d) One civil process technician on range 43B.
(e) Three civil process clerks on range 41B.
(f) Two deputy marshals who shall be custodians at the fee allowed by law for keeping property.

SEC. 8. Section 74785 of the Government Code is amended to read:

74785. Official reporters in the municipal court appointed pursuant to Section 72194 shall be attachés of the court, and in lieu of any other compensation provided by law for their services in reporting testimony in criminal proceedings in the court shall receive a monthly salary equivalent to range 57D.

SEC. 9. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because this act is in accordance with the request of a local agency or school district which desired legislative authority to

carry out the program specified in this act.

CHAPTER 323

An act to amend Section 66499 of the Government Code, relating to land subdivision.

[Became law without Governor's signature Filed with Secretary of State September 3, 1981.]

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

SECTION 1. Section 66499 of the Government Code is amended to read:

66499. (a) Whenever this division or a local ordinance authorizes or requires the furnishing of security in connection with the performance of any act or agreement, such security shall be one of the following at the option of and subject to the approval of the local agency:

(1) Bond or bonds by one or more duly authorized corporate sureties.

(2) A deposit, either with the local agency or a responsible escrow agent or trust company, at the option of the local agency, of money or negotiable bonds of the kind approved for securing deposits of public moneys.

(3) An instrument of credit from one or more financial institutions subject to regulation by the state or federal government and pledging that the funds necessary to carry out the act or agreement are on deposit and guaranteed for payment, or a letter of credit issued by such a financial institution.

(4) A lien upon the property to be divided, created by contract between the owner and the local agency, if the local agency finds that it would not be in the public interest to require the installation of the required improvement sooner than two years after the recordation of the map.

(5) Any form of security, including security interests in real property, which is acceptable to the local agency and specified by ordinance thereof.

(b) Any written contract or security interest in real property entered into as security for performance pursuant to subdivision (a) shall be recorded with the county recorder of the county in which the subject real property is located. From the time of recordation of the written contract or document creating a security interest, a lien shall attach to the real property particularly described therein and shall have the priority of a judgment lien in an amount necessary to complete the agreed to improvements. The recorded contract or security document shall be indexed in the Grantor Index to the names of all record owners of the real property as specified on the

map and in the Grantee Index to the local agency approving the map.

The local agency may at any time release all or any portion of the property subject to any lien or security interest created by this subdivision or subordinate the lien or security interest to other liens or encumbrances if it determines that security for performance is sufficiently secured by a lien on other property or that the release or subordination of the lien will not jeopardize the completion of agreed upon improvements.

CHAPTER 324

An act to amend Section 73432 of the Government Code, relating to courts.

[Became law without Governor's signature. Filed with Secretary of State September 3, 1981]

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

SECTION 1. Section 73432 of the Government Code is amended to read:

73432. The judges of the West Kern Municipal Court District may appoint one traffic referee who shall hold office at the pleasure of the judges.

A traffic referee appointed by the municipal court judges shall have the powers and duties specified for traffic referees in Sections 72401 and 72402.

A traffic referee in the West Kern Municipal Court District shall receive annual compensation:

(a) Equal to 50 percent of the salary of a judge of the municipal court during the first year of service;

(b) Equal to 55 percent of the salary of a judge of the municipal court during the second year of service;

(c) Equal to 60 percent of the salary of a judge of the municipal court during the third year of service; and

(d) Equal to 65 percent of the salary of a judge of the municipal court during and after the fourth year of service. The traffic referee shall be paid on a biweekly basis pursuant to the payroll procedures in effect in the County of Kern.

The initial appointment to traffic referee shall be made at the 50 percent range. After the first year of service, and on the second and third anniversaries of service, the traffic referee may be compensated in the percentage amounts specified for the years of service in paragraphs (b), (c), and (d) above, subject to the approval of a majority of the judges.

SEC. 2. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the

California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act.

CHAPTER 325

An act to amend Sections 37220 and 37227.5 of the Education Code, and to amend Sections 6700 and 6701 of the Government Code, relating to state holidays.

[Approved by Governor September 3, 1981. Filed with Secretary of State September 3, 1981]

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

SECTION 1. Section 37220 of the Education Code is amended to read:

37220. Except as otherwise provided the public schools shall continue in session or close on specified holidays as follows:

(a) The public schools shall close on January 1st, January 15th known as "Dr. Martin Luther King, Jr. Day," February 12th known as "Lincoln Day," the third Monday in February known as "Washington Day," the last Monday in May known as "Memorial Day," July 4th, the first Monday in September known as "Labor Day," November 11th known as "Veterans Day," that Thursday in November proclaimed by the President as "Thanksgiving Day," and December 25th.

(b) The Governor in appointing any other day for a public fast, thanksgiving, or holiday may provide whether the public schools shall close on the day. If the Governor does not provide whether the public schools shall close, they shall continue in session on all special or limited holidays appointed by the Governor, but shall close on all other days appointed by the Governor for a public fast, thanksgiving, or holiday.

(c) The public schools shall close on every day appointed by the President as a public fast, thanksgiving, or holiday, unless it is a special or limited holiday.

(d) The public schools shall continue in session on all legal holidays other than those designated by or pursuant to this section and shall hold proper exercises commemorating the day.

(e) When any of the holidays on which the schools would be closed fall on Sunday, the public schools shall close on the Monday following.

(f) When any of the holidays on which the schools would be closed fall on Saturday, the public schools shall close on the preceding Friday, and such Friday shall be declared a state holiday.

(g) If any holiday on which the public schools are required to

close pursuant to subdivision (a) occurs under federal law on a date different than the date specified in subdivision (a), the governing board of any school district may close the public schools of the district on the date recognized by federal law and maintain classes on the date specified in subdivision (a).

(h) Nothing in this section is to be interpreted as authorizing a school district governing board to maintain schools in its district for a lesser number of days during the school year than the minimum established by law.

SEC. 2. Section 37227.5 of the Education Code is amended to read:

37227.5. All public schools and educational institutions throughout the state shall, on the first school day occurring before or after the date each year on which the Dr. Martin Luther King, Jr., holiday occurs, hold suitable exercises commemorating, and directing attention to the history of, the civil rights movement in the United States, and particularly the role therein of Dr. Martin Luther King, Jr.

SEC. 3. Section 6700 of the Government Code is amended to read:

6700. The holidays in this state are:

(a) Every Sunday.

(b) January 1st.

(c) January 15th, known as "Dr. Martin Luther King, Jr. Day."

(d) February 12th, known as "Lincoln Day."

(e) The third Monday in February.

(f) The last Monday in May.

(g) July 4th.

(h) First Monday in September.

(i) September 9th, known as "Admission Day."

(j) The second Monday in October, known as "Columbus Day."

(k) November 11th, known as "Veterans Day."

(*l*) December 25th.

(m) Good Friday from 12 noon until 3 p.m.

(n) Every day appointed by the President or Governor for a public fast, thanksgiving, or holiday.

Except for the Thursday in November appointed as Thanksgiving Day, this subdivision shall not apply to a city, county, or district unless made applicable by charter, or by ordinance or resolution of the governing body thereof.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

The board of supervisors of any county may by ordinance or

resolution alter the date of any holiday designated in (c), (d), (e), (g), (h), (i), (j), or (k) applicable to the superior, municipal, and justice courts in such county. Provided, however, that any such altered holiday shall not be considered a holiday or a day on which a court is not in session for purposes of taking criminal defendants before a magistrate as provided in Section 825 of the Penal Code.

SEC. 4. Section 6701 of the Government Code is amended to read:

6701. If January 1st, January 15th, February 12th, July 4th, September 9th, November 11th, or December 25th falls upon a Sunday, the Monday following is a holiday. If November 11th falls upon a Saturday, the preceding Friday is a holiday.

CHAPTER 326

An act to amend Section 18402.9 of the Revenue and Taxation Code, relating to personal income tax, to take effect immediately, tax levy.

[Approved by Governor September 3, 1981. Filed with Secretary of State September 3, 1981]

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

SECTION 1. The Legislature finds and declares that the existing statutory provisions designed to relieve "innocent spouses" of liability from income tax deficiencies are in fact so limiting that many truly deserving spouses are being denied freedom of liability, because the Franchise Tax Board and the courts lack the statutory flexibility to grant justice on a case by case basis. This act liberalizes the standards applied to eligibility for "innocent spouse" status, and recognizes that a spouse's financial problems may stem not only from substantial nonreporting of income by their spouse, but by back taxes resulting from any type of erroneous income tax computation.

