

AMENDED IN ASSEMBLY SEPTEMBER 4, 2009

SENATE BILL

No. 73

Introduced by Committee on Budget and Fiscal Review

January 20, 2009

~~An act relating to the Budget Act of 2009.~~ *An act to repeal and add Sections 17031.8, 17036, and 18114 of, to repeal, add, and repeal Section 18502 of, the Health and Safety Code, and to repeal and add Section 62.5 of the Labor Code, relating to state fees.*

LEGISLATIVE COUNSEL'S DIGEST

SB 73, as amended, Committee on Budget and Fiscal Review. ~~Budget Act of 2009.~~ *State fees.*

Under existing law, the Department of Housing and Community Development is required to establish a schedule of fees to pay for the cost of administration and enforcement of the Employee Housing Act. The department is required to establish a schedule of fees that includes, but is not limited to, specified minimum permit fees. The department is authorized, on or after January 1, 2010, to increase these specified fees, if necessary, to finance the costs of administration and enforcement of the act.

The Mobilehome Parks Act requires the payment of various registration and renewal fees to the department for a specified section of a manufactured home, mobilehome, or commercial coach and the payment of an annual operating permit fee, as specified.

Existing law establishes the Labor Enforcement and Compliance Fund in the State Treasury and requires the Director of the Department of Industrial Relations to levy a separate surcharge upon all employers for purposes of deposit in the fund. Existing law requires that the total amount of the surcharges be allocated between employers in proportion

to payroll respectively paid in the most recent year for which payroll information is available, and requires the director to adopt reasonable regulations governing the manner of collection of the surcharges.

This bill would repeal and reinstate these provisions of existing law.

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

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

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

1 SECTION 1. Section 17031.8 of the Health and Safety Code
2 is repealed.

3 ~~17031.8.—(a) An agency that exercises the responsibility for~~
4 ~~the enforcement of this part pursuant to Section 17050 shall submit~~
5 ~~to the Department of Housing and Community Development, on~~
6 ~~forms provided by the department, the information specified in~~
7 ~~subdivision (c) by March 31 of each year regarding the previous~~
8 ~~calendar year.~~

9 ~~(b) The Department of Housing and Community Development~~
10 ~~shall gather the information specified in subdivision (c) for all~~
11 ~~permittees for which it acts as the enforcement agency and include~~
12 ~~a summary of the information from the permittees and enforcement~~
13 ~~agencies in the annual report submitted pursuant to Section 50408~~
14 ~~regarding housing programs administered by the department. This~~
15 ~~subdivision shall be inoperative from July 1, 2009, to June 30,~~
16 ~~2012, inclusive.~~

17 ~~(c) The following information shall be provided for purposes~~
18 ~~of subdivisions (a) and (b) for the reporting year:~~

19 ~~(1) The number and location of employee housing~~
20 ~~accommodations, including the number of permits to operate issued~~
21 ~~for employee housing accommodations.~~

22 ~~(2) The number and location of inactive employee housing~~
23 ~~accommodations.~~

24 ~~(3) The number and location of employee housing~~
25 ~~accommodations found operating without a permit.~~

26 ~~(4) The number of employees occupying employee housing~~
27 ~~accommodations with a permit.~~

28 ~~(5) The number of employees occupying accommodations found~~
29 ~~to be operating without a permit.~~

1 ~~(6) The number and types of inspections and reinspections~~
2 ~~performed.~~

3 ~~(7) A schedule of fees charged, the amount of fees collected for~~
4 ~~each type of fee charged and the total amount of fees collected.~~

5 ~~(8) The number of complaints received during the reporting~~
6 ~~year and the character of any violations found for each~~
7 ~~accommodation operating under permit, operating without a permit,~~
8 ~~or inactive.~~

9 ~~(9) The number and character of violations of this part and~~
10 ~~regulations adopted pursuant to this part found during inspection~~
11 ~~of each accommodation operating under permit, or operating~~
12 ~~without a permit.~~

13 ~~(10) The number of violations of this part and regulations~~
14 ~~adopted pursuant to this part that resulted in civil citations.~~

15 ~~(11) The number of cases referred to prosecutorial agencies~~
16 ~~such as the Attorney General or local district attorneys, the number~~
17 ~~of cases filed to enforce this part, and the amounts of all fines and~~
18 ~~civil penalties collected as a result of the enforcement of this part.~~

19 ~~(12) The number of staff hours dedicated to the implementation~~
20 ~~of the Employee Housing Act (Part 1 (commencing with Section~~
21 ~~17000)).~~

22 ~~(13) The number and location of employee housing receiving~~
23 ~~an exemption pursuant to Section 17031, 17031.3, 17031.4, or~~
24 ~~17033.~~

25 ~~(d) The information specified in subdivision (c) shall be~~
26 ~~maintained by the department and provided to members of the~~
27 ~~public who have requested it in writing.~~

28 *SEC. 2. Section 17031.8 is added to the Health and Safety*
29 *Code, to read:*

30 *17031.8. (a) An agency that exercises the responsibility for*
31 *the enforcement of this part pursuant to Section 17050 shall submit*
32 *to the Department of Housing and Community Development, on*
33 *forms provided by the department, the information specified in*
34 *subdivision (c) by March 31 of each year regarding the previous*
35 *calendar year.*

36 *(b) The Department of Housing and Community Development*
37 *shall gather the information specified in subdivision (c) for all*
38 *permittees for which it acts as the enforcement agency and include*
39 *a summary of the information from the permittees and enforcement*
40 *agencies in the annual report submitted pursuant to Section 50408*

1 regarding housing programs administered by the department. This
2 subdivision shall be inoperative from July 1, 2009, to June 30,
3 2012, inclusive.

