

AMENDED IN SENATE JULY 23, 2009

CALIFORNIA LEGISLATURE—2009—10 FOURTH EXTRAORDINARY SESSION

ASSEMBLY BILL

No. 16

Introduced by Assembly Member Evans

July 2, 2009

~~An act relating to the Budget Act of 2009.~~ *An act to amend Sections 14041 and 14041.6 of, and to add Section 14401.1 to, the Education Code, to amend Sections 927.2, 927.4, 927.6, 927.7, 927.11, 8880.61, 13943.1, and 13943.2 of, and to add Sections 13311.1, 16583.1, and 16583.2 to, the Government Code, to amend Section 7104.2 of the Revenue and Taxation Code, to add Section 2103.1 to the Streets and Highways Code, and to amend Sections 39, 40, and 41 of Chapter 12 of the Statutes of 2009 of the Third Extraordinary Session, relating to state finances, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 16, as amended, Evans. ~~Budget Act of 2009.~~ *State finances.*

(1) *Existing law requires the Controller to draw warrants on the State Treasury in favor of the county treasurer of each county in each month of each year in prescribed amounts and in a prescribed manner.*

This bill would revise the schedule pursuant to which the Controller draws these warrants and the amount of the warrants.

(2) *Existing law, the California Prompt Payment Act, requires a state agency that acquires property or services pursuant to a contract with a business to make payment to the person or business on the date required by the contract, or be subject to a late payment penalty. The act provides that the maximum time from state agency receipt of an undisputed invoice to issuance of a warrant for payment is 45 calendar*

days. The act requires the payment of specified penalties to the claimant if the state agency fails to submit a correct claim schedule to the Controller by the required payment approval date, or if the Controller fails to make a payment within 15 calendar days of receipt of the claim schedule from the state agency, as specified.

This bill would require late payment penalties to be paid to the claimant if payment is not issued within 45 calendar days from state agency receipt of an undisputed invoice, but would require the state agency and Controller to pay those penalties only when a payment is not issued within 45 calendar days from state agency receipt of the undisputed invoice, and the state agency fails to submit a correct claim schedule by the required payment approval date, or the Controller fails to make a payment within 15 calendar days of receipt of the claim schedule from the state agency. The bill would define “payment” for purposes of these provisions.

(3) The California Lottery Act establishes the State Lottery Fund. The act, an initiative measure, provides that certain provisions may be changed by a bill that furthers the purposes of the act and is passed by a ²/₃ vote of each house of the Legislature and signed by the Governor. The act, until September 30, 2009, authorizes the Controller to loan moneys in the State Lottery Fund to the General Fund and requires the payment of interest at a specified rate on all moneys loaned to the General Fund.

This bill would delete the September 30, 2009, repeal date for those provisions authorizing the loan of moneys from the State Lottery Fund, thereby extending their operation indefinitely.

This bill would declare that it furthers the purposes of the California State Lottery Act.

(4) Existing law authorizes the Director of Finance, to defer payment of General Fund moneys, in a cumulative amount not to exceed \$500,000 annually, appropriated to the University of California in the annual Budget Act, as specified.

This bill would additionally authorize the Director of Finance to defer payments of General Fund moneys in July through September of 2009 in an amount not to exceed \$750,000,000, appropriated to the University of California in the Budget Act of 2009, as specified. The bill would specify the schedule of payments for the amount deferred, as specified. The bill would also authorize the Director of Finance to defer payments of General Fund moneys in July 2009 in an amount not to exceed \$290,000,000, appropriated to the California State University in the

Budget Act of 2009, as specified. That deferred payment would be made in October 2009.

(5) Existing law releases a person from a debt owed to the Franchise Tax Board, under specified conditions, including that the Franchise Tax Board is discharged from collecting the debt which is less than \$250.

This bill would increase the amount of the debt that the Franchise Tax Board is discharged from collecting to less than \$500.

(6) Existing law requires state excise fuel tax revenues to be deposited in various accounts and to be allocated, in part, for various purposes, including the cost of collection and authorized refunds. Existing law requires the balance of these funds remaining after authorized deductions to be transferred to, and deposited monthly in, the Highway Users Tax Account in the Transportation Tax Fund. Existing law provides for annual and monthly apportionment by the Controller of specified revenues in the Highway Users Tax Account to cities, counties, and cities and counties for the transportation purposes authorized by Article XIX of the California Constitution.

This bill would require transfers of those revenues from the Highway Users Tax Account to counties or cities that would otherwise be made during certain months of 2009, to instead be deferred and made after January 1, 2010.

(7) Existing law does not require a state agency to collect a tax, license, fee, or money owed to the state, under specified conditions, including that the amount to be collected is \$250 or less.

This bill would increase that amount to \$500 or less.

(8) Existing law, the Accounts Receivable Management Act, requires each state agency, department, and office to allocate collection resources by giving highest priority to accounts with the highest expected return.

This bill would authorize these state entities to impose a reasonable fee for the actual costs of its collection of past due accounts, and require them to submit an annual report to the Controller of its accounts receivables and discharged accounts.

(9) Existing law, pursuant to Article XIX B of the California Constitution, creates the Transportation Investment Fund, which receives a portion of gasoline sales tax revenues that are deposited in the General Fund. Moneys in the Transportation Investment Fund are allocated to various transportation purposes, including the state transportation improvement program, local streets and roads, and mass

transportation. Existing law requires the Controller to transfer and apportion these funds on a quarterly basis.

This bill would suspend and defer, until May 31, 2010, the quarterly apportionments from the Transportation Investment Fund for local streets and roads that are scheduled to be made in October 2009 and January 2010. The bill would authorize a city or county to temporarily make use of any cash balance in its city or county road fund, including certain transportation bond act funds, for local street and road maintenance, provided that the cash is replaced once the payments from the Transportation Investment Fund are received.

(10) Existing law appropriates \$540,000,000 from the General Fund to the Board of Governors of the California Community Colleges for apportionments to community college districts for expenditure during the 2009–10 fiscal year and defers the disbursal of those funds until July of the 2009–10 fiscal year. Existing law makes an identical appropriation for expenditure during the 2010–11 fiscal year and defers the disbursal of those funds until July of the 2010–11 fiscal year.

This bill would increase those appropriations and deferments to \$703,000,000 with \$81,500,000 of those appropriations and deferments representing the April apportionment and \$81,500,000 representing the May apportionment.