SEC. 2. Section 18402.9 of the Revenue and Taxation Code is amended to read:

18402.9. (a) Under regulations prescribed by the Franchise Tax Board, if—

(1) A joint return has been made under this chapter for a taxable year and on such return taxable income was understated by either the omission of, an amount properly includable therein, or by erroneous deductions, which is attributable to one spouse,

(2) The other spouse establishes that in signing the return he or she did not know of, and had no reason to know of, such understatement, and

(3) Taking into account whether or not the other spouse significantly benefited directly or indirectly from the understatement of taxable income and taking into account all

other facts and circumstances, it is inequitable to hold the other spouse liable for the deficiency in tax for such taxable year attributable to such understatement,

then the other spouse shall be relieved of liability for tax (including interest, penalties, and other amounts) for such taxable year to the extent that such liability is attributable to such understatement of taxable income.

(b) For purposes of this section, the determination of the spouse to whom items of taxable income understatement are attributable shall be made without regard to community property laws.

(c) This section shall apply to all taxable years subject to the provisions of this part, but shall not apply to a year which has been closed by a statute of limitations, res judicata or otherwise.

(d) For purposes of paragraph (2) of subdivision (a) "reason to know" means whether or not a reasonably prudent person would have had reason to know of the understatement.

(e) For purposes of this section, with respect to an omission of an item from income, "attributable to one spouse" may be determined by whether a spouse rendered substantial service in producing the item of income to which the understatement is attributable. If neither spouse rendered substantial services in producing such income, then the attribution of applicable items of understatement shall be treated as community property. An erroneous deduction shall be attributable to the spouse who caused such deduction to be entered on the return.

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

CHAPTER 327

An act to amend Section 70.5 of the Penal Code, relating to fees for marriages.

[Approved by Governor September 3, 1981. Filed with Secretary of State September 3, 1981]

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

SECTION 1. Section 70.5 of the Penal Code is amended to read:

70.5. Every commissioner of civil marriages or every deputy commissioner of civil marriages who accepts any money or other thing of value for performing any marriage pursuant to Section 4205.1 of the Civil Code, including any money or thing of value voluntarily tendered by the persons about to be married or who have been married by the commissioner of civil marriages or deputy commissioner of civil marriages, other than a fee expressly imposed by law for performance of a marriage, whether the acceptance occurs before or after performance of the marriage and whether or

not performance of the marriage is conditioned on the giving of such money or the thing of value by the persons being married, is guilty of a misdemeanor.

It is not a necessary element of the offense described by this section that the acceptance of the money or other thing of value be committed with intent to commit extortion or with other criminal intent.

The provisions of this section are inapplicable to the acceptance of a fee for the performance of a marriage on Saturday, Sunday, or a legal holiday.

CHAPTER 328

An act to add Section 466.8 to the Penal Code, relating to the making of keys for residences.

[Approved by Governor September 3, 1981. Filed with Secretary of State September 3, 1981.]

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

SECTION 1. Section 466.8 is added to the Penal Code, to read:

466.8. (a) Any person who knowingly and willfully makes a key capable of opening any door or other means of entrance to any residence for another by any method involving an onsite inspection of such door or entrance, whether or not for compensation, shall obtain, together with the date the key was made, the street address of the residence, and the signature of the person for whom the key was made, on a work order form, the following information regarding the person requesting or purchasing the key:

(1) Name.

(2) Address.

(3) Telephone number, if any.

(4) Date of birth.

(5) Driver's license number or identification number, if any.

A copy of each such work order shall be retained for one year and shall be open to inspection by any peace officer during business hours.

Any person who violates any provision of this subdivision is guilty of a misdemeanor.

(b) Nothing contained in this section shall be construed to prohibit the duplication of any key for a residence from another such key.

SEC. 2. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act

creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 329

An act to amend Section 31553 of the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor September 3, 1981. Filed with Secretary of State September 3, 1981.]

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

SECTION 1. Section 31553 of the Government Code is amended to read:

31553. Elective officers become members of the retirement association on the first day of the calendar month following the filing of a declaration with the board to become a member, provided, however, that any such elective officer may, within 60 days after the expiration of the officer's term of office or within 60 days after the officer ceases to hold the office, rescind the declaration and withdraw from the retirement association. In such cases, all contributions paid by the member shall be refunded in the same manner as applicable to members terminating service.

CHAPTER 330

An act to add Section 11628.7 to the Insurance Code, relating to motor vehicle insurance.

[Approved by Governor September 3, 1981. Filed with Secretary of State September 3, 1981.]

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

SECTION 1. Section 11628.7 is added to the Insurance Code, to read:

11628.7. No admitted insurer, licensed to issue motor vehicle liability policies as defined in Section 16450 of the Vehicle Code, shall fail or refuse to accept an application for that insurance, or to issue that insurance, on the basis that the owner of the motor vehicle to be insured is blind. However, notwithstanding any other provision of law, an admitted insurer may exclude from coverage under the policy the unlicensed owner of a motor vehicle who is blind for injuries and damages incurred while the insured vehicle is operated by an unlicensed owner who is blind.

Nothing in this section shall prohibit an insurer from applying its usual and customary underwriting and rating criteria with respect to the operators of the vehicle to be insured, including, but not limited to, the loss experience the insurer has had with respect to the insured vehicle.

No insurer shall raise the premiums of an insured blind person or shall cancel the policy of an insured blind person solely on the basis that the operators of the insured vehicle are changed frequently.

SEC. 2. This act only affects the availability and premiums for insurance for vehicles owned by blind persons, and does not affect provisions of the Vehicle Code which establish criteria for licensure as an operator of a motor vehicle.

CHAPTER 331

An act to add Section 43.6 to the Civil Code, relating to actions and proceedings.

[Approved by Governor September 3, 1981. Filed with Secretary of State September 4, 1981.]

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

SECTION 1. Section 43.6 is added to the Civil Code, to read:

43.6. (a) No cause of action arises against a parent of a child based upon the claim that the child should not have been conceived or, if conceived, should not have been allowed to have been born alive.

(b) The failure or refusal of a parent to prevent the live birth of his or her child shall not be a defense in any action against a third party, nor shall the failure or refusal be considered in awarding damages in any such action.

(c) As used in this section "conceived" means the fertilization of a human ovum by a human sperm.

CHAPTER 332

An act to add and repeal Section 656.2 of the Welfare and Institutions Code, relating to juvenile court law.

[Approved by Governor September 6, 1981 Filed with Secretary of State September 8, 1981.]

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

SECTION 1. Section 656.2 is added to the Welfare and Institutions Code, to read:

656.2. In any case in which a minor is alleged to have committed an act which would have been a felony if committed by an adult, the probation officer shall obtain a statement from the victim concerning the offense which shall be included in the social study made by the probation officer and submitted to the court pursuant to Section 706.

SEC. 2. Notwithstanding Section 6 of Article XIII B of the California Constitution and Section 2231 or 2234 of the Revenue and Taxation Code, no appropriation is made by this act for the purpose of making reimbursement pursuant to these sections. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Chapter 3 (commencing with Section 2201) of Part 4 of Division 1 of that code.

SEC. 3. This act shall remain in effect only until January 1, 1988, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1988, deletes or extends such date.

CHAPTER 333

An act to amend, repeal, and add Sections 81929, 81936, 90013, 90040, 90048, 92476, and 92481 to the Education Code, relating to postsecondary education, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature. Filed with Secretary of State September 8, 1981.]

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

SECTION 1. Section 81929 of the Education Code is amended to read:

81929. Bonds shall bear interest at a rate of not to exceed 12 percent per annum, payable annually or semiannually or in part annually and in part semiannually.

This section shall remain in effect only until January 1, 1985, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1985, deletes or extends such date.

SEC. 2. Section 81929 is added to the Education Code, to read:

81929. Bonds shall bear interest at a rate of not to exceed 10 percent per annum, payable annually or semiannually, or in part annually and in part semiannually.

This section shall become operative January 1, 1985.

SEC. 3. Section 81936 of the Education Code is amended to read:

81936. Bonds may be sold at either public or private sale. The board may fix terms and conditions for the sale or other disposition of any authorized issue of bonds. The county treasurer, when

authorized by resolution of the board, may sell bonds at less than their par or face value, but no bond may be sold at a price below the par or face value thereof which would result in a sale price yielding to the purchaser an average of more than 12 percent per annum, payable semiannually, according to standard tables of bond values.

This section shall remain in effect only until January 1, 1985, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1985, deletes or extends such date.

SEC. 4. Section 81936 is added to the Education Code, to read:

81936. Bonds may be sold at either public or private sale. The board may fix terms and conditions for the sale or other disposition of any authorized issue of bonds. The county treasurer, when authorized by resolution of the board, may sell bonds at less than their par or face value, but no bond may be sold at a price below the par or face value thereof which would result in a sale price yielding to the purchaser an average of more than 10 percent per annum, payable semiannually, according to standard tables of bond values.

This section shall become operative January 1, 1985.