4 (c) The following information shall be provided for purposes
5 of subdivisions (a) and (b) for the reporting year:

6 (1) The number and location of employee housing
7 accommodations, including the number of permits to operate issued
8 for employee housing accommodations.

9 (2) The number and location of inactive employee housing
10 accommodations.

11 (3) The number and location of employee housing
12 accommodations found operating without a permit.

13 (4) The number of employees occupying employee housing
14 accommodations with a permit.

15 (5) The number of employees occupying accommodations found
16 to be operating without a permit.

17 (6) The number and types of inspections and reinspections
18 performed.

19 (7) A schedule of fees charged, the amount of fees collected for
20 each type of fee charged and the total amount of fees collected.

21 (8) The number of complaints received during the reporting
22 year and the character of any violations found for each
23 accommodation operating under permit, operating without a
24 permit, or inactive.

25 (9) The number and character of violations of this part and
26 regulations adopted pursuant to this part found during inspection
27 of each accommodation operating under permit, or operating
28 without a permit.

29 (10) The number of violations of this part and regulations
30 adopted pursuant to this part that resulted in civil citations.

31 (11) The number of cases referred to prosecutorial agencies
32 such as the Attorney General or local district attorneys, the number
33 of cases filed to enforce this part, and the amounts of all fines and
34 civil penalties collected as a result of the enforcement of this part.

35 (12) The number of staff hours dedicated to the implementation
36 of the Employee Housing Act (Part 1 (commencing with Section
37 17000)).

38 (13) The number and location of employee housing receiving
39 an exemption pursuant to Section 17031, 17031.3, 17031.4, or
40 17033.

1 (d) The information specified in subdivision (c) shall be
2 maintained by the department and provided to members of the
3 public who have requested it in writing.

4 SEC. 3. Section 17036 of the Health and Safety Code is
5 repealed.

6 17036. (a) ~~Except as provided in Section 18930, the department~~
7 ~~shall adopt regulations that it determines are necessary for the~~
8 ~~administration and enforcement of this part. The regulations~~
9 ~~adopted, amended, or repealed shall prescribe reasonable~~
10 ~~requirements for issuance of permits and establish procedures for~~
11 ~~suspension of permits, including appeal procedures.~~

12 (b) ~~The department shall establish a schedule of fees to pay for~~
13 ~~the cost of administration and enforcement of this part, that~~
14 ~~includes, but is not limited to, the following minimum permit fees:~~

15 (1) ~~A two-hundred-dollar (\$200) issuance fee for a permit to~~
16 ~~operate employee housing for each employee housing facility.~~

17 (2) ~~A twenty-seven-dollar (\$27) permit operation fee for each~~
18 ~~employee the operator intends to house where that housing is~~
19 ~~supplied by the operator, and at least twenty-seven dollars (\$27)~~
20 ~~for each lot or site provided for parking or the placement of~~
21 ~~manufactured homes, mobilehomes, or recreational vehicles or~~
22 ~~other accommodations by employees.~~

23 (c) ~~On or after January 1, 2010, the department may increase~~
24 ~~the fees established pursuant to subdivision (b), if necessary, to~~
25 ~~finance the costs of administration and enforcement of this part.~~

26 (d) ~~The department may adopt additional regulations to facilitate~~
27 ~~the development of employee housing pursuant to Sections 17021.5~~
28 ~~and 17021.6.~~

29 SEC. 4. Section 17036 is added to the Health and Safety Code,
30 to read:

31 17036. (a) *Except as provided in Section 18930, the*
32 *department shall adopt regulations that it determines are necessary*
33 *for the administration and enforcement of this part. The regulations*
34 *adopted, amended, or repealed shall prescribe reasonable*
35 *requirements for issuance of permits and establish procedures for*
36 *suspension of permits, including appeal procedures.*

37 (b) *The department shall establish a schedule of fees to pay for*
38 *the cost of administration and enforcement of this part, that*
39 *includes, but is not limited to, the following minimum permit fees:*

1 (1) A two-hundred-dollar (\$200) issuance fee for a permit to
2 operate employee housing for each employee housing facility.

3 (2) A twenty-seven-dollar (\$27) permit operation fee for each
4 employee the operator intends to house where that housing is
5 supplied by the operator, and at least twenty-seven dollars (\$27)
6 for each lot or site provided for parking or the placement of
7 manufactured homes, mobilehomes, or recreational vehicles or
8 other accommodations by employees.