(11) Existing law defers to July the payment of \$115,000,000 of the apportionments to community college districts for each of the months of January and February and \$55,000,000 of the apportionments to community college districts for each of the months of March and April.

This bill, in addition, would defer to July the payment of \$81,500,000 of the apportionments to community college districts for each of the months of April and May.

(12) The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. The Governor issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on July 1, 2009.

This bill would state that it addresses the fiscal emergency declared by the Governor by proclamation issued on July 1, 2009, pursuant to the California Constitution.

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

This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2009:

~~The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. The Governor issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on July 1, 2009.~~

~~This bill would state that it addresses the fiscal emergency declared by the Governor by proclamation issued on July 1, 2009, pursuant to the California Constitution.~~

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: ~~no~~^{yes}. State-mandated local program: no.

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

1 SECTION 1. Section 14041 of the Education Code is amended
2 to read:

3 14041. (a) The Controller shall draw warrants on the State
4 Treasury in favor of the county treasurer of each county in each
5 month of each year in the amounts and manner ~~as herein~~ prescribed
6 *in this section* so as to provide in each warrant a portion of the
7 total amount certified by the Superintendent ~~of Public Instruction~~
8 as apportioned under the provisions of Sections 41330 to 41343,
9 inclusive, and Chapter 4 (commencing with Section 41600) and
10 Chapter 5 (commencing with Section 41700) and Article 2
11 (commencing with Section 42237) of Chapter 7 of Part 24 of
12 Division 3 of Title 2, inclusive, during the fiscal year from the
13 State School Fund to the school districts under the jurisdiction of
14 the county superintendent of schools of the county, to the county
15 school service fund, and to the county school tuition fund of the
16 county.

17 (1) Warrants for amounts allowed to the county school service
18 funds under subdivisions (a) and (b) of Section 14054 shall be for
19 amounts equal to ~~6 5~~ percent in July, ~~12 5~~ percent in August, ~~10~~
20 ~~percent in September, and 8 and 9~~ percent in each remaining month
21 of the fiscal year of the amounts certified by the Superintendent
22 ~~of Public Instruction~~ as a part of the advance apportionment.

23 (2) Warrants for amounts apportioned to school districts and
24 county school service funds for classes maintained by county
25 superintendents of schools and to the county school tuition funds
26 shall be for amounts equal to ~~6 5~~ percent in July, ~~12 5~~ percent in
27 August, and ~~8 9~~ percent in September, October, November,

1 December, and January, of the amounts certified by the
 2 Superintendent of ~~Public Instruction~~ as a part of the advance
 3 apportionment.

4 (3) Warrants in the months of February to May, inclusive, shall
 5 be for amounts equal to ~~one-sixth~~ *one-fifth* of the difference
 6 between the amounts certified by the Superintendent of ~~Public~~
 7 ~~Instruction~~ for school districts and county school service funds for
 8 classes maintained by county superintendents of schools and county
 9 school tuition funds as the first principal apportionment and the
 10 amounts required by paragraph (2). ~~An additional one-sixth of~~
 11 ~~such difference shall be included in the warrants for the month of~~
 12 ~~February.~~

13 (4) Warrants for the month of June shall be for amounts equal
 14 to the difference between the amounts certified by the
 15 Superintendent of ~~Public Instruction~~ for school districts and county
 16 school service funds for classes maintained by county
 17 superintendents of schools and county school tuition funds as the
 18 second principal apportionment and the amounts required by
 19 paragraphs (2) and (3).

20 (5) *Warrants in the months of July and August shall include 5*
 21 *percent of the estimated total amounts of the special purpose*
 22 *apportionment, as determined by the Superintendent. Warrants in*
 23 *the months of September to November, inclusive, shall include*
 24 ~~one-tenth~~ *9 percent* of the estimated total amounts of the special
 25 purpose apportionment, as determined by the Superintendent of
 26 ~~Public Instruction~~. Warrants in December shall include ~~one-tenth~~
 27 *9 percent* of the amounts certified by the Superintendent of ~~Public~~
 28 ~~Instruction~~ as the special purpose apportionment, as adjusted, if
 29 necessary, to correct excesses or deficiencies in the estimates made
 30 for purposes of the warrants in the months of September to
 31 November, inclusive. ~~An additional one-tenth~~ *9 percent* of the
 32 amounts of the special purpose apportionment shall be included
 33 in the warrants for the months from January to June, inclusive.

34 (6) Warrants in June shall include the total amounts certified
 35 by the Superintendent of ~~Public Instruction~~ as the final
 36 apportionment.

37 (7) Notwithstanding paragraph (2) to the contrary, for school
 38 districts ~~which~~ *that* reported less than 5,000 units of average daily
 39 attendance in the 1979–80 fiscal year and ~~which~~ *that* received 39
 40 percent or more, but less than 75 percent, of their total revenue

1 limits from local property taxes in that fiscal year, warrants for
2 amounts apportioned to the districts shall be for amounts equal to
3 15 percent in July, August, September, and October; zero percent
4 in November and December; and 6 percent in January of the
5 amounts certified by the Superintendent of ~~Public Instruction~~ as
6 a part of the advance apportionment. Warrants for amounts
7 apportioned to the districts for the months of February to May,
8 inclusive, shall be in accordance with paragraph (3), and for the
9 month of June, shall be in accordance with paragraph (4).

10 (8) Notwithstanding paragraph (2) or (7) to the contrary, for
11 school districts which reported less than 5,000 units of average
12 daily attendance in the 1979–80 fiscal year and which received 75
13 percent or more of their total revenue limits from local property
14 taxes in that fiscal year, warrants for amounts apportioned to the
15 districts shall be for amounts equal to 15 percent in July; 30 percent
16 in August and September; 15 percent in October; zero percent in
17 November and December; 6 percent in January; and zero percent
18 in February, March, April, and May, of the amounts certified by
19 the Superintendent of ~~Public Instruction~~ as a part of the advance
20 apportionment. Warrants for the month of June shall be in
21 accordance with paragraph (4).

22 (b) The drawing of the warrants required to be drawn during
23 any one of the months mentioned may be postponed by the
24 Controller for not to exceed 30 days, but the total amounts due the
25 several counties during any fiscal year shall be paid within the
26 fiscal year. The warrants shall be paid by the State Treasurer from
27 the State School Fund and are not subject to the provisions of
28 Government Code Section 925.6.

