

Assembly Bill No. 1805

CHAPTER 78

An act to amend Sections 17561 and 29550 of, and to add Sections 29551 and 29552 to, the Government Code, to amend Section 33681.12 of the Health and Safety Code, to amend Section 11001.5 of the Revenue and Taxation Code, and to add and repeal Section 38240.5 of the Vehicle Code, relating to local government, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 18, 2006. Filed with
Secretary of State July 18, 2006.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1805, Committee on Budget. Local government: finances.

(1) Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, including school districts, the state is required to provide a subvention of funds to reimburse the local government, with specified exceptions. Under the California Constitution, when a mandate for which the costs of a local government except for a school district have been determined in a preceding fiscal year to be payable by the state, the Legislature is required to either appropriate, in the annual Budget Act, the full payable amount that has not been previously paid, or suspend the operation of the mandate for the fiscal year for which the annual Budget Act is applicable. Existing law imposes various duties on the Commission on State Mandates, with respect to the reimbursement of state-mandated local costs.

This bill would specify, with respect to that determination, that a mandate determined in a preceding fiscal year to be payable by the state means all mandates for which the commission adopted a statewide cost estimate during a previous fiscal year or that were identified as mandates by a predecessor agency to the commission, unless the mandate has been repealed or otherwise eliminated.

(2) Existing law authorizes counties, cities and counties, and cities to impose, among other criminal justice service fees, a fee upon local law enforcement agencies for costs incurred in processing and booking persons arrested by the agency and brought to the local facilities for booking or detention.

This bill would, instead, as of July 1, 2007, provide that counties, cities and counties, and certain cities may apply to the Controller to receive funding for local detention facilities and related equipment when an appropriation is made for that purpose. When an appropriation of \$35,000,000 is available, counties, cities and counties, and cities would be

prohibited from collecting the fees authorized by current law. If the full appropriation is not available, the counties, cities and counties, and cities may collect a portion of the fees, as specified. This bill would also authorize counties, cities and counties, and cities to collect jail access fees for the cost of booking and processing persons arrested for nonfelony offenses, as specified, in addition to any funds received from the state appropriation.

(3) Existing law requires a redevelopment agency, for the 2004–05 and 2005–06 fiscal years, to make a specified payment to a county Educational Revenue Augmentation Fund (ERAF). Under existing law, each city, county, and city and county receives a Vehicle License Fee Adjustment Amount (VLFAA), as defined, for each fiscal year. Existing law reduces, for the 2004–05 and 2005–06 fiscal years, each entity's VLFAA by a specified amount, and requires that this amount be transferred to the county ERAF for allocation to school entities in the county. Existing law authorizes a county redevelopment agency that meets certain conditions to loan funds to the county to make a payment to the county ERAF, which payment is credited against that portion of the county's VLFAA that is required to be transferred to the county ERAF for the 2004–05 and 2005–06 fiscal years. Existing law requires a county to repay these loans, with interest, to the redevelopment agency within 3 fiscal years.

This bill would authorize a redevelopment agency and a county, by mutual agreement, to modify these loan agreements to provide for a repayment period that extends through the 2020–21 fiscal year and to provide that specified county payments offset the county's loan repayment obligation.

(4) The Vehicle License Fee Law establishes, in lieu of any ad valorem property tax upon vehicles, an annual license fee for any vehicle subject to registration in this state. Under that law, amounts collected as a result of procedures developed for greater compliance with vehicle license fee laws are required to be deposited in the Vehicle License Collection Account of the Local Revenue Fund, which is a continuously appropriated fund. If revenues in this account exceed \$14,000,000 in any fiscal year, existing law requires that these revenues exceeding \$14,000,000 be allocated to cities and cities and counties, as specified.

This bill would require that moneys in this account that exceed \$14,000,000 for the 2004–05 fiscal year and each fiscal year thereafter be allocated among cities, cities and counties, and counties based upon population, as provided. By requiring that moneys in this account from a continuously appropriated fund be additionally allocated to counties, this bill would make an appropriation.

(5) Existing law imposes a \$4 fee for the issuance or renewal of identification for each off-highway motor vehicle that is subject to identification. Beginning January 1, 2006, existing law requires the Controller to allocate proceeds from this fee to cities, counties, and cities and counties based upon the proportional off-highway motor vehicle usage estimates within each city, county, and city and county, as specified.

This bill would, for these fees that were collected before January 1, 2006, and that have not been allocated as of the operative date of this bill, require the Controller, on or before June 30, 2007, to allocate proceeds from these fees to counties, cities and counties, and cities based upon population, as specified.