9 (c) On or after January 1, 2010, the department may increase
10 the fees established pursuant to subdivision (b), if necessary, to
11 finance the costs of administration and enforcement of this part.

12 (d) The department may adopt additional regulations to facilitate
13 the development of employee housing pursuant to Sections 17021.5
14 and 17021.6.

15 SEC. 5. Section 18114 of the Health and Safety Code is
16 repealed.

17 ~~18114. (a) A registration fee of twenty-three dollars (\$23)~~
18 ~~shall be due and payable to the department at the time of original~~
19 ~~registration or renewal of registration for each transportable section~~
20 ~~of a manufactured home, mobilehome, or commercial coach that~~
21 ~~is subject to annual renewal.~~

22 ~~(b) For a manufactured home, mobilehome, or truck camper~~
23 ~~that is not subject to annual renewal, the registration fee of~~
24 ~~twenty-three dollars (\$23) shall be due for each transportable~~
25 ~~section at the time of original registration and upon application~~
26 ~~for each subsequent change, addition, or deletion of registered~~
27 ~~owners, legal owners, or junior lienholders and shall be in addition~~
28 ~~to any other fees that may be required by the application.~~

29 ~~(c) A registration fee of forty-two dollars (\$42) shall be charged~~
30 ~~for each original application for registration of a floating home~~
31 ~~and for each subsequent application to record a change, addition,~~
32 ~~or deletion of registered owners, legal owners, or junior lienholders~~
33 ~~of a floating home. This fee shall be in addition to any other fees~~
34 ~~that may be required by the application.~~

35 ~~(d) A registration fee is delinquent if not paid in accordance~~
36 ~~with the following:~~

37 ~~(1) On or before the expiration date of the previous registration~~
38 ~~year for all annual renewals.~~

39 ~~(2) Ten days after the date the transaction is complete, as defined~~
40 ~~in subdivision (e) of Section 18080.5, for all transactions by or~~

1 through a dealer whenever a manufactured home, mobilehome, or
2 commercial coach is sold, rented, leased, leased with an option to
3 buy, or otherwise transferred, except that for registration fees due
4 because of annual renewal, the fee is delinquent after the expiration
5 date of the previous registration year.

6 ~~(3) Except for dealer transactions, 20 days after the registration~~
7 ~~fee became due for original registration required by subdivision~~
8 ~~(a), and for registration fees required by subdivisions (b) and (c):~~

9 ~~(e) A penalty of three dollars (\$3) shall be added for each~~
10 ~~registration fee that is delinquent. No penalty is due if the~~
11 ~~application and required registration fees were placed in the United~~
12 ~~States mail before midnight on the day before the fee became~~
13 ~~delinquent, as evidenced by postmark or affidavit by the applicant.~~

14 SEC. 6. Section 18114 is added to the Health and Safety Code,
15 to read:

16 18114. (a) A registration fee of twenty-three dollars (\$23)
17 shall be due and payable to the department at the time of original
18 registration or renewal of registration for each transportable
19 section of a manufactured home, mobilehome, or commercial
20 coach that is subject to annual renewal.

21 (b) For a manufactured home, mobilehome, or truck camper
22 that is not subject to annual renewal, the registration fee of
23 twenty-three dollars (\$23) shall be due for each transportable
24 section at the time of original registration and upon application
25 for each subsequent change, addition, or deletion of registered
26 owners, legal owners, or junior lienholders and shall be in addition
27 to any other fees that may be required by the application.

28 (c) A registration fee of forty-two dollars (\$42) shall be charged
29 for each original application for registration of a floating home
30 and for each subsequent application to record a change, addition,
31 or deletion of registered owners, legal owners, or junior
32 lienholders of a floating home. This fee shall be in addition to any
33 other fees that may be required by the application.

34 (d) A registration fee is delinquent if not paid in accordance
35 with the following:

36 (1) On or before the expiration date of the previous registration
37 year for all annual renewals.

38 (2) Ten days after the date the transaction is complete, as
39 defined in subdivision (e) of Section 18080.5, for all transactions
40 by or through a dealer whenever a manufactured home,

1 mobilehome, or commercial coach is sold, rented, leased, leased
2 with an option to buy, or otherwise transferred, except that for
3 registration fees due because of annual renewal, the fee is
4 delinquent after the expiration date of the previous registration
5 year.

6 (3) Except for dealer transactions, 20 days after the registration
7 fee became due for original registration required by subdivision
8 (a), and for registration fees required by subdivisions (b) and (c).

9 (e) A penalty of three dollars (\$3) shall be added for each
10 registration fee that is delinquent. No penalty is due if the
11 application and required registration fees were placed in the
12 United States mail before midnight on the day before the fee
13 became delinquent, as evidenced by postmark or affidavit by the
14 applicant.

15 SEC. 7. Section 18502 of the Health and Safety Code, as
16 amended by Section 18 of Chapter 12 of the 4th Extraordinary
17 Session of the Statutes of 2009, is repealed.