SEC. 5. Section 90013 of the Education Code is amended to read:

90013. The board, with the approval of the State Board of Control, may issue revenue bond anticipation notes, in anticipation of the sale of revenue bonds. Before issuing any such notes, the board shall, by resolution approved by the State Board of Control, authorize their issuance, declare the purpose for which the proceeds of the notes shall be expended and specify the maximum amount of notes to be issued for such purpose.

Revenue bond anticipation notes shall bear interest at such rate or rates as the board may determine, not exceeding 12 percent per annum, payable annually or semiannually, and shall mature on such date or dates as the board may determine and set forth in the resolution authorizing their issuance, but not more than three years from their date.

The proceeds from the sale of notes shall be used only for the purposes for which the proceeds of the sale of bonds may be used in anticipation whereof the notes are issued.

All notes issued, including renewal notes, and the interest thereon shall be payable from the proceeds of the sale of the bonds, the revenues of the project, any appropriations made for that purpose or all such sources, and not otherwise, except that in the event that the sale of the bonds shall not have occurred prior to the maturity of the notes issued in anticipation thereof, the board, with the approval of the State Board of Control, may issue renewal notes in order to pay the notes then maturing. No renewal notes shall be issued after the sale of the bonds in anticipation of which the original note was issued.

Revenue bond anticipation notes may be secured by a pledge of, and lien upon, the proceeds of the sale of bonds, the revenues of the project and any other legally available funds.

A resolution authorizing the issuance of revenue bond anticipation notes may include such provisions as the board deems necessary or

advisable for the security of the notes issued thereunder, and may include any and all provisions authorized to be included in indentures by this article.

This section shall remain in effect only until January 1, 1985, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1985, deletes or extends such date.

SEC. 6. Section 90013 is added to the Education Code, to read:

90013. The board, with the approval of the State Board of Control, may issue revenue bond anticipation notes, in anticipation of the sale of revenue bonds. Before issuing any such notes, the board shall, by resolution approved by the State Board of Control, authorize their issuance, declare the purpose for which the proceeds of the notes shall be expended and specify the maximum amount of notes to be issued for such purpose.

Revenue bond anticipation notes shall bear interest at such rate or rates as the board may determine, not exceeding 10 percent per annum, payable annually or semiannually, and shall mature on such date or dates as the board may determine and set forth in the resolution authorizing their issuance, but not more than three years from their date.

The proceeds from the sale of notes shall be used only for the purposes for which the proceeds of the sale of bonds may be used in anticipation whereof the notes are issued.

All notes issued, including renewal notes, and the interest thereon shall be payable from the proceeds of the sale of the bonds, the revenues of the project, any appropriations made for that purpose or all such sources, and not otherwise, except that in the event that the sale of the bonds shall not have occurred prior to the maturity of the notes issued in anticipation thereof, the board, with the approval of the State Board of Control, may issue renewal notes in order to pay the notes then maturing. No renewal notes shall be issued after the sale of the bonds in anticipation of which the original note was issued.

Revenue bond anticipation notes may be secured by a pledge of, and lien upon, the proceeds of the sale of bonds, the revenues of the project, and any other legally available funds.

A resolution authorizing the issuance of revenue bond anticipation notes may include such provisions as the board deems necessary or advisable for the security of the notes issued thereunder, and may include any and all provisions authorized to be included in indentures by this article.

This section shall become operative January 1, 1985.

SEC. 7. Section 90040 of the Education Code is amended to read:

90040. Bonds shall bear interest at a rate of not to exceed 12 percent per annum, payable annually or semiannually or in part annually and in part semiannually.

This section shall remain in effect only until January 1, 1985, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1985, deletes or extends such date.

SEC. 8. Section 90040 is added to the Education Code, to read:

90040. Bonds shall bear interest at a rate of not to exceed 10 percent per annum, payable annually or semiannually, or in part annually and in part semiannually.

This section shall become operative January 1, 1985.

SEC. 9. Section 90048 of the Education Code is amended to read:

90048. Bonds and notes may be sold at either public or private sale. The board, with the approval of the State Board of Control, may fix terms and conditions for the sale or other disposition of any authorized issue of bonds or notes. The State Treasurer, when authorized by resolution of the board approved by the State Board of Control, may sell bonds and notes at less than their par or face value, but no bond or note may be sold at a price below the par or face value thereof which would result in a sale price yielding to the purchaser an average of more than 12 percent per annum, payable semiannually, according to standard tables of bond values.

This section shall remain in effect only until January 1, 1985, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1985, deletes or extends such date.

SEC. 10. Section 90048 is added to the Education Code, to read:

90048. Bonds and notes may be sold at either public or private sale. The board, with the approval of the State Board of Control, may fix terms and conditions for the sale or other disposition of any authorized issue of bonds or notes. The State Treasurer, when authorized by resolution of the board approved by the State Board of Control, may sell bonds and notes at less than their par or face value, but no bond or note may be sold at a price below the par or face value thereof which would result in a sale price yielding to the purchaser an average of more than 10 percent per annum, payable semiannually, according to standard tables of bond values.

This section shall become operative January 1, 1985.

SEC. 11. Section 92476 of the Education Code is amended to read:

92476. Bonds shall bear interest at a rate of not to exceed 12 percent per annum, payable annually or semiannually, or in part annually and in part semiannually.

This section shall remain in effect only until January 1, 1985, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1985, deletes or extends such date.

SEC. 12. Section 92476 is added to the Education Code, to read:

92476. Bonds shall bear interest at a rate of not to exceed 10 percent per annum, payable annually or semiannually, or in part annually and in part semiannually.

This section shall become operative January 1, 1985.

SEC. 13. Section 92481 of the Education Code is amended to read:

92481. Bonds may be sold at either public or private sale. The regents may fix terms and conditions for the sale or other disposition of any authorized issue of bonds. The regents may sell bonds at less than their par or face value, but no bond may be sold at a price below the par or face value of the bond which would result in a sale price yielding to the purchaser an average of more than 12 percent per

annum, payable semiannually, according to standard tables of bond values.

This section shall remain in effect only until January 1, 1985, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1985, deletes or extends such date.

SEC. 14. Section 92481 is added to the Education Code, to read:

92481. Bonds may be sold at either public or private sale. The regents may fix terms and conditions for the sale or other disposition of any authorized issue of bonds. The regents may sell bonds at less than their par or face value, but no bond may be sold at a price below the par or face value of the bond which would result in a sale price yielding to the purchaser an average of more than 10 percent per annum, payable semiannually, according to standard tables of bond values.

This section shall become operative January 1, 1985.

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 be effective for bond sales scheduled in the fall of 1981, it is necessary that the provisions of this act become effective immediately.

CHAPTER 334

An act to amend Section 39017 of the Education Code, relating to school facilities.

[Approved by Governor September 8, 1981 Filed with Secretary of State September 9, 1981]

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

SECTION 1. Section 39017 of the Education Code is amended to read:

39017. (a) Whenever a school district has either begun to use an unused site or has sold that site within two years of the date the State Controller, pursuant to Section 39016, has deducted a certified nonuse payment from the district's State School Fund apportionment, the State Allocation Board shall certify that fact to the State Controller. The State Controller shall then cease to withhold any additional payments and shall return to the district from the State School Site Utilization Fund the payments, without interest, which had been withheld for the particular site during the prior fiscal year and the current fiscal year.

(b) If the school district begins to use or has sold the site more than two years after the aforesaid date, the State Allocation Board shall so certify to the State Controller and no further payments shall

be withheld as specified in Section 39016.

CHAPTER 335

An act to amend Section 101185 of the Public Utilities Code, relating to transit districts.

[Approved by Governor September 8, 1981. Filed with Secretary of State September 9, 1981]

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

SECTION 1. Section 101185 of the Public Utilities Code is amended to read:

101185. The purchase of all supplies, equipment, and materials and the construction of facilities and works, when the expenditure required exceeds ten thousand dollars ($10,000), or the purchase of fuels exceeding fifteen thousand dollars ($15,000) in any one month, shall be by contract let to the lowest responsible bidder. Notice requesting bids shall be published at least once in a newspaper of general circulation, which publication shall be made at least 10 days before bids are received. The board may reject any and all bids and readvertise in its discretion.

When the expected procurement required exceeds one thousand dollars ($1,000), the board shall seek a minimum of three quotations, either written or oral, which permit prices and other terms to be compared.

SEC. 2. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act.

CHAPTER 336

An act to amend Sections 17747, 17834, 18103, 18201, 24481, and 24511 of, to repeal Sections 17580, 17580.5, 17614, 24670, and 24724 of, to add Section 17834.5 to, and to repeal and add Sections 17577, 17578, 17579, 24667, 24668, and 24669 of, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 8, 1981 Filed with Secretary of State September 9, 1981.]