(6) Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, including school districts, the state is required to provide a subvention of funds to reimburse the local government, with specified exceptions. Existing law establishes a procedure for local governmental agencies to file a test claim for reimbursement of these costs with the Commission on State Mandates.

This bill would require the commission to reconsider its statement of decision and parameters and guidelines for specified mandates relating to peace officers and firefighters. It would require the Department of Industrial Relations, in consultation with the Department of Finance, to submit relevant information to the commission for purpose of these reconsiderations.

(6) This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

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

SECTION 1. Section 17561 of the Government Code is amended to read:

17561. (a) The state shall reimburse each local agency and school district for all “costs mandated by the state,” as defined in Section 17514.

(b) (1) For the initial fiscal year during which these costs are incurred, reimbursement funds shall be provided as follows:

(A) Any statute mandating these costs shall provide an appropriation therefor.

(B) Any executive order mandating these costs shall be accompanied by a bill appropriating the funds therefor, or alternatively, an appropriation for these costs shall be included in the Budget Bill for the next succeeding fiscal year. The executive order shall cite that item of appropriation in the Budget Bill or that appropriation in any other bill which is intended to serve as the source from which the Controller may pay the claims of local agencies and school districts.

(2) In subsequent fiscal years appropriations for these costs shall be included in the annual Governor’s Budget and in the accompanying Budget Bill. In addition, appropriations to reimburse local agencies and school districts for continuing costs resulting from chaptered bills or executive orders for which claims have been awarded pursuant to subdivision (a) of Section 17551 shall be included in the annual Governor’s Budget and in the accompanying Budget Bill subsequent to the

enactment of the local government claims bill pursuant to Section 17600 that includes the amounts awarded relating to these chaptered bills or executive orders.

(c) The amount appropriated to reimburse local agencies and school districts for costs mandated by the state shall be appropriated to the Controller for disbursement.

(d) The Controller shall pay any eligible claim pursuant to this section within 60 days after the filing deadline for claims for reimbursement or 15 days after the date the appropriation for the claim is effective, whichever is later. The Controller shall disburse reimbursement funds to local agencies or school districts if the costs of these mandates are not payable to state agencies, or to state agencies that would otherwise collect the costs of these mandates from local agencies or school districts in the form of fees, premiums, or payments. When disbursing reimbursement funds to local agencies or school districts, the Controller shall disburse them as follows:

(1) For initial reimbursement claims, the Controller shall issue claiming instructions to the relevant local agencies and school districts pursuant to Section 17558. Issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the commission.

(A) When claiming instructions are issued by the Controller pursuant to Section 17558 for each mandate determined pursuant to Section 17551 that requires state reimbursement, each local agency or school district to which the mandate is applicable shall submit claims for initial fiscal year costs to the Controller within 120 days of the issuance date for the claiming instructions.

(B) When the commission is requested to review the claiming instructions pursuant to Section 17571, each local agency or school district to which the mandate is applicable shall submit a claim for reimbursement within 120 days after the commission reviews the claiming instructions for reimbursement issued by the Controller.

(C) If the local agency or school district does not submit a claim for reimbursement within the 120-day period, or submits a claim pursuant to revised claiming instructions, it may submit its claim for reimbursement as specified in Section 17560. The Controller shall pay these claims from the funds appropriated therefor, provided that the Controller (i) may audit the records of any local agency or school district to verify the actual amount of the mandated costs, and (ii) may reduce any claim that the Controller determines is excessive or unreasonable.

(2) In subsequent fiscal years each local agency or school district shall submit its claims as specified in Section 17560. The Controller shall pay these claims from funds appropriated therefor, provided that the Controller (A) may audit the records of any local agency or school district to verify the actual amount of the mandated costs, (B) may reduce any claim that the Controller determines is excessive or unreasonable, and (C) shall

adjust the payment to correct for any underpayments or overpayments which occurred in previous fiscal years.

(3) When paying a timely filed claim for initial reimbursement, the Controller shall withhold 20 percent of the amount of the claim until the claim is audited to verify the actual amount of the mandated costs. All initial reimbursement claims for all fiscal years required to be filed on their initial filing date for a state-mandated local program shall be considered as one claim for the purpose of computing any late claim penalty. Any claim for initial reimbursement filed after the filing deadline shall be reduced by 10 percent of the amount that would have been allowed had the claim been timely filed. The Controller may withhold payment of any late claim for initial reimbursement until the next deadline for funded claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid. In no case may a reimbursement claim be paid if submitted more than one year after the filing deadline specified in the Controller's claiming instructions on funded mandates contained in a claims bill.