18 18502. Fees as applicable shall be submitted for permits:

19 (a) Fees for a permit to conduct any construction subject to this
20 part as determined by the schedule of fees adopted by the
21 department.

22 (b) Plan checking fees equal to one-half of the construction,
23 plumbing, mechanical, and electrical permit fees, except that the
24 minimum fee shall be ten dollars (\$10).

25 (c) (1) An annual operating permit fee of one hundred forty
26 dollars (\$140) and an additional seven dollars (\$7) per lot.

27 (2) An additional annual fee of four dollars (\$4) per lot shall be
28 paid to the department or the local enforcement agency, as
29 appropriate, at the time of payment of the annual operating fee.
30 All revenues derived from this fee shall be used exclusively for
31 the inspection of mobilehome parks and mobilehomes to determine
32 compliance with the Mobilehome Parks Act (Part 2.1 (commencing
33 with Section 18200)) and any regulations adopted pursuant to the
34 act.

35 (3) The Legislature hereby finds and declares that the health
36 and safety of mobilehome park occupants are matters of public
37 interest and concern and that the fee paid pursuant to paragraph
38 (2) shall be used exclusively for the inspection of mobilehome
39 parks and mobilehomes to ensure that the living conditions of
40 mobilehome park occupants meet the health and safety standards

of this part and the regulations adopted pursuant thereto. Therefore, notwithstanding any other law or local ordinance, rule, regulation, or initiative measure to the contrary, the holder of the permit to operate the mobilehome park shall be entitled to directly charge one-half of the per lot additional annual fee specified herein to each homeowner, as defined in Section 798.9 of the Civil Code. In that event, the holder of the permit to operate the mobilehome park shall be entitled to directly charge each homeowner for one-half of the per lot additional annual fee at the next billing for the rent and other charges immediately following the payment of the additional fee to the department or local enforcement agency.

~~(d) Change in name fee or transfer of ownership or possession fee of ten dollars (\$10).~~

~~(e) Duplicate permit fee or amended permit fee of ten dollars (\$10).~~

~~(f) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2012, deletes or extends that date.~~

SEC. 8. Section 18502 is added to the Health and Safety Code, to read:

18502. Fees as applicable shall be submitted for permits, as follows:

(a) Fees for a permit to conduct any construction subject to this part as determined by the schedule of fees adopted by the department.

(b) Plan checking fees equal to one-half of the construction, plumbing, mechanical, and electrical permit fees, except that the minimum fee shall be ten dollars (\$10).

(c) (1) An annual operating permit fee of one hundred forty dollars (\$140) and an additional seven dollars (\$7) per lot.

(2) An additional annual fee of four dollars (\$4) per lot shall be paid to the department or the local enforcement agency, as appropriate, at the time of payment of the annual operating fee. All revenues derived from this fee shall be used exclusively for the inspection of mobilehome parks and mobilehomes to determine compliance with the Mobilehome Parks Act (Part 2.1 (commencing with Section 18200)) and any regulations adopted pursuant to the act.

(3) The Legislature hereby finds and declares that the health and safety of mobilehome park occupants are matters of public

1 interest and concern and that the fee paid pursuant to paragraph
2 (2) shall be used exclusively for the inspection of mobilehome
3 parks and mobilehomes to ensure that the living conditions of
4 mobilehome park occupants meet the health and safety standards
5 of this part and the regulations adopted pursuant thereto.
6 Therefore, notwithstanding any other law or local ordinance, rule,
7 regulation, or initiative measure to the contrary, the holder of the
8 permit to operate the mobilehome park shall be entitled to directly
9 charge one-half of the per lot additional annual fee specified herein
10 to each homeowner, as defined in Section 798.9 of the Civil Code.
11 In that event, the holder of the permit to operate the mobilehome
12 park shall be entitled to directly charge each homeowner for
13 one-half of the per lot additional annual fee at the next billing for
14 the rent and other charges immediately following the payment of
15 the additional fee to the department or local enforcement agency.

16 (d) Change in name fee or transfer of ownership or possession
17 fee of ten dollars (\$10).

18 (e) Duplicate permit fee or amended permit fee of ten dollars
19 (\$10).

20 (f) This section shall remain in effect only until January 1, 2012,
21 and as of that date is repealed, unless a later enacted statute, that
22 is enacted before January 1, 2012, deletes or extends that date.

23 SEC. 9. Section 18502 of the Health and Safety Code, as
24 amended by Section 19 of Chapter 12 of the 4th Extraordinary
25 Session of the Statutes of 2009, is repealed.