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

SECTION 1. Section 17577 of the Revenue and Taxation Code is repealed.

SEC. 2. Section 17577 is added to the Revenue and Taxation Code, to read:

17577. (a) Except as otherwise provided in this section, income from an installment sale shall be taken into account for purposes of this part under the installment method.

(b) For purposes of this section—

(1) The term "installment sale" means a disposition of property where at least one payment is to be received after the close of the taxable year in which the disposition occurs.

(2) The term "installment sale" does not include—

(A) A disposition of personal property on the installment plan by a person who regularly sells or otherwise disposes of personal property on the installment plan.

(B) A disposition of personal property of a kind which is required to be included in the inventory of the taxpayer if on hand at the close of the taxable year.

(c) For purposes of this section, the term "installment method" means a method under which the income recognized for any taxable year from a disposition is that proportion of the payments received in that year which the gross profit (realized or to be realized when payment is completed) bears to the total contract price.

(d) (1) Subdivision (a) shall not apply to any disposition if the taxpayer elects to have subdivision (a) not apply to such disposition.

(2) Except as otherwise provided, an election under paragraph (1) with respect to a disposition may be made only on or before the due date prescribed by law (including extensions) for filing the taxpayer's return of the tax imposed by this part for the taxable year in which the disposition occurs. Such an election shall be made in the manner prescribed by the Franchise Tax Board.

(3) An election under paragraph (1) with respect to any disposition may be revoked only with the consent of the Franchise Tax Board.

(e) (1) If—

(A) Any person disposes of property to a related person (hereinafter in this subdivision referred to as the "first disposition"), and

(B) Before the person making the first disposition receives all payments with respect to such disposition, the related person disposes of the property (hereinafter in this subdivision referred to as the "second disposition"),

then, for purposes of this section, the amount realized with respect to such second disposition shall be treated as received at the time of the second disposition by the person making the first disposition.

(2) (A) Except in the case of marketable securities, paragraph (1) shall apply only if the date of the second disposition is not more

than two years after the date of the first disposition.

(B) The running of the two-year period set forth in subparagraph (A) shall be suspended with respect to any property for any period during which the related person's risk of loss with respect to the property is substantially diminished by—

(i) The holding of a put with respect to such property (or similar property),

(ii) The holding by another person of a right to acquire the property, or

(iii) A short sale or any other transaction.

(3) The amount treated for any taxable year as received by the person making the first disposition by reason of paragraph (1) shall not exceed the excess of—

(A) The lesser of—

(i) The total amount realized with respect to any second disposition of the property occurring before the close of the taxable year, or

(ii) The total contract price for the first disposition, over

(B) The sum of—

(i) The aggregate amount of payments received with respect to the first disposition before the close of such year, plus

(ii) The aggregate amount treated as received with respect to the first disposition for prior taxable years by reason of this subdivision.

(4) For purposes of this subdivision, if the second disposition is not a sale or exchange, an amount equal to the fair market value of the property disposed of shall be substituted for the amount realized.

(5) If paragraph (1) applies for any taxable year, payments received in subsequent taxable years by the person making the first disposition shall not be treated as the receipt of payments with respect to the first disposition to the extent that the aggregate of such payments does not exceed the amount treated as received by reason of paragraph (1).

(6) For purposes of this subdivision—

(A) Any sale or exchange of stock to the issuing corporation shall not be treated as a first disposition.

(B) A compulsory or involuntary conversion (within the meaning of Section 18082) and any transfer thereafter shall not be treated as a second disposition if the first disposition occurred before the threat or imminence of the conversion.

(C) Any transfer after the earlier of—

(i) The death of the person making the first disposition, or

(ii) The death of the person acquiring the property in the first disposition,

and any transfer thereafter shall not be treated as a second disposition.

(7) This subdivision shall not apply to a second disposition (and any transfer thereafter) if it is established to the satisfaction of the Franchise Tax Board that neither the first disposition nor the second disposition had as one of its principal purposes the avoidance of

personal income tax.

(8) The period for assessing a deficiency with respect to a first disposition (to the extent such deficiency is attributable to the application of this subdivision) shall not expire before the day which is two years after the date on which the person making the first disposition furnishes (in such manner as the Franchise Tax Board may prescribe) a notice that there was a second disposition of the property to which this subdivision may have applied. Such deficiency may be assessed notwithstanding the provisions of any law or rule of law which would otherwise prevent such assessment.

(f) For purposes of this section—

(1) Except for purposes of subdivisions (g) and (h), the term "related person" means a person whose stock would be attributed under Section 17384 (other than subdivision (d) thereof) to the person first disposing of the property.

(2) The term "marketable securities" means any security for which, as of the date of the disposition, there was a market on an established securities market or otherwise.

(3) Except as provided in paragraph (4), the term "payment" does not include the receipt of evidences of indebtedness of the person acquiring the property (whether or not payment of such indebtedness is guaranteed by another person).

(4) Receipt of a bond or other evidence of indebtedness which—

(A) Is payable on demand, or

(B) Is issued by a corporation or a government or political subdivision thereof and is readily tradable,

shall be treated as receipt of payment.

(5) For purposes of paragraph (4), the term "readily tradable" means a bond or other evidence of indebtedness which is issued—

(A) With interest coupons attached or in registered form (other than one in registered form which the taxpayer establishes will not be readily tradable in an established securities market), or

(B) In any other form designed to render such bond or other evidence of indebtedness readily tradable in an established securities market.

(6) In the case of any exchange described in subdivision (b) of Section 18081—

(A) The total contract price shall be reduced to take into account the amount of any property permitted to be received in such exchange without recognition of gain,

(B) The gross profit from such exchange shall be reduced to take into account any amount not recognized by reason of subdivision (b) of Section 18081, and

(C) The term "payment" shall not include any property permitted to be received in such exchange without recognition of gain.

Similar rules shall apply in the case of an exchange which is described in Section 17436 and is not treated as a dividend.

(7) The term "depreciable property" means property of a

character which (in the hands of the transferee) is subject to the allowance for depreciation provided in Section 17208.

(g) (1) In the case of an installment sale of depreciable property between related persons within the meaning of subdivision (b) of Section 18201, subdivision (a) shall not apply, and, for purposes of this part, all payments to be received shall be deemed received in the year of the disposition.

(2) Paragraph (1) shall not apply if it is established to the satisfaction of the Franchise Tax Board that the disposition did not have as one of its principal purposes the avoidance of personal income tax.

(h) (1) (A) If, in connection with a liquidation to which Section 24512 applies, in a transaction to which subdivision (a) of Section 17401 applies the shareholder receives (in exchange for the shareholder's stock) an installment obligation acquired in respect of a sale or exchange by the corporation during the 12-month period set forth in subdivision (b) of Section 24512, then, for purposes of this section, the receipt of payments under such obligation (but not the receipt of such obligation) by the shareholder shall be treated as the receipt of payment for the stock.

(B) Subparagraph (A) shall not apply to an installment obligation described in paragraph (2) of subdivision (a) of Section 24513 unless such obligation is also described in paragraph (2) of subdivision (b) of Section 24513.

(C) If the obligor of any installment obligation and the shareholder are related persons (within the meaning of subdivision (b) of Section 18201), to the extent such installment obligation is attributable to the disposition by the corporation of depreciable property—

(i) Subparagraph (A) shall not apply to such obligation, and

(ii) For purposes of this part, all payments to be received by the shareholder shall be deemed received in the year the shareholder receives the obligation.

(D) For purposes of subparagraph (A) of paragaph (1) of subdivision (e), disposition of property by the corporation shall be treated also as disposition of such property by the shareholder.

(E) For purposes of subparagraph (A), in any case to which subdivision (c) of Section 24514 applies, an obligation acquired in respect of a sale or exchange by the selling corporation shall be treated as so acquired by the corporation distributing the obligation to the shareholder.

(2) If—

(A) Paragraph (1) applies with respect to any installment obligation received by a shareholder from a corporation, and

(B) By reason of the liquidation such shareholder receives property in more than one taxable year,

then, on completion of the liquidation, basis previously allocated to property so received shall be reallocated for all such taxable years so that the shareholder's basis in the stock of the corporation is properly

allocated among all property received by such shareholder in such liquidation.

(i) (1) The Franchise Tax Board shall prescribe such regulations as may be necessary or appropriate to carry out the provisions of this section.

(2) The regulations prescribed under paragraph (1) shall include regulations providing for ratable basis recovery in transactions where the gross profit or the total contract price (or both) cannot be readily ascertained.

SEC. 3. Section 17578 of the Revenue and Taxation Code is repealed.