29 *SEC. 2. Section 14041.6 of the Education Code is amended to*
30 *read:*

31 14041.6. (a) Notwithstanding subdivision (a) of Section 14041,
32 or any other law, commencing with the 2008–09 fiscal year,
33 warrants for the principal apportionments for the month of February
34 in the amount of two billion dollars (\$2,000,000,000) instead shall
35 be drawn in July of the same calendar year pursuant to the
36 certification made pursuant to Section 41339.

37 (b) *Notwithstanding subdivision (a) of Section 14041 or any*
38 *other law, commencing with the 2009–10 fiscal year, warrants for*
39 *the principal apportionments for the month of April in the amount*
40 *of six hundred seventy-eight million six hundred eleven thousand*

1 dollars (\$678,611,000) and for the month of May in the amount
 2 of one billion dollars (\$1,000,000,000) instead shall be drawn in
 3 August of the same calendar year pursuant to the certification
 4 made pursuant to Section 41339.

5 (b)

6 (c) Except as provided in subdivisions (c) and (e) of Section
 7 41202, for purposes of making the computations required by
 8 Section 8 of Article XVI of the California Constitution, the
 9 warrants drawn pursuant to ~~subdivision (a)~~ subdivisions (a) and
 10 (b) shall be deemed to be “General Fund revenues appropriated to
 11 school districts,” as defined in subdivision (c) of Section 41202,
 12 for the fiscal year in which the warrants are drawn and included
 13 within the “total allocations to school districts and community
 14 college districts from General Fund proceeds of taxes appropriated
 15 pursuant to Article XIII B,” as defined in subdivision (e) of Section
 16 41202, for the fiscal year in which the warrants are drawn.

17 SEC. 3. Section 14401.1 is added to the Education Code, to
 18 read:

19 14401.1. Of the amounts appropriated in the items listed in
 20 paragraph (2) of subdivision (a) of Section 42605 that are
 21 contained in the annual Budget Act, payments equal to 5 percent
 22 of the total amount appropriated in those items shall be made for
 23 the months of July and August. Payments for the months of
 24 September to June, inclusive, shall be equal to 9 percent of the
 25 total amount appropriated in those items.

26 SEC. 4. Section 927.2 of the Government Code is amended to
 27 read:

28 927.2. The following definitions apply to this chapter:

29 (a) “Claim schedule” means a schedule of invoices prepared
 30 and submitted by a state agency to the Controller for payment to
 31 the named claimant.

32 (b) “Grant” means a signed final agreement between any state
 33 agency and a local government agency or organization authorized
 34 to accept grant funding for victim services or prevention programs
 35 administered by any state agency. Any such grant is a contract and
 36 subject to this chapter.

37 (c) “Invoice” means a bill or claim that requests payment on a
 38 contract under which a state agency acquires property or services
 39 or pursuant to a signed final grant agreement.

1 (d) “Medi-Cal program” means the program established pursuant
2 to Chapter 7 (commencing with Section 14000) of Part 3 of
3 Division 9 of the Welfare and Institutions Code.

4 (e) “Nonprofit public benefit corporation” means a corporation,
5 as defined by subdivision (b) of Section 5046 of the Corporations
6 Code, that has registered with the Department of General Services
7 as a small business.

8 (f) “Nonprofit service organization” means a nonprofit entity
9 that is organized to provide services to the public.

10 (g) *“Payment” means the issuance of a warrant or a registered*
11 *warrant by the Controller, or the issuance of a revolving fund*
12 *check by a state agency, to a claimant in the amount of an*
13 *undisputed invoice.*

14 ~~(g)~~

15 (h) “Reasonable cause” means a determination by a state agency
16 that any of the following conditions are present:

17 (1) There is a discrepancy between the invoice or claimed
18 amount and the provisions of the contract or grant.

19 (2) There is a discrepancy between the invoice or claimed
20 amount and either the claimant’s actual delivery of property or
21 services to the state or the state’s acceptance of those deliveries.

22 (3) Additional evidence supporting the validity of the invoice
23 or claimed amount is required to be provided to the state agency
24 by the claimant.

25 (4) The invoice has been improperly executed or needs to be
26 corrected by the claimant.

27 (5) The state agency making the determination or the claimant
28 involved has been subject to a computing or accounting failure
29 related to the Year 2000 Problem.

30 ~~(h)~~

31 (i) “Received by a state agency” means the date an invoice is
32 delivered to the state location or party specified in the contract or
33 grant or, if a state location or party is not specified in the contract
34 or grant, wherever otherwise specified by the state agency.

35 ~~(i)~~

36 (j) “Required payment approval date” means the date on which
37 payment is due as specified in a contract or grant or, if a specific
38 date is not established by the contract or grant, 30 calendar days
39 following the date upon which an undisputed invoice is received
40 by a state agency.

1 (j)
 2 (k) “Revolving fund” means a fund established pursuant to
 3 Article 5 (commencing with Section 16400) of Division 4 of Title
 4 2.

5 (k)
 6 (l) “Small business” means a business certified as a “small
 7 business” in accordance with subdivision (d) of Section 14837.

8 (l)
 9 (m) “Small business” and “nonprofit organization” mean, in
 10 reference to providers under the Medi-Cal program, a business or
 11 organization that meets all of the following criteria:

- 12 (1) The principal office is located in California.
- 13 (2) The officers, if any, are domiciled in California.
- 14 (3) If a small business, it is independently owned and operated.
- 15 (4) The business or organization is not dominant in its field of
 16 operation.
- 17 (5) Together with any affiliates, the business or organization
 18 has gross receipts from business operations that do not exceed
 19 three million dollars (\$3,000,000) per year, except that the Director
 20 of Health Services may increase this amount if the director deems
 21 that this action would be in furtherance of the intent of this chapter.

22 (m)
 23 (n) “Year 2000 Problem” has the same meaning as that set forth
 24 in subdivision (a) of Section 3269 of the Civil Code.