(e) (1) Except as specified in paragraph (2), for the purposes of determining the state's payment obligation under paragraph (1) of subdivision (b) of Section 6 of Article XIII B of the Constitution, a mandate that is "determined in a preceding fiscal year to be payable by the state" means all mandates for which the commission adopted a statewide cost estimate pursuant to this part during a previous fiscal year or that were identified as mandates by a predecessor agency to the commission, unless the mandate has been repealed or otherwise eliminated.

(2) If the commission adopts a statewide cost estimate for a mandate during the months of April, May, or June, the state's payment obligation under subdivision (b) of Section 6 of Article XIII B shall commence one year after the time specified in paragraph (1).

SEC. 2. Section 29550 of the Government Code is amended to read:

29550. (a) (1) Subject to subdivision (d) of Section 29551, a county may impose a fee upon a city, special district, school district, community college district, college, or university for reimbursement of county expenses incurred with respect to the booking or other processing of persons arrested by an employee of that city, special district, school district, community college district, college, or university, where the arrested persons are brought to the county jail for booking or detention. The fee imposed by a county pursuant to this section shall not exceed the actual administrative costs, including applicable overhead costs as permitted by federal Circular A-87 standards, as defined in subdivision (d), incurred in booking or otherwise processing arrested persons. For the 2005-06 fiscal year and each fiscal year thereafter, the fee imposed by a county pursuant to this subdivision shall not exceed one-half of the actual administrative costs, including applicable overhead costs as permitted by federal Circular A-87 standards, as defined in subdivision (d), incurred in booking or otherwise processing arrested persons. A county may submit an invoice to a city, special district, school district, community college

district, college, or university for these expenses incurred by the county on and after July 1, 1990. Counties shall fully disclose the costs allocated as federal Circular A-87 overhead.

(2) Any increase in a fee charged pursuant to this section shall be adopted by a county prior to the beginning of its fiscal year and may be adopted only after the county has provided each city, special district, school district, community college district, college, or university 45 days written notice of a public meeting held pursuant to Section 54952.2 on the fee increase and the county has conducted the public meeting.

(3) Any county that imposes a fee pursuant to this section shall negotiate a reduced fee with any city, special district, school district, community college district, college, or university within the county for any services that are performed by the arresting agency in the processing of arrestees that do not have to be duplicated by the county.

(4) This subdivision shall not apply to counties that are under a contractual agreement with a city, special district, school district, community college district, college, or university within the county that is subject to the fee.

(b) The exemption of a local agency from the payment of a fee pursuant to this subdivision does not exempt the person arrested from the payment of fees for booking or other processing.

(1) Notwithstanding subdivision (a), a city, special district, school district, community college district, college, or university shall not be charged fees for arrests on any bench warrant for failure to appear in court, nor on any arrest warrant issued in connection with a crime not committed within the entity's jurisdiction.

(2) Notwithstanding subdivision (a), a city, special district, school district, community college district, college, or university shall not be charged fees for a person who is ordered by a court to be remanded to the county jail except that a county may charge a fee to recover those direct costs for those functions required to book a person pursuant to subdivision (g) of Section 853.6 of the Penal Code.

(3) Notwithstanding subdivision (a), a city, special district, school district, community college district, college, or university shall not be charged fees for arrests made pursuant to arrest warrants originating outside of its jurisdiction.

(4) Notwithstanding subdivision (a), no fees shall be charged to a city, special district, school district, community college district, college, or university on parole violation arrests or probation-ordered returns to custody, unless a new charge has been filed for a crime committed in the jurisdiction of the arresting city, district, college, or university.

(5) An agency making a mutual aid request shall pay fees in accordance with subdivision (a) that result from arrests made in response to the mutual aid request except that in the event the Governor declares a state of emergency, no agency shall be charged fees for any arrest made during any riot, disturbance, or event that is subject to the declaration.

(6) Notwithstanding subdivision (a), no fees shall be charged to a city, special district, school district, community college district, college, or university for the arrest of a prisoner who has escaped from a county, state, or federal detention or corrections facility.

(7) Notwithstanding subdivision (a), no fees shall be charged to a city, special district, school district, community college district, college, or university for arrestees held in temporary detention at a court facility for purposes of arraignment when the arrestee has been previously booked at an entity detention facility.

(8) Notwithstanding subdivision (a), no fees shall be charged to a city, special district, school district, community college district, college, or university as the result of an arrest made by its officer assigned to a formal multiagency task force in which the county is a participant. For the purposes of this section, “formal task force” means a task force that has been established by written agreement of the participating agencies.