SEC. 4. Section 17578 is added to the Revenue and Taxation Code, to read:

17578. (a) (1) Under rules prescribed by the Franchise Tax Board, a person who regularly sells or otherwise disposes of personal property on the installment plan may return as income therefrom in any taxable year that proportion of the installment payments actually received in that year which the gross profit, realized or to be realized when payment is completed, bears to the total contract price.

(2) For purposes of paragraph (1), the total contract price of all sales of personal property on the installment plan includes the amount of carrying charges or interest which is determined with respect to such sales and is added on the books of account of the seller to the established cash selling price of such property. This paragraph shall not apply with respect to sales of personal property under a revolving credit type plan.

(b) If the carrying charges or interest with respect to sales of personal property, the income from which is returned under paragraph (1) of subdivision (a), is not included in the total contract price, payments received with respect to such sales shall be treated as applying first against such carrying charges or interest.

SEC. 5. Section 17579 of the Revenue and Taxation Code is repealed.

SEC. 6. Section 17579 is added to the Revenue and Taxation Code, to read:

17579. (a) If an installment obligation is satisfied at other than its face value or distributed, transmitted, sold, or otherwise disposed of, gain or loss shall result to the extent of the difference between the basis of the obligation and—

(1) The amount realized, in the case of satisfaction at other than face value or a sale or exchange, or

(2) The fair market value of the obligation at the time of distribution, transmission, or disposition, in the case of the distribution, transmission, or disposition otherwise than by sale or exchange,

any gain or loss so resulting shall be considered as resulting from the sale or exchange of the property in respect of which the installment obligation was received.

(b) The basis of an installment obligation shall be the excess of the

face value of the obligation over an amount equal to the income which would be returnable were the obligation satisfied in full.

(c) Except as provided in Section 17831 et seq. (relating to recipients of income in respect of decedents), this section shall not apply to the transmission of installment obligations at death.

(d) For purposes of this section, if any installment obligation is canceled or otherwise becomes unenforceable—

(1) The obligation shall be treated as if it were disposed of in a transaction other than a sale or exchange, and

(2) If the obligor and obligee are related persons (within the meaning of paragraph (1) of subdivision (f) of Section 17577), the fair market value of the obligation shall be treated as not less than its face amount.

SEC. 7. Section 17580 of the Revenue and Taxation Code is repealed.

SEC. 8. Section 17580.5 of the Revenue and Taxation Code is repealed.

SEC. 9. Section 17747 of the Revenue and Taxation Code is amended to read:

17747. (a) (1) If—

(A) A trust (or another trust to which the property is distributed) sells or exchanges property at a gain not more than two years after the date of the initial transfer of the property in trust by the transferor, and

(B) The fair market value of such property at the time of the initial transfer in trust by the transferor exceeds the adjusted basis of such property immediately after such transfer,

there is hereby imposed a tax determined in accordance with paragraph (2) on the includable gain recognized on such sale or exchange.

(2) The amount of the tax imposed by paragraph (1) on any includable gain recognized on the sale or exchange of any property shall be equal to the sum of—

(A) The excess of—

(i) The tax which would have been imposed under this part for the taxable year of the transferor in which the sale or exchange of such property occurs had the amount of the includable gain recognized on such sale or exchange, reduced by any deductions properly allocable to such gain, been included in the gross income of the transferor for such taxable year, over

(ii) The tax actually imposed under this part for such taxable year on the transferor,

plus

(B) If such sale or exchange occurs in a taxable year of the transferor which begins after the beginning of the taxable year of the trust in which such sale or exchange occurs, an amount equal to the amount determined under subparagraph (A) multiplied by the annual rate established under Section 18686.

The determination of tax under clause (i) of subparagraph (A)

shall be made by not taking into account any deduction to the extent that such deduction may be carried by the transferor to any other taxable year.

(3) The tax imposed by paragraph (1) shall be imposed for the taxable year of the trust which begins with or within the taxable year of the transferor in which the sale or exchange occurs.

(4) The tax imposed by this section for any taxable year of the trust shall be in addition to any other tax imposed by this part for such taxable year.

(b) For purposes of this section, the term "includable gain" means the lesser of—

(1) The gain recognized by the trust on the sale or exchange of any property, or

(2) The excess of the fair market value of such property at the time of the initial transfer in trust by the transferor over the adjusted basis of such property immediately after such transfer.

(c) For purposes of subdivision (a)—

(1) The character of the includable gain shall be determined as if the property had actually been sold or exchanged by the transferor, and any activities of the trust with respect to the sale or exchange of the property shall be deemed to be activities of the transferor, and

(2) The portion of the includable gain subject to the provisions of Section 18211 and Sections 18212 to 18218, inclusive, shall be determined as prescribed by the Franchise Tax Board.

(d) (1) If the trust sells the property referred to in subdivision (a) in a short sale within the two-year period referred to in such subdivision such two-year period shall be extended to the date of the closing of such short sale.

(2) For purposes of this section, in the case of any property held by the trust which has a basis determined in whole or in part by reference to the basis of any other property which was transferred to the trust—

(A) The initial transfer of such property in trust by the transferor shall be treated as having occurred on the date of the initial transfer in trust of such other property,

(B) Subparagraph (B) of paragraph (1) of subdivision (a) and paragraph (2) of subdivision (b) shall be applied by taking into account the fair market value and the adjusted basis of such other property, and

(C) The amount determined under paragraph (2) of subdivision (b) with respect to such other property shall be allocated as prescribed by the Franchise Tax Board among such other property and all properties held by the trust which have a basis determined in whole or in part by reference to the basis of such other property.

(e) Subdivision (a) shall not apply to property—

(1) Acquired by the trust from a decedent or which passed to a trust from a decedent (within the meaning of Section 18044), or

(2) Acquired by a pooled income fund (as defined in Section 17734(e)), or

(3) Acquired by a charitable remainder annuity trust (as defined in Section 17763.1(d)(1)) or a charitable remainder unitrust (as defined in Section 17763.1(d)(2) and (3)), or

(4) If the sale or exchange of the property occurred after the death of the transferor.

(f) If the trust reports income under Section 17577 or 17578 on any sale or exchange to which subdivision (a) applies, as prescribed by the Franchise Tax Board—

(1) Subdivision (a) (other than the two-year requirement of subparagraph (A) of paragraph (1) thereof) shall be applied if each installment were a separate sale or exchange of property to which such subdivision applies, and

(2) The term "includable gain" shall not include any portion of an installment received by the trust after the death of the transferor.

(g) This section shall apply to transfer in trusts made after taxable years beginning after December 31, 1976.

SEC. 10. Section 17834 of the Revenue and Taxation Code is amended to read:

17834. In the case of an installment obligation reportable by the decedent on the installment method under Section 17577 or 17578, if such obligation is acquired by the decedent's estate from the decedent or by any person by reason of the death of the decedent or by bequest, devise, or inheritance from the decedent—

(a) An amount equal to the excess of the face amount of such obligation over the basis of the obligation in the hands of the decedent (determined under Section 17579) shall, for the purpose of Section 17831, be considered as an item of gross income in respect of the decedent; and

(b) Such obligation shall, for purposes of Sections 17832 and 17833, be considered a right to receive an item of gross income in respect of the decedent, but the amount includable in gross income under Section 17832 shall be reduced by an amount equal to the basis of the obligation in the hands of the decedent (determined under Section 17579).

SEC. 11. Section 17614 of the Revenue and Taxation Code is repealed.

SEC. 12. Section 17834.5 is added to the Revenue and Taxation Code, to read:

17834.5. (a) In the case of an installment obligation reportable by the decedent on the installment method under Section 17577 or 17578, for purposes of Section 17832.

(i) The second sentence of Section 17832 shall be applied by inserting "(other than the obligor)" after "or a transfer to a person",

(ii) Any cancellation of such an obligation shall be treated as a transfer, and

(iii) Any cancellation of such an obligation occurring at the death of the decedent shall be treated as a transfer by the estate of the decedent (or, if held by a person other than the decedent before the death of the decedent, by such person).

(b) In any case to which the first sentence of paragraph (2) applies by reason of subdivision (a), if the decedent and the obligor were related persons (within the meaning of paragraph (1) of subdivision (f) of Section 17577, the fair market value of the installment obligation shall be treated as not less than its face amount.

(c) For purposes of subdivision (a), an installment obligation which becomes unenforceable shall be treated as if it were canceled.

SEC. 13. Section 18103 of the Revenue and Taxation Code is amended to read:

18103. (a) If—

(1) A sale of real property gives rise to indebtedness to the seller which is secured by the real property sold, and

(2) The seller of such property reacquires such property in partial or full satisfaction of such indebtedness,

then, except as provided in subdivisions (b) and (d), no gain or loss shall result to the seller from such reacquisition, and no debt shall become worthless or partially worthless as a result of such reacquisition.