25 *SEC. 5. Section 927.4 of the Government Code is amended to*
 26 *read:*

27 927.4. Except as otherwise provided in this chapter, to avoid
 28 late payment penalties, the maximum time from state agency
 29 receipt of an undisputed invoice to ~~issuance of a warrant for the~~
 30 ~~date of payment is 45 calendar days, including not more than 30~~
 31 ~~calendar days from the state agency to submit a correct claim~~
 32 ~~schedule to the Controller, and not more than 15 calendar days for~~
 33 ~~the Controller to issue the warrant. If payment is not issued within~~
 34 *45 calendar days from the state agency receipt of an undisputed*
 35 *invoice, late payment penalties shall be paid to the claimant in*
 36 *accordance with Sections 927.6 and 927.7.*

37 *SEC. 6. Section 927.6 of the Government Code is amended to*
 38 *read:*

39 927.6. (a) State agencies shall pay applicable penalties, without
 40 requiring that the claimant submit an additional invoice for these

1 amounts, whenever the state agency fails to submit a correct claim
2 schedule to the Controller by the required payment approval date
3 *and payment is not issued within 45 calendar days from the state*
4 *agency receipt of an undisputed invoice.* The penalty shall cease
5 to accrue on the date the state agency submits the claim schedule
6 to the Controller for payment, and shall be paid for out of the state
7 agency's funds. If the claimant is a certified small business, a
8 nonprofit organization, a nonprofit public benefit corporation, or
9 a small business or nonprofit organization that provides services
10 or equipment under the Medi-Cal program, the state agency shall
11 pay to the claimant a penalty of one-quarter of 1 percent of the
12 amount due, per calendar day, from the required payment date.
13 However, a nonprofit organization shall only be eligible to receive
14 a penalty payment if it has been awarded a contract or grant in an
15 amount less than five hundred thousand dollars (\$500,000).

16 (b) For all other businesses, the state agency shall pay a penalty
17 at a rate of 1 percent above the rate accrued on June 30 of the prior
18 year by the Pooled Money Investment Account, not to exceed a
19 rate of 15 percent, except that, if the amount of the penalty is
20 seventy-five dollars (\$75) or less, the penalty shall be waived and
21 not paid by the state agency. On an exception basis, state agencies
22 may avoid payment of penalties, for failure to submit a correct
23 claim schedule to the Controller by the required payment approval
24 date, by paying the claimant directly, from the state agency's
25 revolving fund within 45 calendar days following the date upon
26 which an undisputed invoice is received by the state agency.

27 *SEC. 7. Section 927.7 of the Government Code is amended to*
28 *read:*

29 927.7. The Controller shall pay claimants within 15 calendar
30 days of receipt of a correct claim schedule from the state agency.
31 If the Controller fails to make payment within 15 calendar days
32 of receipt of the claim schedule from a state agency, *and payment*
33 *is not issued within 45 calendar days from state agency receipt of*
34 *an undisputed invoice,* the Controller shall pay applicable penalties
35 to the claimant without requiring that the claimant submit an
36 invoice for these amounts. Penalties shall cease to accrue on the
37 date full payment is made, and shall be paid for out of the
38 Controller's funds. If the claimant is a certified small business, a
39 nonprofit organization, a nonprofit public benefit corporation, or
40 a small business or nonprofit organization that provides services

1 or equipment under the Medi-Cal program, the Controller shall
 2 pay to the claimant a penalty of one-quarter of 1 percent of the
 3 amount due, per calendar day, from the 16th calendar day following
 4 receipt of the claim schedule from the state agency. However, a
 5 nonprofit organization shall only be eligible to receive a penalty
 6 payment if it has been awarded a contract or grant in an amount
 7 less than five hundred thousand dollars (\$500,000). For all other
 8 businesses, the Controller shall pay penalties at a rate of 1 percent
 9 above the rate accrued on June 30 of the prior year by the Pooled
 10 Money Investment Account, not to exceed a rate of 15 percent,
 11 except that, if the amount of the penalty is seventy-five dollars
 12 (\$75) or less, the penalty shall be waived and not paid by the
 13 Controller.

14 *SEC. 8. Section 927.11 of the Government Code is amended*
 15 *to read:*

16 927.11. (a) Except in the case of a contract with a certified
 17 small business, a nonprofit organization, or a nonprofit public
 18 benefit corporation, if an invoice from a business under a contract
 19 with the Department of Forestry and Fire Protection would become
 20 subject to late payment penalties during the annually declared fire
 21 season, as declared by the Director of Forestry and Fire Protection,
 22 then the required payment approval date shall be extended by 30
 23 calendar days.

24 (b) No nonprofit public benefit corporation shall be eligible for
 25 a late payment penalty if a state agency fails to make timely
 26 payment because no Budget Act has been enacted.

27 (c) If the Director of Finance determines that a state agency or
 28 the Controller is unable to promptly pay an invoice as provided
 29 for by this chapter due to a major calamity, disaster, or criminal
 30 act, then otherwise applicable late payment penalty provisions
 31 contained in ~~Section~~ *Sections 927.6 and 927.7* shall be suspended
 32 except as they apply to a claimant that is either a certified small
 33 business, a nonprofit organization, a nonprofit public benefit
 34 corporation, or a small business or nonprofit organization that
 35 provides services or equipment under the Medi-Cal program. The
 36 suspension shall remain in effect until the Director of Finance
 37 determines that the suspended late payment penalty provisions of
 38 this section should be reinstated.

39 (d) Except as provided in subdivision (b), in the event a state
 40 agency fails to make timely payment because no Budget Act has

1 been enacted, penalties shall continue to accrue until the time that
2 the invoice is paid.

3 *SEC. 9. Section 8880.61 of the Government Code is amended*
4 *to read:*

5 8880.61. State Lottery Fund

6 (a) A special fund to be known as the “State Lottery Fund” is
7 created within the State Treasury—~~which~~ *that* is continuously
8 appropriated for carrying out the purposes of this chapter. The
9 fund shall receive all proceeds from the sales of lottery tickets or
10 shares, the temporary line of credit for initial startup costs, and all
11 other moneys credited to the Lottery from any other source. The
12 Treasurer shall designate a depository to receive lottery proceeds
13 for transmission to the State Treasury and for deposit in the State
14 Lottery Fund.

15 (b) Except as provided by this chapter, moneys in the General
16 Fund or any other state fund shall not be transferred to the State
17 Lottery Fund or otherwise used to support the California State
18 Lottery or the Lottery Commission, or to pay the debts, obligations,
19 or encumbrances of the State Lottery Fund or the Commission.