26 ~~18502. Fees as applicable shall be submitted for permits:~~

27 ~~(a) Fees for a permit to conduct any construction subject to this~~
28 ~~part as determined by the schedule of fees adopted by the~~
29 ~~department.~~

30 ~~(b) Plan checking fees equal to one-half of the construction,~~
31 ~~plumbing, mechanical, and electrical permit fees, except that the~~
32 ~~minimum fee shall be ten dollars (\$10).~~

33 ~~(c) An annual operating permit fee of one hundred forty dollars~~
34 ~~(\$140) and an additional seven dollars (\$7) per lot.~~

35 ~~(d) Change in name fee or transfer of ownership or possession~~
36 ~~fee of ten dollars (\$10).~~

37 ~~(e) Duplicate permit fee or amended permit fee of ten dollars~~
38 ~~(\$10).~~

39 ~~(f) This section shall become operative on January 1, 2012.~~

1 *SEC. 10. Section 18502 is added to the Health and Safety Code,*
2 *to read:*

3 *18502. Fees as applicable shall be submitted for permits, as*
4 *follows:*

5 *(a) Fees for a permit to conduct any construction subject to this*
6 *part as determined by the schedule of fees adopted by the*
7 *department.*

8 *(b) Plan checking fees equal to one-half of the construction,*
9 *plumbing, mechanical, and electrical permit fees, except that the*
10 *minimum fee shall be ten dollars (\$10).*

11 *(c) An annual operating permit fee of one hundred forty dollars*
12 *(\$140) and an additional seven dollars (\$7) per lot.*

13 *(d) Change in name fee or transfer of ownership or possession*
14 *fee of ten dollars (\$10).*

15 *(e) Duplicate permit fee or amended permit fee of ten dollars*
16 *(\$10).*

17 *(f) This section shall become operative on January 1, 2012.*

18 *SEC. 11. Section 62.5 of the Labor Code is repealed.*

19 ~~62.5.—(a) (1) The Workers' Compensation Administration~~
20 ~~Revolving Fund is hereby created as a special account in the State~~
21 ~~Treasury. Money in the fund may be expended by the department,~~
22 ~~upon appropriation by the Legislature, for all of the following~~
23 ~~purposes, and may not be used or borrowed for any other purpose:~~

24 ~~(A) For the administration of the workers' compensation~~
25 ~~program set forth in this division and Division 4 (commencing~~
26 ~~with Section 3200), other than the activities financed pursuant to~~
27 ~~Section 3702.5.~~

28 ~~(B) For the Return-to-Work Program set forth in Section 139.48.~~

29 ~~(C) For the enforcement of the insurance coverage program~~
30 ~~established and maintained by the Labor Commissioner pursuant~~
31 ~~to Section 90.3.~~

32 ~~(2) The fund shall consist of surcharges made pursuant to~~
33 ~~paragraph (1) of subdivision (f).~~

34 ~~(b) (1) The Uninsured Employers Benefits Trust Fund is hereby~~
35 ~~created as a special trust fund account in the State Treasury, of~~
36 ~~which the director is trustee, and its sources of funds are as~~
37 ~~provided in paragraph (1) of subdivision (f). Notwithstanding~~
38 ~~Section 13340 of the Government Code, the fund is continuously~~
39 ~~appropriated for the payment of nonadministrative expenses of the~~
40 ~~workers' compensation program for workers injured while~~

1 employed by uninsured employers in accordance with Article 2
2 (commencing with Section 3710) of Chapter 4 of Part 1 of Division
3 4, and shall not be used for any other purpose. All moneys collected
4 shall be retained in the trust fund until paid as benefits to workers
5 injured while employed by uninsured employers.
6 Nonadministrative expenses include audits and reports of services
7 prepared pursuant to subdivision (b) of Section 3716.1. The
8 surcharge amount for this fund shall be stated separately.

9 (2) Notwithstanding any other provision of law, all references
10 to the Uninsured Employers Fund shall mean the Uninsured
11 Employers Benefits Trust Fund.

12 (3) Notwithstanding paragraph (1), in the event that budgetary
13 restrictions or impasse prevent the timely payment of administrative
14 expenses from the Workers' Compensation Administration
15 Revolving Fund, those expenses shall be advanced from the
16 Uninsured Employers Benefits Trust Fund. Expense advances
17 made pursuant to this paragraph shall be reimbursed in full to the
18 Uninsured Employers Benefits Trust Fund upon enactment of the
19 annual Budget Act.

20 (4) Any moneys from penalties collected pursuant to Section
21 3722 as a result of the insurance coverage program established
22 under Section 90.3 shall be deposited in the State Treasury to the
23 credit of the Workers' Compensation Administration Revolving
24 Fund created under this section, to cover expenses incurred by the
25 director under the insurance coverage program. The amount of
26 any penalties in excess of payment of administrative expenses
27 incurred by the director for the insurance coverage program
28 established under Section 90.3 shall be deposited in the State
29 Treasury to the credit of the Uninsured Employers Benefits Trust
30 Fund for nonadministrative expenses, as prescribed in paragraph
31 (1), and notwithstanding paragraph (1), shall only be available
32 upon appropriation by the Legislature.