(b) (1) In the case of a reacquisition of real property to which subdivision (a) applies, gain shall result from such reacquisition to the extent that—

(A) The amount of money and the fair market value of other property (other than obligations of the purchaser) received, prior to such reacquisition, with respect to the sale of such property, exceeds

(B) The amount of the gain on the sale of such property returned as income for periods prior to such reacquisition.

(2) The amount of gain determined under paragraph (1) resulting from a reacquisition during any taxable year beginning after December 31, 1964, shall not exceed the amount by which the price at which the real property was sold exceeded its adjusted basis, reduced by the sum of—

(A) The amount of the gain on the sale of such property returned as income for periods prior to the reacquisition of such property, and

(B) The amount of money and the fair market value of other property (other than obligations of the purchaser received with respect to the sale of such property) paid or transferred by the seller in connection with the reacquisition of such property.

For purposes of this paragraph, the price at which real property is sold is the gross sales price reduced by the selling commissions, legal fees, and other expenses incident to the sale of such property which are properly taken into account in determining gain or loss on such sale.

(3) Except as provided in this section, the gain determined under this subdivision resulting from a reacquisition to which subdivision (a) applies shall be recognized, notwithstanding any other provision of this part.

(c) If subdivision (a) applies to the reacquisition of any real property, the basis of such property upon such reacquisition shall be

the adjusted basis of the indebtedness to the seller secured by such property (determined as of the date of reacquisition), increased by the sum of—

(1) The amount of the gain determined under subdivision (b) resulting from such reacquisition, and

(2) The amount described in subparagraph (B) of paragraph (2) of subdivision (b).

If any indebtedness to the seller secured by such property is not discharged upon the reacquisition of such property, the basis of such indebtedness shall be zero.

(d) If, prior to a reacquisition of real property to which subdivision (a) applies, the seller has treated indebtedness secured by such property as having become worthless or partially worthless—

(1) Such seller shall be considered as receiving, upon the reacquisition of such property, an amount equal to the amount of such indebtedness treated by him as having become worthless, and

(2) The adjusted basis of such indebtedness shall be increased (as of the date of reacquisition) by an amount equal to the amount so considered as received by such seller.

(e) If—

(1) Subdivision (a) applies to a reacquisition of real property with respect to the sale of which—

(A) An election under Section 17155 (relating to special one-time exclusion of gain from sale or exchange or residence) is in effect, or

(B) Gain was not recognized under Sections 18091 to 18100, inclusive (relating to sale or exchange of residence); and

(2) Within one year after the date of the reacquisition of such property by the seller, such property is resold by him,

then, as prescribed by the Franchise Tax Board, subdivisions (b), (c), and (d) of this section shall not apply to the reacquisition of such property and, for purposes of applying Sections 17154 and 18091 to 18100, inclusive, the resale of such property shall be treated as a part of the transaction constituting the original sale of such property.

(f) As prescribed by the Franchise Tax Board, if an installment obligation is indebtedness to the seller which is described in subdivision (a), and if such obligation is, in the hands of the taxpayer, an obligation with respect to which subdivision (b) of Section 17834 applies, then—

(1) For purposes of subdivision (a), acquisition of real property by the taxpayer shall be treated as reacquisition by the seller, and

(2) The basis of the real property acquired by the taxpayer shall be increased by an amount equal to the deduction under Section 17836 which would (but for this subdivision) have been allowable to the taxpayer with respect to the gain on the exchange of the obligation for the real property.

SEC. 14. Section 18201 of the Revenue and Taxation Code is amended to read:

18201. (a) In the case of a sale or exchange of property, directly

or indirectly, between related persons, any gain recognized to the transferor shall be treated as ordinary income if such property is, in the hands of the transferee, subject to the allowance for depreciation provided in Sections 17208 to 17211.7, inclusive.

(b) For purposes of subdivision (a), the term "related persons" means—

(1) A husband and wife,

(2) The taxpayer and an 80-percent owned entity, or

(3) Two 80-percent owned entities.

(c) (1) For purposes of this section, the term "80-percent owned entity" means—

(A) A corporation 80 percent or more in value of the outstanding stock of which is owned (directly or indirectly) by or for the taxpayer, and

(B) A partnership 80 percent or more of the capital interest or profits interest in which is owned (directly or indirectly) by or for the taxpayer.

(2) For purposes of subparagraphs (A) and (B) of paragraph (1), the principles of Section 17384 shall apply, except that—

(A) The member of an individual's family shall consist only of such individual and such individual's spouse, and

(B) Paragraph (3) of subdivision (b) and paragraph (3) of subdivision (c) of Section 17384 shall be applied without regard to the 50-percent limitation contained therein.

(d) The amendments made in this section during the 1977–78 Regular Session of the Legislature shall apply to sales or exchanges after the date of the enactment of this section. For purposes of the preceding sentence, a sale or exchange is considered to have occurred on or before such date of enactment if such sale or exchange is made pursuant to a binding contract entered into on or before that date.

SEC. 15. Section 24481 of the Revenue and Taxation Code is amended to read:

24481. Except as provided in Sections 24482 and 24483 and Section 24669, no gain or loss shall be recognized to a corporation on the distribution, with respect to its stock, of—

(a) Its stock (or rights to acquire its stock); or

(b) Property.

SEC. 16. Section 24511 of the Revenue and Taxation Code is amended to read:

24511. Except as provided in Section 24669 (relating to disposition of installment obligations), no gain or loss shall be recognized to a corporation on the distribution of property in partial or complete liquidation.

SEC. 17. Section 24667 of the Revenue and Taxation Code is repealed.

SEC. 18. Section 24667 is added to the Revenue and Taxation Code, to read:

24667. (a) Except as otherwise provided in this section, income

from an installment sale shall be taken into account for purposes of this part under the installment method.

(b) For purposes of this section—

(1) The term "installment sale" means a disposition of property where at least one payment is to be received after the close of the income year in which the disposition occurs.

(2) The term "installment sale" does not include—

(A) A disposition of personal property on the installment plan by a person who regularly sells or otherwise disposes of personal property on the installment plan.

(B) A disposition of personal property of a kind which is required to be included in the inventory of the taxpayer if on hand at the close of the income year.

(c) For purposes of this section, the term "installment method" means a method under which the income recognized for any income year from a disposition is that proportion of the payments received in that year which the gross profit (realized or to be realized when payment is completed) bears to the total contract price.

(d) (1) Subdivision (a) shall not apply to any disposition if the taxpayer elects to have subdivision (a) not apply to such disposition.

(2) Except as otherwise provided, an election under paragraph (1) with respect to a disposition may be made only on or before the due date prescribed by law (including extensions) for filing the taxpayer's return of the tax imposed by this part for the income year in which the disposition occurs. Such an election shall be made in the manner prescribed by the Franchise Tax Board.

(3) An election under paragraph (1) with respect to any disposition may be revoked only with the consent of the Franchise Tax Board.

(e) (1) If—

(A) Any person disposes of property to a related person (hereinafter in this subdivision referred to as the "first disposition"), and

(B) Before the person making the first disposition receives all payments with respect to such disposition, the related person disposes of the property (hereinafter in this subdivision referred to as the "second disposition"),

then, for purposes of this section, the amount realized with respect to such second disposition shall be treated as received at the time of the second disposition by the person making the first disposition.

(2) (A) Except in the case of marketable securities, paragraph (1) shall apply only if the date of the second disposition is not more than two years after the date of the first disposition.

(B) The running of the two-year period set forth in subparagraph (A) shall be suspended with respect to any property for any period during which the related person's risk of loss with respect to the property is substantially diminished by—

(i) The holding of a put with respect to such property (or similar property),

(ii) The holding by another person of a right to acquire the property, or

(iii) A short sale or any other transaction.

(3) The amount treated for any income year as received by the person making the first disposition by reason of paragraph (1) shall not exceed the excess of—

(A) The lesser of—

(i) The total amount realized with respect to any second disposition of the property occurring before the close of the income year, or

(ii) The total contract price for the first disposition, over

(B) The sum of—

(i) The aggregate amount of payments received with respect to the first disposition before the close of such year, plus

(ii) The aggregate amount treated as received with respect to the first disposition for prior income years by reason of this subsection.

(4) For purposes of this subdivision, if the second disposition is not a sale or exchange, an amount equal to the fair market value of the property disposed of shall be substituted for the amount realized.

(5) If paragraph (1) applies for any taxable year, payments received in subsequent taxable years by the person making the first disposition shall not be treated as the receipt of payments with respect to the first disposition to the extent that the aggregate of such payments does not exceed the amount treated as received by reason of paragraph (1).

(6) For purposes of this subdivision—

(A) Any sale or exchange of stock to the issuing corporation shall not be treated as a first disposition.