20 (c) ~~(1)~~ Notwithstanding any other ~~provision~~ of law, the
21 Controller may use the moneys in the State Lottery Fund for loans
22 to the General Fund as provided in Sections 16310 and 16381.
23 Interest shall be paid on all moneys loaned to the General Fund
24 from the State Lottery Fund. Interest payable shall be computed
25 at a rate of 110 percent of the Pooled Money Investment Account
26 rate, with the interest accruing on the date the loan is made from
27 the State Lottery Fund to the General Fund. This subdivision does
28 not authorize any transfer that will interfere with the carrying out
29 of the object for which the State Lottery Fund was created.

30 ~~(2) This subdivision shall remain in effect only until September~~
31 ~~30, 2009.~~

32 *SEC. 10. Section 13311.1 is added to the Government Code,*
33 *to read:*

34 *13311.1. (a) Notwithstanding any other law, including, but*
35 *not limited to, Section 13311, in order to achieve effective*
36 *management of state cash resources, the Director of Finance, may*
37 *defer payments of General Fund moneys in July through September*
38 *of 2009, in an amount not to exceed seven hundred fifty million*
39 *dollars (\$750,000,000), appropriated to the University of*
40 *California in the 2009 Budget Act.*

1 (b) Of the amount deferred pursuant to subdivision (a), the
 2 payment of two hundred fifty million dollars (\$250,000,000) shall
 3 be made in October 2009. The payment of the remaining amount
 4 deferred pursuant to subdivision (a) shall occur no earlier than
 5 April 2010 and at the earlier of (1) the day after all outstanding
 6 revenue anticipation notes issued by the state in 2009–10 have
 7 been repaid, as determined by the Director of Finance, or (2) June
 8 30, 2010.

9 (c) Notwithstanding any other provision of law, in order to
 10 achieve effective management of state cash resources, the Director
 11 of Finance may defer payments of General Fund moneys in July
 12 2009, in an amount not to exceed two hundred ninety million
 13 dollars (\$290,000,000) appropriated to the California State
 14 University in the 2009 Budget Act.

15 (d) The payment of the amount deferred pursuant to subdivision
 16 (c) shall be made in October 2009.

17 SEC. 11. Section 13943.1 of the Government Code is amended
 18 to read:

19 13943.1. (a) Except as provided in subdivision (b), a discharge
 20 granted pursuant to this chapter to a state agency or employee does
 21 not release any person from the payment of any tax, license, fee,
 22 or other money that is due and owing to the state.

23 (b) A discharge granted pursuant to this chapter to the Franchise
 24 Tax Board shall release a person from a liability for the payment
 25 of any tax, fee, or other liability deemed uncollectible that is due
 26 and owing to the state and extinguish that liability, if at least one
 27 of the following conditions is met:

28 (1) The liability is for an amount less than ~~two hundred and fifty~~
 29 ~~dollars (\$250)~~ five hundred dollars (\$500).

30 (2) The liable person has been deceased for more than four years
 31 and there is no active probate with respect to that person.

32 (3) The Franchise Tax Board has determined that the liable
 33 person has a permanent financial hardship.

34 (4) The liability has been unpaid for more than 30 years.

35 SEC. 12. Section 13943.2 of the Government Code is amended
 36 to read:

37 13943.2. Upon authorization of the board, a state agency is not
 38 required to collect taxes, licenses, fees, or money owing to the
 39 state for any reason if the amount to be collected is ~~two hundred~~
 40 ~~fifty dollars (\$250)~~ five hundred dollars (\$500) or less. A state

1 agency that seeks this authorization shall file an application with
2 the board accompanied by a statement of circumstances. Nothing
3 contained in this section shall be construed as releasing any person
4 from the payment of any money due the state.

5 *SEC. 13. Section 16583.1 is added to the Government Code,*
6 *to read:*

7 *16583.1. A participant may impose a reasonable fee, not to*
8 *exceed the actual costs, to recover the participant's collection*
9 *costs on a past due account.*

10 *SEC. 14. Section 16583.2 is added to the Government Code,*
11 *to read:*

12 *16583.2. (a) A participant shall submit an annual report to*
13 *the Controller of the participant's accounts receivables and*
14 *discharged accounts.*

15 *(b) The Controller shall inform a participant, not less than 60*
16 *days before the annual report is required to be submitted to the*
17 *Controller, of both of the following:*

18 *(1) The format for the annual report.*

19 *(2) The submission date for the annual report.*

20 *SEC. 15. Section 7104.2 of the Revenue and Taxation Code is*
21 *amended to read:*

22 *7104.2. (a) The Transportation Investment Fund (hereafter*
23 *the fund) in the State Treasury is hereby continued in existence.*
24 *All revenues transferred to the fund pursuant to Article XIX B of*
25 *the California Constitution beginning with the 2008–09 fiscal year*
26 *shall be available for expenditure as provided in this section.*
27 *Notwithstanding Section 13340 of the Government Code or any*
28 *other provision of law, moneys in the fund are continuously*
29 *appropriated without regard to fiscal years for disbursement in the*
30 *manner and for the purposes set forth in this section.*

31 *(b) All of the following shall occur on a quarterly basis:*

32 *(1) The State Board of Equalization, in consultation with the*
33 *Department of Finance, shall estimate the amount that is transferred*
34 *to the General Fund under subdivision (b) of Section 7102 that is*
35 *attributable to revenue collected for the sale, storage, use, or other*
36 *consumption in this state of motor vehicle fuel, as defined in*
37 *Section 7304.*

38 *(2) The State Board of Equalization shall inform the Controller,*
39 *in writing, of the amount estimated under paragraph (1).*

1 (3) Commencing with the 2008–09 fiscal year, the Controller
2 shall transfer the amount estimated under paragraph (1) from the
3 General Fund to the fund.

4 (c) For each quarter, commencing with the 2008–09 fiscal year,
5 the Controller shall make all of the following transfers and
6 apportionments from the fund:

7 (1) To the Public Transportation Account, a trust fund in the
8 State Transportation Fund, 20 percent of the revenues deposited
9 in the fund. Funds transferred under this paragraph shall be made
10 available as follows:

11 (A) Twenty-five percent for purposes of Section 99315 of the
12 Public Utilities Code, subject to appropriation by the Legislature.