(9) In those counties where the cities and the county participate in a consolidated booking program and where prior to arraignment an arrestee is transferred from a city detention facility to a county detention facility, the city shall not be charged for those tasks listed in subdivision (d) that are a part of the consolidated booking program which were completed by the city prior to delivering the arrestee to the county detention facility. However, the county may charge the actual administrative costs for those additional tasks listed in subdivision (d) that are performed in order to receive the arrestee into the county detention facility. For the 2005–06 fiscal year and each fiscal year thereafter, the county may charge up to one-half of the actual administrative costs for those additional tasks listed in subdivision (d) that are performed in order to receive the arrestee into the county detention facility.

(c) Any county whose officer or agent arrests a person is entitled to recover from the arrested person a criminal justice administration fee for administrative costs it incurs in conjunction with the arrest if the person is convicted of any criminal offense related to the arrest, whether or not it is the offense for which the person was originally booked. The fee which the county is entitled to recover pursuant to this subdivision shall not exceed the actual administrative costs, including applicable overhead costs incurred in booking or otherwise processing arrested persons.

(d) When the court has been notified in a manner specified by the court that a criminal justice administration fee is due the agency:

(1) A judgment of conviction may impose an order for payment of the amount of the criminal justice administration fee by the convicted person, and execution may be issued on the order in the same manner as a judgment in a civil action, but shall not be enforceable by contempt.

(2) The court shall, as a condition of probation, order the convicted person, based on his or her ability to pay, to reimburse the county for the criminal justice administration fee, including applicable overhead costs.

(e) As used in this section, “actual administrative costs” include only those costs for functions that are performed in order to receive an arrestee

into a county detention facility. Operating expenses of the county jail facility including capital costs and those costs involved in the housing, feeding, and care of inmates shall not be included in calculating “actual administrative costs.” “Actual administrative costs” may include the cost of notifying any local agency, special district, school district, community college district, college or university of any change in the fee charged by a county pursuant to this section. “Actual administrative costs” may include any one or more of the following as related to receiving an arrestee into the county detention facility:

(1) The searching, wristbanding, bathing, clothing, fingerprinting, photographing, and medical and mental screening of an arrestee.

(2) Document preparation, retrieval, updating, filing, and court scheduling related to receiving an arrestee into the detention facility.

(3) Warrant service, processing, and detainer.

(4) Inventory of an arrestee’s money and creation of cash accounts.

(5) Inventory and storage of an arrestee’s property.

(6) Inventory, laundry, and storage of an arrestee’s clothing.

(7) The classification of an arrestee.

(8) The direct costs of automated services utilized in paragraphs (1) to (7), inclusive.

(9) Unit management and supervision of the detention function as related to paragraphs (1) to (8), inclusive.

(f) An administrative screening fee of twenty-five dollars (\$25) shall be collected from each person arrested and released on his or her own recognizance upon conviction of any criminal offense related to the arrest other than an infraction. A citation processing fee in the amount of ten dollars (\$10) shall be collected from each person cited and released by any peace officer in the field or at a jail facility upon conviction of any criminal offense, other than an infraction, related to the criminal offense cited in the notice to appear. However, the court may determine a lesser fee than otherwise provided in this subdivision upon a showing that the defendant is unable to pay the full amount. All fees collected pursuant to this subdivision shall be transmitted by the county auditor monthly to the Controller for deposit in the General Fund. This subdivision applies only to convictions occurring on or after the effective date of the act adding this subdivision and prior to June 30, 1996.

SEC. 3. Section 29551 is added to the Government Code, to read:

29551. (a) The board of supervisors or city council of any county, city and county, or city that opts to receive funds pursuant to Section 29552 shall establish a local detention facility revenue account, on behalf of the sheriff or the official responsible for local detention facilities in the county, city and county, or city, into which shall be deposited funds paid by the Controller, pursuant to Section 29552. The funds in the local detention facility revenue account shall be used exclusively for the purpose of operation, renovation, remodeling, or constructing local detention facilities and related equipment.

(b) (1) If an appropriation for the purposes specified in Section 29552 is made in any fiscal year, a county, city and county, or city, may charge a jail access fee to a local agency that exceeds the agency's three-year average number of nonfelony bookings for crimes listed in paragraph (2) at a rate not to exceed the actual cost of booking an arrested person into the local detention facility, for each booking in excess of the three-year average. A local agency's three-year average number of nonfelony bookings for crimes listed in paragraph (2) shall be recalculated each year. The jail access fee shall be calculated and paid on a monthly basis, and all revenue derived from the jail access fee shall be deposited into the local detention facility revenue account created pursuant to subdivision (a).