33 (c) (1) The Subsequent Injuries Benefits Trust Fund is hereby
34 created as a special trust fund account in the State Treasury, of
35 which the director is trustee, and its sources of funds are as
36 provided in paragraph (1) of subdivision (f). Notwithstanding
37 Section 13340 of the Government Code, the fund is continuously
38 appropriated for the nonadministrative expenses of the workers'
39 compensation program for workers who have suffered serious
40 injury and who are suffering from previous and serious permanent

disabilities or physical impairments, in accordance with Article 5 (commencing with Section 4751) of Chapter 2 of Part 2 of Division 4, and Section 4 of Article XIV of the California Constitution, and shall not be used for any other purpose. All moneys collected shall be retained in the trust fund until paid as benefits to workers who have suffered serious injury and who are suffering from previous and serious permanent disabilities or physical impairments. Nonadministrative expenses include audits and reports of services pursuant to subdivision (c) of Section 4755. The surcharge amount for this fund shall be stated separately.

(2) Notwithstanding any other law, all references to the Subsequent Injuries Fund shall mean the Subsequent Injuries Benefits Trust Fund.

(3) Notwithstanding paragraph (1), in the event that budgetary restrictions or impasse prevent the timely payment of administrative expenses from the Workers' Compensation Administration Revolving Fund, those expenses shall be advanced from the Subsequent Injuries Benefits Trust Fund. Expense advances made pursuant to this paragraph shall be reimbursed in full to the Subsequent Injuries Benefits Trust Fund upon enactment of the annual Budget Act.

(d) The Occupational Safety and Health Fund is hereby created as a special account in the State Treasury. Moneys in the account may be expended by the department, upon appropriation by the Legislature, for support of the Division of Occupational Safety and Health, the Occupational Safety and Health Standards Board, and the Occupational Safety and Health Appeals Board, and the activities these entities perform as set forth in this division, and Division 5 (commencing with Section 6300).

(e) The Labor Enforcement and Compliance Fund is hereby created as a special account in the State Treasury. Moneys in the fund may be expended by the department, upon appropriation by the Legislature, for the support of the activities that the Division of Labor Standards Enforcement performs pursuant to this division and Division 2 (commencing with Section 200), Division 3 (commencing with Section 2700), and Division 4 (commencing with Section 3200). The fund shall consist of surcharges imposed pursuant to paragraph (3) of subdivision (f).

(f) (1) Separate surcharges shall be levied by the director upon all employers, as defined in Section 3300, for purposes of deposit

1 in the Workers' Compensation Administration Revolving Fund,
2 the Uninsured Employers Benefits Trust Fund, the Subsequent
3 Injuries Benefits Trust Fund, and the Occupational Safety and
4 Health Fund. The total amount of the surcharges shall be allocated
5 between self-insured employers and insured employers in
6 proportion to payroll respectively paid in the most recent year for
7 which payroll information is available. The director shall adopt
8 reasonable regulations governing the manner of collection of the
9 surcharges. The regulations shall require the surcharges to be paid
10 by self-insurers to be expressed as a percentage of indemnity paid
11 during the most recent year for which information is available,
12 and the surcharges to be paid by insured employers to be expressed
13 as a percentage of premium. In no event shall the surcharges paid
14 by insured employers be considered a premium for computation
15 of a gross premium tax or agents' commission. In no event shall
16 the total amount of the surcharges paid by insured and self-insured
17 employers exceed the amounts reasonably necessary to carry out
18 the purposes of this section.

19 (2) The surcharge levied by the director for the Occupational
20 Safety and Health Fund, pursuant to paragraph (1), shall not
21 generate revenues in excess of fifty-two million dollars
22 (\$52,000,000) on and after the 2009-10 fiscal year, adjusted for
23 each fiscal year as appropriate to reconcile any over/under
24 assessments from previous fiscal years pursuant to Sections 15606
25 and 15609 of Title 8 of the California Code of Regulations, and
26 may increase by not more than the state-local government deflator
27 each year thereafter through July 1, 2013, and, as appropriate, to
28 reconcile any over/under assessments from previous fiscal years.
29 For the 2013-14 fiscal year, the surcharge level shall return to the
30 level in place on June 30, 2009, adjusted for inflation based on the
31 state-local government deflator.

32 (3) A separate surcharge shall be levied by the director upon all
33 employers, as defined in Section 3300, for purposes of deposit in
34 the Labor Enforcement and Compliance Fund. The total amount
35 of the surcharges shall be allocated between employers in
36 proportion to payroll respectively paid in the most recent year for
37 which payroll information is available. The director shall adopt
38 reasonable regulations governing the manner of collection of the
39 surcharges. In no event shall the total amount of the surcharges

1 paid by employers exceed the amounts reasonably necessary to
2 carry out the purposes of this section.