13 (B) Thirty-seven and one-half percent to the Controller, for
14 allocation pursuant to Section 99314 of the Public Utilities Code.
15 Funds allocated under this subparagraph shall be subject to all of
16 the provisions governing funds allocated under Section 99314 of
17 the Public Utilities Code. These funds are continuously
18 appropriated to the Controller for purposes of this subparagraph.

19 (C) Thirty-seven and one-half percent to the Controller, for
20 allocation pursuant to Section 99313 of the Public Utilities Code.
21 Funds allocated under this subparagraph shall be subject to all of
22 the provisions governing funds allocated under Section 99313 of
23 the Public Utilities Code. These funds are continuously
24 appropriated to the Controller for purposes of this subparagraph.

25 (D) Notwithstanding subparagraphs (A), (B), and (C), for the
26 2009–10 to 2012–13 fiscal years, inclusive, all funds transferred
27 under this paragraph shall be made available only for purposes of
28 Section 99315 of the Public Utilities Code, subject to appropriation
29 by the Legislature.

30 (2) To the Department of Transportation for expenditure for
31 transportation capital improvement projects subject to all of the
32 rules governing the State Transportation Improvement Program,
33 40 percent of the revenues deposited in the fund.

34 (3) To the Controller for apportionment pursuant to paragraphs
35 (A) and (B), 40 percent of the revenues deposited in the fund.

36 (A) Of the amount available under this paragraph, 50 percent
37 shall be apportioned by the Controller to the counties, including
38 a city and county, in accordance with the following formulas:

39 (i) Seventy-five percent of the funds payable under this
40 subparagraph shall be apportioned among the counties in the

1 proportion that the number of fee-paid and exempt vehicles that
2 are registered in the county bears to the number of fee-paid and
3 exempt vehicles registered in the state.

4 (ii) Twenty-five percent of the funds payable under this
5 subparagraph shall be apportioned among the counties in the
6 proportion that the number of miles of maintained county roads
7 in each county bears to the total number of miles of maintained
8 county roads in the state. For the purposes of apportioning funds
9 under this subparagraph, any roads within the boundaries of a city
10 and county that are not state highways shall be deemed to be county
11 roads.

12 (B) Of the amount available under this paragraph, 50 percent
13 shall be apportioned by the Controller to cities, including a city
14 and county, in the proportion that the total population of the city
15 bears to the total population of all the cities in the state.

16 (d) Funds received under subparagraph (A) or (B) of paragraph
17 (3) of subdivision (c) shall be deposited as follows in order to avoid
18 the commingling of those funds with other local funds:

19 (1) In the case of a city, into the city account that is designated
20 for the receipt of state funds allocated for transportation purposes.

21 (2) In the case of a county, into the county road fund.

22 (3) In the case of a city and county, into a local account that is
23 designated for the receipt of state funds allocated for transportation
24 purposes.

25 (e) Funds allocated to a city, county, or city and county under
26 subparagraph (A) or (B) of paragraph (3) of subdivision (c) shall
27 be used only for street and highway maintenance, rehabilitation,
28 reconstruction, and storm damage repair. For purposes of this
29 section, the following terms have the following meanings:

30 (1) "Maintenance" means either or both of the following:

31 (A) Patching.

32 (B) Overlay and sealing.

33 (2) "Reconstruction" includes any overlay, sealing, or widening
34 of the roadway, if the widening is necessary to bring the roadway
35 width to the desirable minimum width consistent with the
36 geometric design criteria of the department for 3R (reconstruction,
37 resurfacing, and rehabilitation) projects that are not on a freeway,
38 but does not include widening for the purpose of increasing the
39 traffic capacity of a street or highway.

1 (3) “Storm damage repair” is repair or reconstruction of local
 2 streets and highways and related drainage improvements that have
 3 been damaged due to winter storms and flooding, and construction
 4 of drainage improvements to mitigate future roadway flooding and
 5 damage problems, in those jurisdictions that have been declared
 6 disaster areas by the President of the United States, where the costs
 7 of those repairs are ineligible for emergency funding with Federal
 8 Emergency Relief (ER) funds or Federal Emergency Management
 9 Administration (FEMA) funds.

10 (f) (1) Cities and counties shall maintain their existing
 11 commitment of local funds for street and highway maintenance,
 12 rehabilitation, reconstruction, and storm damage repair in order to
 13 remain eligible for the allocation of funds pursuant to subparagraph
 14 (A) or (B) of paragraph (3) of subdivision (c).

15 (2) In order to receive any allocation pursuant to subparagraph
 16 (A) or (B) of paragraph (3) of subdivision (c), the city or county
 17 shall annually expend from its general fund for street, road, and
 18 highway purposes an amount not less than the annual average of
 19 its expenditures from its general fund during the 1996–97,
 20 1997–98, and 1998–99 fiscal years, as reported to the Controller
 21 pursuant to Section 2151 of the Streets and Highways Code. For
 22 purposes of this paragraph, in calculating a city’s or county’s
 23 annual general fund expenditures and its average general fund
 24 expenditures for the 1996–97, 1997–98, and 1998–99 fiscal years,
 25 any unrestricted funds that the city or county may expend at its
 26 discretion, including vehicle in-lieu tax revenues and revenues
 27 from fines and forfeitures, expended for street and highway
 28 purposes shall be considered expenditures from the general fund.
 29 One-time allocations that have been expended for street and
 30 highway purposes, but which may not be available on an ongoing
 31 basis, including revenue provided under the Teeter Plan Bond Law
 32 of 1994 (Chapter 6.6 (commencing with Section 54773) of Part 1
 33 of Division 2 of Title 5 of the Government Code, may not be
 34 considered when calculating a city’s or county’s annual general
 35 fund expenditures.

36 (3) For any city incorporated after July 1, 1996, the Controller
 37 shall calculate an annual average of expenditure for the period
 38 between July 1, 1996, and December 31, 2000, that the city was
 39 incorporated.

1 (4) For purposes of paragraph (2), the Controller may request
2 fiscal data from cities and counties in addition to data provided
3 pursuant to Section 2151, for the 1996–97, 1997–98, and 1998–99
4 fiscal years. Each city and county shall furnish the data to the
5 Controller not later than 120 days after receiving the request. The
6 Controller may withhold payment to cities and counties that do
7 not comply with the request for information or that provide
8 incomplete data.