(2) Bookings for violations of each of the following shall be used to determine a local agency's three-year average:

(A) Municipal code violations.

(B) Misdemeanor violations, except driving under the influence offenses and domestic violence misdemeanor offenses, including enforcement of protective orders.

(c) Cities that operate Type One facilities within a county shall be eligible to receive funds from the county's local detention facility revenue account. Cities that operate Type One facilities and charged booking fees pursuant to Section 29550.3 during the 2006–07 fiscal year shall receive funds in an amount proportional to the number of persons booked into the city's Type One facility for which the city charged fees to the arresting agency.

(d) Except as provided in subdivisions (c) to (f), inclusive, of Section 29550 and subdivisions (a) to (c), inclusive, of Section 29950.3, every year in which at least thirty-five million dollars (\$35,000,000) is appropriated for the purposes of Section 29552, counties, cities and counties, and cities are prohibited from collecting fees pursuant to Sections 29550 and 29550.3 from other public entities. In any fiscal year in which the appropriation for the purposes of Section 29552 is less than thirty-five million dollars (\$35,000,000), a county, city and county, or a city may collect fees pursuant to Section 29550 and Section 29550.3 up to a rate, adjusted as provided in subdivision (e), in proportion to the amount that the amount appropriated is less than thirty-five million dollars (\$35,000,000).

(e) The maximum rate of the fee charged by each local agency pursuant to subdivision (d) shall be the rate charged as of June 30, 2006, pursuant to Section 29550 or 29550.3, increased for each subsequent fiscal year by the California Consumer Price Index as reported by the Department of Finance plus 1 percent, compounded annually.

(f) This section shall become operative on July 1, 2007.

SEC. 4. Section 29552 is added to the Government Code, to read:

29552. (a) (1) Commencing with the 2007–08 fiscal year, all counties and cities and counties that charged fees pursuant to Section 29550 and cities with Type One detention facilities that charged fees pursuant to Section 29550.3 during the 2006–07 fiscal year may apply to the

Controller to receive funding provided pursuant to subdivision (b) that is equal to the fee revenue received by the county, city and county, or city during the 2006–07 fiscal year, to the extent that funding is appropriated therefore in the annual budget act or other appropriation legislation. If insufficient funds are appropriated to equal the full amount of fees received in the 2006–07 fiscal year, each county, city and county and city that applies for funding shall receive a share of the appropriated funds proportionate to the share of fees it received in the 2006–07 fiscal year compared to the statewide total reported to the Controller.

(2) The remaining portion of any amount appropriated for purposes of this section shall be paid proportionally to all counties, cities and counties, and cities based on the number of bookings within each county during the year previous to the current payment.

(b) Not later than December 1 of each year, the Controller shall allocate the funds appropriated for the purposes of this section to all eligible counties, cities and counties, and cities. Any city, county, or city and county that applies for funding pursuant to this section shall comply with all requests for information made by the Controller.

(c) This section shall become operative on July 1, 2007.

SEC. 5. Section 33681.12 of the Health and Safety Code is amended to read:

33681.12. (a) (1) During the 2004–05 fiscal year, a redevelopment agency shall, prior to May 10, remit an amount equal to the amount determined for that agency pursuant to subparagraph (I) of paragraph (2) to the county auditor for deposit in the county’s Educational Revenue Augmentation Fund created pursuant to Article 3 (commencing with Section 97) of Chapter 6 of Part 0.5 of Division 1 of the Revenue and Taxation Code. During the 2005–06 fiscal year, a redevelopment agency shall, prior to May 10, remit an amount equal to the amount determined for that agency pursuant to subparagraph (I) of paragraph (2) to the county auditor for deposit in the county’s Educational Revenue Augmentation Fund created pursuant to Article 3 (commencing with Section 97) of Chapter 6 of Part 0.5 of Division 1 of the Revenue and Taxation Code.

(2) For the 2004–05 and 2005–06 fiscal years, on or before November 15, the Director of Finance shall do all of the following:

(A) Determine the net tax increment apportioned to each agency pursuant to Section 33670, excluding any amounts apportioned to affected taxing agencies pursuant to Section 33401, 33607.5, or 33676.

(B) Determine the net tax increment apportioned to all agencies pursuant to Section 33670, excluding any amounts apportioned to affected taxing agencies pursuant to Section 33401, 33607.5, or 33676.

(C) Determine a percentage factor by dividing one hundred twenty-five million dollars (\$125,000,000) by the amount determined pursuant to subparagraph (B).

(D) Determine an amount for each agency by multiplying the amount determined pursuant to subparagraph (A) by the percentage factor determined pursuant to subparagraph (C).