(B) A compulsory or involuntary conversion (within the meaning of Section 24944) and any transfer thereafter shall not be treated as a second disposition if the first disposition occurred before the threat or imminence of the conversion.

(C) Any transfer after the earlier of—

(i) The death of the person making the first disposition, or

(ii) The death of the person acquiring the property in the first disposition,

and any transfer thereafter shall not be treated as a second disposition.

(7) This subdivision shall not apply to a second disposition (and any transfer thereafter) if it is established to the satisfaction of the Franchise Tax Board that neither the first disposition nor the second disposition had as one of its principal purposes the avoidance of bank and corporation tax.

(8) The period for assessing a deficiency with respect to a first disposition (to the extent such deficiency is attributable to the application of this subdivision) shall not expire before the day which is two years after the date on which the person making the first disposition furnishes (in such manner as the Franchise Tax Board may prescribe) a notice that there was a second disposition of the

property to which this subdivision may have applied. Such deficiency may be asessed notwithstanding the provisions of any law or rule of law which would otherwise prevent such assessment.

(f) For purposes of this section—

(1) Except for purposes of subdivisions (g) and (h), the term "related person" means a person whose stock would be attributed under Section 24497 (other than subdivision (d) thereof) to the person first disposing of the property.

(2) The term "marketable securities" means any security for which, as of the date of the disposition, there was a market on an established securities market or otherwise.

(3) Except as provided in paragraph (4), the term "payment" does not include the receipt of evidences of indebtedness of the person acquiring the property (whether or not payment of such indebtedness is guaranteed by another person).

(4) Receipt of a bond or other evidence of indebtedness which—

(A) Is payable on demand, or

(B) Is issued by a corporation or a government or political subdivision thereof and is readily tradable,

shall be treated as receipt of payment.

(5) For purposes of paragraph (4), the term "readily tradable" means a bond or other evidence of indebtedness which is issued—

(A) With interest coupons attached or in registered form (other than one in registered form which the taxpayer establishes will not be readily tradable in an established securities market), or

(B) In any other form designed to render such bond or other evidence of indebtedness readily tradable in an established securities market.

(6) In the case of any exchange described in subdivision (b) of Section 24941—

(A) The total contract price shall be reduced to take into account the amount of any property permitted to be received in such exchange without recognition of gain,

(B) The gross profit from such exchange shall be reduced to take into account any amount not recognized by reason of subdivision (b) of Section 24941, and

(C) The term "payment" shall not include any property permitted to be received in such exchange without recognition of gain.

Similar rules shall apply in the case of an exchange which is described in Section 24535 and is not treated as a dividend.

(7) The term "depreciable property" means property of a character which (in the hands of the transferee) is subject to the allowance for depreciation provided in Section 24349.

(g) (1) In the case of an installment sale of depreciable property between related persons within the meaning of subdivision (b) of Section 1239 of the Internal Revenue Code, subdivision (a) shall not apply, and, for purposes of this part, all payments to be received shall be deemed received in the year of the disposition.

(2) Paragraph (1) shall not apply if it is established to the satisfaction of the Franchise Tax Board that the disposition did not have as one of its principal purposes the avoidance of bank and corporation tax.

(h) (1) (A) If, in connection with a liquidation to which Section 24512 applies, in a transaction to which Section 24501 applies the shareholder receives (in exchange for the shareholder's stock) an installment obligation acquired in respect of a sale or exchange by the corporation during the 12-month period set forth in subdivision (b) of Section 24512, then, for purposes of this section, the receipt of payments under such obligation (but not the receipt of such obligation) by the shareholder shall be treated as the receipt of payment for the stock.

(B) Subparagraph (A) shall not apply to an installment obligation described in paragraph (2) of subdivision (a) of Section 24513 unless such obligation is also described in paragraph (2) of subdivision (b) of Section 24513.

(C) If the obligor of any installment obligation and the shareholder are related persons (within the meaning of subdivision (b) of Section 1239 of the Internal Revenue Code), to the extent such installment obligation is attributable to the disposition by the corporation of depreciable property—

(i) Subparagraph (A) shall not apply to such obligation, and

(ii) For purposes of this part, all payments to be received by the shareholder shall be deemed received in the year the shareholder receives the obligation.

(D) For purposes of subparagraph (A) of paragraph (1) of subdivision (e), disposition of property by the corporation shall be treated also as disposition of such property by the shareholder.

(E) For purposes of subparagraph (A), in any case to which subdivision (c) of Section 24514 applies, an obligation acquired in respect of a sale or exchange by the selling corporation shall be treated as so acquired by the corporation distributing the obligation to the shareholder.

(2) If—

(A) Paragraph (1) applies with respect to any installment obligation received by a shareholder from a corporation, and

(B) By reason of the liquidation such shareholder receives property in more than one income year,

then, on completion of the liquidation, basis previously allocated to property so received shall be reallocated for all such income years so that the shareholder's basis in the stock of the corporation is properly allocated among all property received by such shareholder in such liquidation.

(i) (1) The Franchise Tax Board shall prescribe such regulations as may be necessary or appropriate to carry out the provisions of this section.

(2) The regulations prescribed under paragraph (1) shall include regulations providing for ratable basis recovery in transactions

where the gross profit or the total contract price (or both) cannot be readily ascertained.

SEC. 19. Section 24668 of the Revenue and Taxation Code is repealed.

SEC. 20. Section 24668 is added to the Revenue and Taxation Code, to read:

24668. (a) (1) Under rules prescribed by the Franchise Tax Board, a person who regularly sells or otherwise disposes of personal property on the installment plan may return as income therefrom in any income year that proportion of the installment payments actually received in that year which the gross profit, realized or to be realized when payment is completed, bears to the total contract price.

(2) For purposes of paragraph (1), the total contract price of all sales of personal property on the installment plan includes the amount of carrying charges or interest which is determined with respect to such sales and is added on the books of account of the seller to the established cash selling price of such property. This paragraph shall not apply with respect to sales of personal property under a revolving credit type plan.

(b) If the carrying charges or interest with respect to sales of personal property, the income from which is returned under paragraph (1) of subdivision (a), is not included in the total contract price, payments received with respect to such sales shall be treated as applying first against such carrying charges or interest.

SEC. 21. Section 24669 of the Revenue and Taxation Code is repealed.

SEC. 22. Section 24669 is added to the Revenue and Taxation Code, to read:

24669. (a) If an installment obligation is satisfied at other than its face value or distributed, transmitted, sold, or otherwise disposed of, gain or loss shall result to the extent of the difference between the basis of the obligation and—

(1) The amount realized, in the case of satisfaction at other than face value or a sale or exchange, or

(2) The fair market value of the obligation at the time of distribution, transmission, or disposition, in the case of the distribution, transmission, or disposition otherwise than by sale or exchange,

any gain or loss so resulting shall be considered as resulting from the sale or exchange of the property in respect of which the installment obligation was received.

(b) The basis of an installment obligation shall be the excess of the face value of the obligation over an amount equal to the income which would be returnable were the obligation satisfied in full.

(c) (1) If—

(A) An installment obligation is distributed in a liquidation to which Section 24502 (relating to complete liquidations of subsidiaries) applies, and

(B) The basis of such obligation in the hands of the distributee is determined under paragraph (1) of subdivision (b) of Section 24504,

then no gain or loss with respect to the distribution of such obligation shall be recognized by the distributing corporation.

(2) If—

(A) An installment obligation is distributed by a corporation in the course of a liquidation, and

(B) Under Section 24512 (relating to gain or loss on sales or exchanges in connection with certain liquidations) no gain or loss would have been recognized to the corporation if the corporation had sold or exchanged such installment obligation on the day of such distribution,

then no gain or loss shall be recognized to such corporation by reason of such distribution.

(d) For purposes of this section, if any installment obligation is canceled or otherwise becomes unenforceable—

(1) The obligation shall be treated as if it were disposed of in a transaction other than a sale or exchange, and

(2) If the obligor and obligee are related persons (within the meaning of paragraph (1) of subdivision (f) of Section 24667), the fair market value of the obligation shall be treated as not less than its face amount.

(e) In the case of a disposition of an installment obligation by any person other than a life insurance company (as defined in Section 801(a) of the Internal Revenue Code of 1954) to such an insurance company or to a partnership of which such an insurance company is a partner, no provision of this part providing for the nonrecognition of gain shall apply with respect to any gain resulting under subdivision (a). If a corporation which is a life insurance company for the income year was (for the preceding income year) a corporation which was not a life insurance company, such corporation shall, for purposes of this subdivision and subdivision (a), be treated as having transferred to a life insurance company, on the last day of the preceding income year, all installment obligations which it held on such last day. A partnership of which a life insurance company becomes a partner shall, for purposes of this subdivision and subdivision (a), be treated as having transferred to a life insurance company, on the last day of the preceding income year of such partnership, all installment obligations which it holds at the time such insurance company becomes a partner.