9 (5) The Controller may perform audits to ensure compliance
10 with paragraph (2) when deemed necessary. Any city or county
11 that has not complied with paragraph (2) shall reimburse the state
12 for the funds it received during that fiscal year. Any funds withheld
13 or returned as a result of a failure to comply with paragraph (2)
14 shall be reallocated to the other counties and cities whose
15 expenditures are in compliance.

16 (6) If a city or county fails to comply with the requirements of
17 paragraph (2) in a particular fiscal year, the city or county may
18 expend during that fiscal year and the following fiscal year a total
19 amount that is not less than the total amount required to be
20 expended for those fiscal years for purposes of complying with
21 paragraph (2).

22 (7) The allocation made under subparagraph (A) or (B) of
23 paragraph (3) of subdivision (c) shall be expended not later than
24 the end of the fiscal year following the fiscal year in which the
25 allocation was made, and any funds not expended within that period
26 shall be returned to the Controller and shall be reallocated to the
27 other cities and counties pursuant to the allocation formulas set
28 forth in subparagraph (A) or (B) of paragraph (3) of subdivision
29 (c).

30 (g) For the purpose of allocating funds under subparagraph (A)
31 or (B) of paragraph (3) of subdivision (c) to counties, cities, and
32 a city and county, the Controller shall use the most recent
33 population estimates prepared by the Demographic Research Unit
34 of the Department of Finance. For a city that incorporated after
35 January 1, 2008, that does not appear on the most recent population
36 estimates prepared by the Demographic Research Unit, the
37 Controller shall use the population determined for that city under
38 Section 11005.3.

39 (h) (1) *Notwithstanding any other law, the quarterly*
40 *apportionments scheduled to be made in October 2009 and January*

1 2010 pursuant to paragraph (3) of subdivision (c) shall be
 2 suspended and deferred until May 31, 2010.

3 (2) For the purpose of meeting the cash obligations associated
 4 with ongoing budgeted costs, a city or county may make use of
 5 any cash balance in its city or county road fund, including that
 6 resulting from the receipt of funds pursuant to the Highway Safety,
 7 Traffic Reduction, Air Quality, and Port Security Bond Act of 2006
 8 (Chapter 12.49 (commencing with Section 8879.20) of Division 1
 9 of Title 2 of the Government Code (hereafter bond act)) for local
 10 street and road maintenance, during the period of this suspension,
 11 without the use of this cash being reflected as an expenditure of
 12 bond act funds, provided the cash is replaced once this suspension
 13 is repaid. Nothing in this paragraph shall change the fact that
 14 expenditures must be accrued and reflected from the appropriate
 15 funding sources for which the moneys were received and meet all
 16 requirements of those funding sources.

17 SEC. 16. Section 2103.1 is added to the Streets and Highways
 18 Code, to read:

19 2103.1. Notwithstanding any other law, the apportionment of
 20 revenues deposited to the credit of the Highway Users Tax Account
 21 in the Transportation Tax Fund that are otherwise required to be
 22 made, pursuant to this chapter, to cities, counties, and cities and
 23 counties for the months of July, August, September, October,
 24 November, and December of 2009 shall be deferred and shall be
 25 made after January 1, 2010.

26 SEC. 17. Section 39 of Chapter 12 of the Statutes of 2009 of
 27 the Third Extraordinary Session is amended to read:

28 Sec. 39. (a) Notwithstanding Sections 84320, 84321, and
 29 84321.5 of the Education Code and any other law that covers the
 30 regulations adopted by the Chancellor of the California Community
 31 Colleges to disburse funds, two hundred million dollars
 32 (\$200,000,000) from the payment of apportionments to districts
 33 pursuant to Sections 84320, 84321, and 84321.5 of the Education
 34 Code for July 2009, shall be deferred to October 2009.

35 (b) Notwithstanding any other law, one billion dollars
 36 (\$1,000,000,000) from the payment of apportionments pursuant
 37 to Section 14041 of the Education Code for July 2009, to local
 38 educational agencies that maintain kindergarten and any of grades
 39 1 to 12, inclusive, shall be deferred to ~~October~~ December 2009.

1 (c) Notwithstanding any other law, one billion five hundred
2 million dollars (\$1,500,000,000) from the payment of
3 apportionments pursuant to Section 14041 of the Education Code
4 for August 2009, to local educational agencies that maintain
5 kindergarten or any of grades 1 to 12, inclusive, shall be deferred
6 to October 2009.

7 (d) *Notwithstanding any other law, one billion dollars*
8 *(\$1,000,000,000) from the payment of apportionments pursuant*
9 *to Section 14041 of the Education Code for November 2009, to*
10 *local educational agencies that maintain kindergarten and any of*
11 *grades 1 to 12, inclusive, shall be deferred to January 2010.*

12 ~~(e)~~

13 (e) (1) Notwithstanding subdivisions (b) ~~and (c)~~, (c), and (d)
14 and subject to the approval of the Director of Finance, the
15 Controller shall issue warrants pursuant to Section 14041 of the
16 Education Code that include the full amount of the apportionment
17 payments for the months of July ~~and August~~, *August, and*
18 *November* for a local educational agency for which the county
19 superintendent of schools certifies to the Superintendent of Public
20 Instruction and to the Director of Finance on or before ~~May 15,~~
21 *August 10, 2009*, that the deferral of warrants pursuant to
22 subdivisions (b) and (c) will result in qualifying the local
23 educational agency for an emergency apportionment pursuant to
24 Article 2 (commencing with Section 41320) of Chapter 3 of Part
25 24 of Division 3 of Title 2 of the Education Code.