(E) Determine the total amount of property tax revenue apportioned to each agency pursuant to Section 33670, including any amounts apportioned to affected taxing agencies pursuant to Section 33401, 33607.5, or 33676.

(F) Determine the total amount of property tax revenue apportioned to all agencies pursuant to Section 33670, including any amounts apportioned to affected taxing agencies pursuant to Section 33401, 33607.5, or 33676.

(G) Determine a percentage factor by dividing one hundred twenty-five million dollars (\$125,000,000) by the amount determined pursuant to subparagraph (F).

(H) Determine an amount for each agency by multiplying the amount determined pursuant to subparagraph (E) by the percentage factor determined pursuant to subparagraph (G).

(I) Add the amount determined pursuant to subparagraph (D) to the amount determined pursuant to subparagraph (H).

(J) Notify each agency and each legislative body of the amount determined pursuant to subparagraph (I).

(K) Notify each county auditor of the amounts determined pursuant to subparagraph (I) for each agency in his or her county.

(3) The obligation of any agency to make the payments required pursuant to this subdivision shall be subordinate to the lien of any pledge of collateral securing, directly or indirectly, the payment of the principal, or interest on any bonds of the agency including, without limitation, bonds secured by a pledge of taxes allocated to the agency pursuant to Section 33670.

(b) (1) Notwithstanding Sections 33334.2, 33334.3, and 33334.6, and any other provision of law, in order to make the full allocation required by this section, an agency may borrow up to 50 percent of the amount required to be allocated to the Low and Moderate Income Housing Fund pursuant to Sections 33334.2, 33334.3, and 33334.6 during the 2004–05 fiscal year and, if applicable, the 2005–06 fiscal year, unless executed contracts exist that would be impaired if the agency reduced the amount allocated to the Low and Moderate Income Housing Fund pursuant to the authority of this subdivision.

(2) As a condition of borrowing pursuant to this subdivision, an agency shall make a finding that there are insufficient other moneys to meet the requirements of subdivision (a). Funds borrowed pursuant to this subdivision shall be repaid in full within 10 years following the date on which moneys are remitted to the county auditor for deposit in the county's Educational Revenue Augmentation Fund pursuant to subdivision (a).

(c) In order to make the allocation required by this section, an agency may use any funds that are legally available and not legally obligated for other uses, including, but not limited to, reserve funds, proceeds of land sales, proceeds of bonds or other indebtedness, lease revenues, interest, and other earned income. No moneys held in a low- and moderate-income fund as of July 1 of the applicable fiscal year may be used for this purpose.

(d) The legislative body shall by March 1 report to the county auditor as to how the agency intends to fund the allocation required by this section, or that the legislative body intends to remit the amount in lieu of the agency pursuant to Section 33681.14.

(e) The allocation obligations imposed by this section, including amounts owed, if any, created under this section, are hereby declared to be an indebtedness of the redevelopment project to which they relate, payable from taxes allocated to the agency pursuant to Section 33670, and shall constitute an indebtedness of the agency with respect to the redevelopment project until paid in full.

(f) It is the intent of the Legislature, in enacting this section, that these allocations directly or indirectly assist in the financing or refinancing, in whole or in part, of the community's redevelopment project pursuant to Section 16 of Article XVI of the California Constitution.

(g) In making the determinations required by subdivision (a), the Director of Finance shall use those amounts reported as the "Tax Increment Retained by Agency" for all agencies and for each agency in the most recent published edition of the Controller's Community Redevelopment Agencies Annual Report made pursuant to Section 12463.3 of the Government Code.

(h) If revised reports have been accepted by the Controller on or before September 1, 2005, the Director of Finance shall use appropriate data that has been certified by the Controller for the purpose of making the determinations required by subdivision (a).

(i) (1) Notwithstanding any other provision of law, a county redevelopment agency may enter into a loan agreement with the legislative body to have the agency remit to the county's Educational Revenue Augmentation Fund for each of the 2004–05 and 2005–06 fiscal years an amount greater than that determined pursuant to subparagraph (I) of paragraph (2) of subdivision (a) if all of the following conditions are met:

(A) The agency does not exercise its authority under subdivision (b) to borrow from its Low and Moderate Income Housing Fund to finance its payments to the county's Educational Revenue Augmentation Fund.

(B) The agency does not have any outstanding loans from its Low and Moderate Income Housing Fund that were made under subdivision (b) of Section 33981.5, subdivision (b) of Section 33681.7, or subdivision (b) of Section 33681.9.