SEC. 23. Section 24670 of the Revenue and Taxation Code is repealed.

SEC. 24. Section 24724 of the Revenue and Taxation Code is repealed.

SEC. 25. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. The provisions of this act affecting the computation of taxes under Part 10 (commencing with Section 17001) of Division 2 of the Revenue

and Taxation Code shall be applied for taxable years beginning on or after January 1, 1981. The provisions of this act affecting the computation of taxes under Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code shall be applied for income years beginning on or after January 1, 1981.

CHAPTER 337

An act to add Section 6829 to the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 8, 1981. Filed with Secretary of State September 9, 1981.]

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

SECTION 1. Section 6829 is added to the Revenue and Taxation Code, to read:

6829. (a) Upon termination, dissolution, or abandonment of a corporate business, any officer or other person having control or supervision of, or who is charged with the responsibility for the filing of returns or the payment of tax, or who is under a duty to act for the corporation in complying with any requirement of this part, shall be personally liable for any unpaid taxes and interest and penalties on those taxes, if such officer or other person willfully fails to pay or to cause to be paid any taxes due from the corporation pursuant to this part.

(b) The officer or other person shall be liable only for taxes which became due during the period he or she had the control, supervision, responsibility, or duty to act for the corporation described in subdivision (a), plus interest and penalties on those taxes.

(c) Personal liability may be imposed pursuant to this section, only if the board can establish that the corporation had included tax reimbursement in the selling price of, or added tax reimbursement to the selling price of, tangible personal property sold in the conduct of its business, or when it can be established that the corporation consumed tangible personal property and failed to pay the tax to the seller or to report and pay use tax.

(d) For purposes of this section "willfully fails to pay or to cause to be paid" means that the failure was the result of an intentional, conscious, and voluntary course of action.

(e) The sum due for the liability under this section may be collected by determination and collection in the manner provided in Chapter 5 (commencing with Section 6451) and Chapter 6 (commencing with Section 6701).

CHAPTER 338

An act to amend Sections 296 and 297 of, and to add Section 11620 to, the Vehicle Code, relating to occupational licenses.

[Approved by Governor September 8, 1981. Filed with Secretary of State September 9, 1981.]

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

SECTION 1. Section 296 of the Vehicle Code is amended to read:

296. A "distributor" is any person other than a manufacturer who sells or distributes new vehicles subject to registration under this code to dealers in this state and maintains representatives for the purpose of contacting dealers or prospective dealers in this state.

SEC. 2. Section 297 of the Vehicle Code is amended to read:

297. A "distributor branch" is an office maintained by a distributor for the sale of new vehicles to dealers or for directing or supervising, in whole or in part, the distributor's representatives.

SEC. 3. Section 11620 is added to the Vehicle Code, to read:

11620. (a) Every license issued under this chapter shall expire at midnight on December 31st of each year, and a new license for the ensuing year may be obtained by the person to whom any expired license was issued upon application to the department and payment of the fee provided in this code.

(b) Every application for the renewal of a license which expires shall be made by the person to whom issued between November 1st and midnight of November 30th preceding the expiration date and shall be made by presenting the completed application form provided by the department and by payment of the full annual renewal fee for the license.

CHAPTER 339

An act to amend Sections 1237 and 1466 of the Penal Code, relating to appeals.

[Approved by Governor September 8, 1981. Filed with Secretary of State September 9, 1981.]

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

SECTION 1. Section 1237 of the Penal Code is amended to read:

1237. An appeal may be taken by the defendant:

1. From a final judgment of conviction except as provided in Section 1237.5. A sentence, an order granting probation, or the commitment of a defendant for insanity, the indeterminate commitment of a defendant as a mentally disordered sex offender,

or the commitment of a defendant for narcotics addiction shall be deemed to be a final judgment within the meaning of this section. Upon appeal from a final judgment the court may review any order denying a motion for a new trial.

2. From any order made after judgment, affecting the substantial rights of the party.

SEC. 2. Section 1466 of the Penal Code is amended to read:

1466. An appeal may be taken from a judgment or order of an inferior court, in a criminal case, to the superior court of the county in which such inferior court is located, in the following cases.

1. By the people:

(a) From an order or judgment dismissing or otherwise terminating the action before the defendant has been placed in jeopardy or where the defendant has waived jeopardy;

(b) From a judgment for the defendant upon the sustaining of a demurrer;

(c) From an order granting a new trial;

(d) From an order arresting judgment;

(e) From any order made after judgment affecting the substantial rights of the people.

2. By the defendant:

(a) From a final judgment of conviction. A sentence, an order granting probation, a conviction in a case in which before final judgment the defendant is committed for insanity or is given an indeterminate commitment as a mentally disordered sex offender, or the conviction of a defendant committed for narcotics addiction shall be deemed to be a final judgment within the meaning of this section. Upon appeal from a final judgment or an order granting probation the court may review any order denying a motion for a new trial.

(b) From any order made after judgment affecting his substantial rights.

CHAPTER 340

An act to amend Sections 27604 and 27605 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 8, 1981 Filed with Secretary of State September 9, 1981.]

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

SECTION 1. Section 27604 of the Vehicle Code is amended to read:

27604. When a motor vehicle, painted, as required by Section 40800, and formerly used in the enforcement of the provisions of Division 10 (commencing with Section 20000) or 11 (commencing with Section 21000), is sold to any person and is used for purposes

other than law enforcement, the vehicle shall be painted or partially painted by the seller or agency formerly using such vehicle so that it will no longer resemble a vehicle complying with Section 40800 and any insignia or other marking of the vehicle identifying it as a traffic law enforcement vehicle shall be removed by the seller or agency formerly using such vehicle before it shall be operated on any street or highway, other than to have the vehicle moved to be painted or to a place of storage.

The provisions of this section do not apply to former law enforcement vehicles, without insignia, which are painted one solid color, or which are used exclusively for movie or television production and display signs stating "movie car" prominently on the doors, or which are motorcycles, as defined in Section 400, without insignia.

SEC. 2. Section 27605 of the Vehicle Code is amended to read:

27605. No person shall own or operate a motor vehicle painted in the manner described in Section 40800 to resemble a motor vehicle used by a peace officer or traffic officer on duty for the primary purpose of enforcing the provisions of Division 10 (commencing with Section 20000) or Division 11 (commencing with Section 21000) pursuant to Section 40800.

The provisions of this section shall not apply to vehicles which are painted one solid color or to vehicles first registered on or before January 1, 1979. These provisions shall not apply to vehicles which are any of the following:

(a) Owned by vehicle manufacturers or dealers.

(b) Used by law enforcement agencies in the enforcement of the provisions of Division 10 (commencing with Section 20000) or Division 11 (commencing with Section 21000).

(c) Owned by persons or companies who use the vehicles exclusively for movie or television production and display signs stating "movie car" prominently on the doors.

(d) Owned by persons or companies who use the vehicles exclusively for funeral escort purposes.

(e) Motorcycles, as defined in Section 400, without insignia.

CHAPTER 341

An act to add Section 23741 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 8, 1981. Filed with Secretary of State September 9, 1981.]

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

SECTION 1. Section 23741 is added to the Revenue and Taxation Code, to read:

23741. Notwithstanding any other provision in this part, in the case of a church exempt from taxes imposed under this part pursuant to Article 1 (commencing with Section 23701) of Chapter 4, any rental income received, directly or indirectly, from another church exempt from taxes imposed under this part pursuant to Article 1 (commencing with Section 23701) of Chapter 4 for rental of exempt function church property is exempt from any tax imposed by this part.

SEC. 2. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. However, the provisions of this act shall be applied in the computation of taxes for income years beginning on or after the first day of the calendar year in which this act becomes effective provided the effective date is more than 90 days prior to the last day of the calendar year. If the effective date is 90 days or less prior to the last day of the calendar year, the provisions of this act shall apply in the computation of taxes for income years beginning on or after the first day of the calendar year following the effective date.

CHAPTER 342

An act to amend Section 1580 of the Fish and Game Code, relating to natural resources.

[Approved by Governor September 8, 1981 Filed with Secretary of State September 9, 1981]

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

SECTION 1. Section 1580 of the Fish and Game Code is amended to read:

1580. For the purpose of protecting rare or endangered native plants, wildlife, or aquatic organisms or specialized habitat types, both terrestrial and aquatic, or large heterogeneous natural marine gene pools for the future use of mankind, the department, with the approval of the commission, may obtain by purchase, lease, gift, or otherwise, land and water for the purpose of establishing ecological reserves. The ecological reserves shall not be classed as wildlife management areas pursuant to Section 1504 and shall be exempt from Section 1504.