3 ~~(4) The surcharge levied by the director for the Labor~~
4 ~~Enforcement and Compliance Fund shall not exceed thirty-seven~~
5 ~~million dollars (\$37,000,000) in the 2009–10 fiscal year, adjusted~~
6 ~~as appropriate to reconcile any over/under assessments from~~
7 ~~previous fiscal years, and shall not be adjusted each year thereafter~~
8 ~~by more than the state-local government deflator, and, as~~
9 ~~appropriate, to reconcile any over/under assessments from previous~~
10 ~~fiscal years pursuant to Sections 15606 and 15609 of Title 8 of the~~
11 ~~California Code of Regulations.~~

12 ~~(5) The regulations adopted pursuant to paragraph (1) to (4),~~
13 ~~inclusive, shall be exempt from the rulemaking provisions of the~~
14 ~~Administrative Procedure Act (Chapter 3.5 (commencing with~~
15 ~~Section 11340) of Part 1 of Division 3 of Title 2 of the Government~~
16 ~~Code).~~

17 ~~(g) On and after July 1, 2013, subdivision (e) and paragraphs~~
18 ~~(2) to (4), inclusive, of subdivision (f) are inoperative, unless a~~
19 ~~later enacted statute, that is enacted before July 1, 2013, deletes~~
20 ~~or extends that date.~~

21 *SEC. 12. Section 62.5 is added to the Labor Code, to read:*

22 *62.5. (a) (1) The Workers' Compensation Administration*
23 *Revolving Fund is hereby created as a special account in the State*
24 *Treasury. Money in the fund may be expended by the department,*
25 *upon appropriation by the Legislature, for all of the following*
26 *purposes, and may not be used or borrowed for any other purpose:*

27 *(A) For the administration of the workers' compensation*
28 *program set forth in this division and Division 4 (commencing*
29 *with Section 3200), other than the activities financed pursuant to*
30 *Section 3702.5.*

31 *(B) For the Return-to-Work Program set forth in Section 139.48.*

32 *(C) For the enforcement of the insurance coverage program*
33 *established and maintained by the Labor Commissioner pursuant*
34 *to Section 90.3.*

35 *(2) The fund shall consist of surcharges made pursuant to*
36 *paragraph (1) of subdivision (f).*

37 *(b) (1) The Uninsured Employers Benefits Trust Fund is hereby*
38 *created as a special trust fund account in the State Treasury, of*
39 *which the director is trustee, and its sources of funds are as*
40 *provided in paragraph (1) of subdivision (f). Notwithstanding*

1 Section 13340 of the Government Code, the fund is continuously
2 appropriated for the payment of nonadministrative expenses of
3 the workers' compensation program for workers injured while
4 employed by uninsured employers in accordance with Article 2
5 (commencing with Section 3710) of Chapter 4 of Part 1 of Division
6 4, and shall not be used for any other purpose. All moneys collected
7 shall be retained in the trust fund until paid as benefits to workers
8 injured while employed by uninsured employers. Nonadministrative
9 expenses include audits and reports of services prepared pursuant
10 to subdivision (b) of Section 3716.1. The surcharge amount for
11 this fund shall be stated separately.

12 (2) Notwithstanding any other provision of law, all references
13 to the Uninsured Employers Fund shall mean the Uninsured
14 Employers Benefits Trust Fund.

15 (3) Notwithstanding paragraph (1), in the event that budgetary
16 restrictions or impasse prevent the timely payment of administrative
17 expenses from the Workers' Compensation Administration
18 Revolving Fund, those expenses shall be advanced from the
19 Uninsured Employers Benefits Trust Fund. Expense advances
20 made pursuant to this paragraph shall be reimbursed in full to the
21 Uninsured Employers Benefits Trust Fund upon enactment of the
22 annual Budget Act.

23 (4) Any moneys from penalties collected pursuant to Section
24 3722 as a result of the insurance coverage program established
25 under Section 90.3 shall be deposited in the State Treasury to the
26 credit of the Workers' Compensation Administration Revolving
27 Fund created under this section, to cover expenses incurred by
28 the director under the insurance coverage program. The amount
29 of any penalties in excess of payment of administrative expenses
30 incurred by the director for the insurance coverage program
31 established under Section 90.3 shall be deposited in the State
32 Treasury to the credit of the Uninsured Employers Benefits Trust
33 Fund for nonadministrative expenses, as prescribed in paragraph
34 (1), and notwithstanding paragraph (1), shall only be available
35 upon appropriation by the Legislature.

36 (c) (1) The Subsequent Injuries Benefits Trust Fund is hereby
37 created as a special trust fund account in the State Treasury, of
38 which the director is trustee, and its sources of funds are as
39 provided in paragraph (1) of subdivision (f). Notwithstanding
40 Section 13340 of the Government Code, the fund is continuously

1 *appropriated for the nonadministrative expenses of the workers’*
2 *compensation program for workers who have suffered serious*
3 *injury and who are suffering from previous and serious permanent*
4 *disabilities or physical impairments, in accordance with Article*
5 *5 (commencing with Section 4751) of Chapter 2 of Part 2 of*
6 *Division 4, and Section 4 of Article XIV of the California*
7 *Constitution, and shall not be used for any other purpose. All*
8 *moneys collected shall be retained in the trust fund until paid as*
9 *benefits to workers who have suffered serious injury and who are*
10 *suffering from previous and serious permanent disabilities or*
11 *physical impairments. Nonadministrative expenses include audits*
12 *and reports of services pursuant to subdivision (c) of Section 4755.*
13 *The surcharge amount for this fund shall be stated separately.*

14 *(2) Notwithstanding any other law, all references to the*
15 *Subsequent Injuries Fund shall mean the Subsequent Injuries*
16 *Benefits Trust Fund.*