(C) The loan agreement requires the county to repay any excess remitted amounts, including interest, to the agency within three fiscal years subsequent to the fiscal year in which the loan is made.

(D) The agency making the loan does not participate in pooled borrowing under Section 33681.15.

(2) A loan agreement described in paragraph (1) shall be transmitted to the county auditor not later than December 1 of the fiscal year in which the loan is made. Any amount remitted by the agency to the county Educational Revenue Augmentation Fund for the 2004–05 or 2005–06 fiscal year in excess of the amount determined pursuant to paragraph (1) of

subdivision (a) shall be credited to the amount that would otherwise be subtracted by the county auditor pursuant to subdivision (a) of Section 97.71 of the Revenue and Taxation Code for, as applicable, the 2004–05 and 2005–06 fiscal years.

(3) Notwithstanding subparagraph (C) of paragraph (1), a county redevelopment agency and a legislative body that have entered into a loan agreement under paragraph (1) may, by mutual consent, adopt either or both of the following modifications to that agreement:

(A) The repayment period may be extended, but the full repayment shall be completed no later than June 30, 2021.

(B) The repayment obligation may be offset by the amount of any expenditures by the county for capital improvements or deferred maintenance that substantially benefit any or all of the redevelopment project areas of the redevelopment agency if the agency approves the expenditure and the agency adopts a finding that the expenditure furthers the goals and objectives of the agency’s redevelopment plan or plans.

SEC. 6. Section 11001.5 of the Revenue and Taxation Code is amended to read:

11001.5. (a) (1) Notwithstanding Section 11001, and except as provided in paragraph (2) and in subdivisions (b) and (d), 24.33 percent, and on and after July 1, 2004, 74.9 percent, of the moneys collected by the department under this part shall be reported monthly to the Controller, and at the same time, deposited in the State Treasury to the credit of the Local Revenue Fund, as established pursuant to Section 17600 of the Welfare and Institutions Code. All other moneys collected by the department under this part shall continue to be deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and first allocated to the County of Orange as provided in subdivision (a) of Section 11005 and as necessary for the service of indebtedness as pledged by Sections 25350.6 and 53585.1 of the Government Code and in accordance with written instructions provided by the Controller under Sections 25350.7, 25350.9, and 53585.1 of the Government Code, and the balance shall be allocated to each city and county as otherwise provided by law.

(2) For the period beginning on and after July 1, 2003, and ending on February 29, 2004, the Controller shall deposit an amount equal to 28.07 percent of the moneys collected by the department under this part in the State Treasury to the credit of the Local Revenue Fund. All other moneys collected by the department under this part shall continue to be deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and allocated to each city, county, and city and county as otherwise provided by law.

(b) (1) Notwithstanding Section 11001, net funds collected as a result of procedures developed for greater compliance with vehicle license fee laws in order to increase the amount of vehicle license fee collections shall be reported monthly to the Controller, and at the same time, deposited in the State Treasury to the credit of the Vehicle License Collection Account of the Local Revenue Fund as established pursuant to Section 17600 of the

Welfare and Institutions Code. All revenues in excess of fourteen million dollars (\$14,000,000) in the 2004–05 fiscal year and in any fiscal year thereafter shall be allocated to cities, counties, and cities and counties as follows:

(A) (i) Fifty percent shall be paid to the cities and cities and counties of this state in the proportion that the population of each city or city and county bears to the total population of all cities and cities and counties in this state, as determined by the population research unit of the Department of Finance. For purposes of this subparagraph, the population of each city or city and county is that population determined by the last federal decennial or special census, or a subsequent census validated by the population research unit or subsequent estimate prepared pursuant to Section 2107.2 of the Streets and Highways Code.

(ii) In the case of a city incorporated subsequent to the last federal census, or a subsequent census validated by the population research unit, the population research unit shall determine the population of the city. In the case of unincorporated territory annexed to a city subsequent to the last federal census, or a subsequent census validated by the population research unit, the population research unit shall determine the population of the annexed territory by the use of any federal decennial or special census, or estimate prepared pursuant to Section 2107.2 of the Streets and Highways Code. In the case of the consolidation of one city with another subsequent to the last federal census, or a subsequent census validated by the population research unit, the population of the consolidated city, for the purpose of this subparagraph, is the aggregate population of the respective cities as determined by the last federal census, or a subsequent census or estimate validated by the population research unit.

(B) Fifty percent shall be paid to the counties and cities and counties in the proportion that the population of each county or city and county bears to the total population of all counties and cities and counties, as determined by the population research unit. For purposes of this subparagraph, the population of each county or city and county is that determined by the last federal census, or subsequent census validated by the population research unit, or as determined by Section 11005.6 of the Revenue and Taxation Code.