26 (2) *In order for a county office of education to receive payments*
27 *pursuant to paragraph (1), the Superintendent of Public Instruction*
28 *shall determine, and notify the Director of Finance on or before*
29 *August 10, 2009, that the deferral of warrants pursuant to*
30 *subdivisions (b) and (c) will result in the county office of education*
31 *being unable to meet its expenditure obligations for the time period*
32 *during which warrants are deferred. The criteria, as applicable,*
33 *set forth in statute and regulations to qualify a school district for*
34 *an emergency apportionment shall be used to make the*
35 *determination specified in this section.*

36 (3) *In order for a charter school to receive payments pursuant*
37 *to paragraph (1), the chartering authority shall determine, in*
38 *consultation with the county superintendent of schools, and notify*
39 *the Superintendent of Public Instruction and the Director of*
40 *Finance on or before August 10, 2009, that the deferral of warrants*

1 *pursuant to subdivisions (b) and (c) will result in the charter school*
 2 *being unable to meet its expenditure obligations for the time period*
 3 *during which warrants are deferred. The criteria, as applicable,*
 4 *set forth in statute and regulations to qualify a school district for*
 5 *an emergency apportionment shall be used to make the*
 6 *determination specified in this section.*

7 (e)

8 (f) Notwithstanding subdivision (a) and subject to the approval
 9 of the Director of Finance, the Controller shall issue warrants
 10 pursuant to Sections 84320, 84321, and 84321.5 of the Education
 11 Code that include the full amount of the apportionment payments
 12 for the month of July for a community college for which the
 13 Chancellor of the California Community Colleges determines, in
 14 consultation with the Director of Finance, on or before ~~May 15,~~
 15 ~~2008 August 10, 2009~~, that the deferral of warrants pursuant to
 16 subdivision (a) will present an imminent threat to the fiscal integrity
 17 and security of the community college.

18 (f)

19 (g) This section shall apply to payments in the 2009–10 fiscal
 20 year only.

21 *SEC. 18. Section 40 of Chapter 12 of the Statutes of 2009,*
 22 *Third Extraordinary Session, is amended to read:*

23 ~~SEC. 40.—~~

24 *Sec. 40. (a) Notwithstanding Sections 84320, 84321, and*
 25 *84321.5 of the Education Code and any other law that covers the*
 26 *regulations adopted by the Chancellor of the California Community*
 27 *Colleges to disburse funds, the payment of apportionments to*
 28 *districts pursuant to Sections 84320, 84321, and 84321.5 of the*
 29 *Education Code for the months of January and February, in the*
 30 *amount of one hundred fifteen million dollars (\$115,000,000) for*
 31 *each month, and the months of March and April, in the amounts*
 32 *of fifty-five million dollars (\$55,000,000) for each month, shall*
 33 *be deferred to July. The total amount of these payments deferred*
 34 *to the month of July shall be three hundred forty million dollars*
 35 *(\$340,000,000).*

36 ~~(b) This section is retroactively operative commencing with the~~
 37 ~~2008–09 fiscal year.~~

38 *(b) Notwithstanding Sections 84320, 84321, and 84321.5 of the*
 39 *Education Code and any other law that governs the regulations*
 40 *adopted by the Chancellor of the California Community Colleges*

1 *to disburse funds, the payment of apportionments to districts*
2 *pursuant to Sections 84320, 84321, and 84321.5 of the Education*
3 *Code for the months of April and May, in the amounts of eighty-one*
4 *million five hundred thousand dollars (\$81,500,000) for each*
5 *month, shall be deferred to July. The total amount of these*
6 *payments deferred to the month of July shall be one hundred*
7 *sixty-three million dollars (\$163,000,000). This subdivision is*
8 *operative commencing with the 2009–10 fiscal year and is*
9 *operative in addition to the provisions of subdivision (a).*

10 *SEC. 19. Section 41 of Chapter 12 of the Statutes of 2009,*
11 *Third Extraordinary Session is amended to read:*

12 *Sec. 41. (a) The sum of ~~five hundred forty million dollars~~*
13 *(~~\$540,000,000~~) seven hundred three million dollars (\$703,000,000)*
14 *is hereby appropriated from the General Fund to the Board of*
15 *Governors of the California Community Colleges for*
16 *apportionments to community college districts, for expenditure*
17 *during the 2010–11 fiscal year, to be expended in accordance with*
18 *Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget*
19 *Act of 2009.*

20 *(b) The disbursal of funds appropriated in subdivision (a) shall*
21 *be deferred until July of the 2010–11 fiscal year. This appropriation*
22 *and deferment represent one hundred fifteen million dollars*
23 *(\$115,000,000) of the January apportionment to community college*
24 *districts, one hundred fifteen million dollars (\$115,000,000) of the*
25 *February apportionment to community college districts, fifty-five*
26 *million dollars (\$55,000,000) of the March apportionment to*
27 *community college districts and fifty-five million dollars*
28 *(\$55,000,000) of the April apportionment to community college*
29 *districts, *eighty-one million five hundred thousand dollars**
30 *(\$81,500,000) *of the April apportionment to community college**
31 *districts and *eighty-one million five hundred thousand dollars**
32 *(\$81,500,000) *of the May apportionment to community college**
33 *districts, and two hundred million dollars (\$200,000,000) of the*
34 *June apportionment to community college districts.*

35 *(c) For the purposes of making the computations required by*
36 *Section 8 of Article XVI of the California Constitution, the*
37 *appropriation made by subdivision (a) shall be deemed to be*
38 *“General Fund revenues appropriated for community college*
39 *districts,” as defined in subdivision (d) of Section 41202 of the*
40 *Education Code, for the 2010–11 fiscal year, and included within*

1 the “total allocations to school districts and community college
2 districts from General Fund proceeds of taxes appropriated pursuant
3 to Article XIII B,” as defined in subdivision (e) of Section 41202
4 of the Education Code, for the 2010–11 fiscal year.

5 *SEC. 20. The Legislature finds and declares that Section 9 of*
6 *this act furthers the purpose of the California State Lottery Act of*
7 *1984, enacted by Proposition 37 at the November 6, 1984,*
8 *statewide general election.*

9 *SEC. 21. This act addresses the fiscal emergency declared by*
10 *the Governor by proclamation on July 1, 2009, pursuant to*
11 *subdivision (f) of Section 10 of Article IV of the California*
12 *Constitution.*

13 *SEC. 22. This act is an urgency statute necessary for the*
14 *immediate preservation of the public peace, health, or safety within*
15 *the meaning of Article IV of the Constitution and shall go into*
16 *immediate effect. The facts constituting the necessity are:*

17 *In order to ensure that the state may meet its financial*
18 *obligations and avoid a fiscal crisis, it is necessary that this act*
19 *take effect immediately.*

20 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~
21 ~~changes relating to the Budget Act of 2009.~~

22 ~~SEC. 2. This act addresses the fiscal emergency declared by~~
23 ~~the Governor by proclamation on July 1, 2009, pursuant to~~
24 ~~subdivision (f) of Section 10 of Article IV of the California~~
25 ~~Constitution.~~

O