17 *(3) Notwithstanding paragraph (1), in the event that budgetary*
18 *restrictions or impasse prevent the timely payment of administrative*
19 *expenses from the Workers’ Compensation Administration*
20 *Revolving Fund, those expenses shall be advanced from the*
21 *Subsequent Injuries Benefits Trust Fund. Expense advances made*
22 *pursuant to this paragraph shall be reimbursed in full to the*
23 *Subsequent Injuries Benefits Trust Fund upon enactment of the*
24 *annual Budget Act.*

25 *(d) The Occupational Safety and Health Fund is hereby created*
26 *as a special account in the State Treasury. Moneys in the account*
27 *may be expended by the department, upon appropriation by the*
28 *Legislature, for support of the Division of Occupational Safety*
29 *and Health, the Occupational Safety and Health Standards Board,*
30 *and the Occupational Safety and Health Appeals Board, and the*
31 *activities these entities perform as set forth in this division, and*
32 *Division 5 (commencing with Section 6300).*

33 *(e) The Labor Enforcement and Compliance Fund is hereby*
34 *created as a special account in the State Treasury. Moneys in the*
35 *fund may be expended by the department, upon appropriation by*
36 *the Legislature, for the support of the activities that the Division*
37 *of Labor Standards Enforcement performs pursuant to this division*
38 *and Division 2 (commencing with Section 200), Division 3*
39 *(commencing with Section 2700), and Division 4 (commencing*

1 with Section 3200). The fund shall consist of surcharges imposed
2 pursuant to paragraph (3) of subdivision (f).

3 (f) (1) Separate surcharges shall be levied by the director upon
4 all employers, as defined in Section 3300, for purposes of deposit
5 in the Workers' Compensation Administration Revolving Fund,
6 the Uninsured Employers Benefits Trust Fund, the Subsequent
7 Injuries Benefits Trust Fund, and the Occupational Safety and
8 Health Fund. The total amount of the surcharges shall be allocated
9 between self-insured employers and insured employers in
10 proportion to payroll respectively paid in the most recent year for
11 which payroll information is available. The director shall adopt
12 reasonable regulations governing the manner of collection of the
13 surcharges. The regulations shall require the surcharges to be
14 paid by self-insurers to be expressed as a percentage of indemnity
15 paid during the most recent year for which information is available,
16 and the surcharges to be paid by insured employers to be expressed
17 as a percentage of premium. In no event shall the surcharges paid
18 by insured employers be considered a premium for computation
19 of a gross premium tax or agents' commission. In no event shall
20 the total amount of the surcharges paid by insured and self-insured
21 employers exceed the amounts reasonably necessary to carry out
22 the purposes of this section.

23 (2) The surcharge levied by the director for the Occupational
24 Safety and Health Fund, pursuant to paragraph (1), shall not
25 generate revenues in excess of fifty-two million dollars
26 (\$52,000,000) on and after the 2009–10 fiscal year, adjusted for
27 each fiscal year as appropriate to reconcile any over/under
28 assessments from previous fiscal years pursuant to Sections 15606
29 and 15609 of Title 8 of the California Code of Regulations, and
30 may increase by not more than the state-local government deflator
31 each year thereafter through July 1, 2013, and, as appropriate, to
32 reconcile any over/under assessments from previous fiscal years.
33 For the 2013–14 fiscal year, the surcharge level shall return to
34 the level in place on June 30, 2009, adjusted for inflation based
35 on the state-local government deflator.

36 (3) A separate surcharge shall be levied by the director upon
37 all employers, as defined in Section 3300, for purposes of deposit
38 in the Labor Enforcement and Compliance Fund. The total amount
39 of the surcharges shall be allocated between employers in
40 proportion to payroll respectively paid in the most recent year for

1 which payroll information is available. The director shall adopt
2 reasonable regulations governing the manner of collection of the
3 surcharges. In no event shall the total amount of the surcharges
4 paid by employers exceed the amounts reasonably necessary to
5 carry out the purposes of this section.

6 (4) The surcharge levied by the director for the Labor
7 Enforcement and Compliance Fund shall not exceed thirty-seven
8 million dollars (\$37,000,000) in the 2009–10 fiscal year, adjusted
9 as appropriate to reconcile any over/under assessments from
10 previous fiscal years, and shall not be adjusted each year thereafter
11 by more than the state-local government deflator, and, as
12 appropriate, to reconcile any over/under assessments from previous
13 fiscal years pursuant to Sections 15606 and 15609 of Title 8 of
14 the California Code of Regulations.

15 (5) The regulations adopted pursuant to paragraph (1) to (4),
16 inclusive, shall be exempt from the rulemaking provisions of the
17 Administrative Procedure Act (Chapter 3.5 (commencing with
18 Section 11340) of Part 1 of Division 3 of Title 2 of the Government
19 Code).

20 (g) On and after July 1, 2013, subdivision (e) and paragraphs
21 (2) to (4), inclusive, of subdivision (f) are inoperative, unless a
22 later enacted statute, that is enacted before July 1, 2013, deletes
23 or extends that date.

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