(2) The amendments made to this section by the act that added this paragraph are operative upon the enactment of that act. However, the amendments made by the act that added this paragraph apply to revenues in the Vehicle License Collection Account in excess of fourteen million dollars (\$14,000,000) in the 2004–05 fiscal year and any fiscal year thereafter.

(c) Notwithstanding Section 11001, 25.72 percent of the moneys collected by the department on or after August 1, 1991, and before August 1, 1992, under this part shall be reported monthly to the Controller, and at the same time, deposited in the State Treasury to the credit of the Local Revenue Fund, as established pursuant to Section 17600 of the Welfare and Institutions Code. All other moneys collected by the department under

this part shall continue to be deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and allocated to each city, county, and city and county as otherwise provided by law.

(d) Notwithstanding any other provision of law, both of the following apply:

(1) This section is operative for the period beginning on and after March 1, 2004.

(2) It is the intent of the Legislature that the total amount deposited by the Controller in the State Treasury to the credit of the Local Revenue Fund for the 2003–04 fiscal year be equal to the total amount that would have been deposited to the credit of the Local Revenue Fund if paragraph (1) of subdivision (a) was applied during that entire fiscal year. The department shall calculate and notify the Controller of the adjustment amounts that are required by this paragraph to be deposited in the State Treasury to the credit of the Local Revenue Fund. The amounts deposited in the State Treasury to the credit of the Local Revenue Fund pursuant to this paragraph shall be deemed to have been deposited during the 2003–04 fiscal year.

(e) This section does not amend nor is it intended to amend or impair Section 25350 and following of, Section 53584 and following of, the Government Code, or any other statute dealing with the interception of funds.

SEC. 7. Section 38240.5 is added to the Vehicle Code, to read:

38240.5. For fees collected under Section 38230 before January 1, 2006, that have not been allocated on the operative date of this section, the Controller shall allocate those fees on or before June 30, 2007, as follows:

(a) (1) Fifty percent of the fees shall be paid to the cities and cities and counties of this state in the proportion that the population of each city or city and county bears to the total population of all cities and cities and counties in this state, as determined by the population research unit of the Department of Finance. For purposes of this paragraph, the population of each city or city and county is that population determined by the last federal decennial or special census, or a subsequent census validated by the population research unit or subsequent estimate prepared pursuant to Section 2107.2 of the Streets and Highways Code.

(2) In the case of a city incorporated subsequent to the last federal census, or a subsequent census validated by the population research unit, the population research unit shall determine the population of the city. In the case of unincorporated territory annexed to a city subsequent to the last federal census, or a subsequent census validated by the population research unit, the population research unit shall determine the population of the annexed territory by the use of any federal decennial or special census, or estimate prepared pursuant to Section 2107.2 of the Streets and Highways Code. In the case of the consolidation of one city with another subsequent to the last federal census, or a subsequent census validated by the population research unit, the population of the consolidated city, for the purpose of this paragraph, is the aggregate population of the respective

cities as determined by the last federal census, or a subsequent census or estimate validated by the population research unit.

(b) Fifty percent of the fees shall be paid to the counties and cities and counties in the proportion that the population of each county or city and county bears to the total population of all counties and cities and counties, as determined by the population research unit. For purposes of this subdivision, the population of each county or city and county is that determined by the last federal census, or subsequent census validated by the population research unit, or as determined by Section 11005.6 of the Revenue and Taxation Code.

(c) This section is repealed on January 1, 2008.

SEC. 8. (a) Notwithstanding any other provision of law, the Commission on State Mandates shall reconsider its statements of decision and parameters and guidelines for both of the following mandates:

(1) Cancer Presumption-Peace Officers (Test Claim Number CSM-4416).

(2) Firefighter's Cancer Presumption (Test Claim Number CSM-4081).

(b) The commission shall complete the reconsiderations required by subdivision (a) no later than six months after a final court decision is issued in the case of CSAC Excess Insurance Authority and City of Newport Beach v. Commission on State Mandates (Case No. B188169, an appeal in the Second District Court of Appeal consolidating Los Angeles County Superior Court Case No. BS092146 and No. BS095456).

(c) The reconsidered statements of decision required by subdivision (a) shall be effective for these mandates on July 1 after adoption by the commission.

(d) The Department of Industrial Relations, in consultation with the Department of Finance, shall submit relevant information to the commission in the reconsiderations required by subdivision (a).

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make the changes necessary to implement the Budget Act of 2006 at the earliest possible time, it is necessary for this act to take effect immediately.