

**Introduced by Committee on Governance and Finance (Senators Wolk (Chair), DeSaulnier, Fuller, Hancock, Hernandez, Huff, Kehoe, La Malfa, and Liu)**

February 8, 2011

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An act to amend Sections 50057, 53601, 65353, 66426.5, 66428, and 66484.3 of, and to repeal Section 61041 of, the Government Code, to amend and renumber Section 33320.51 of, and to repeal Section 33038 of, the Health and Safety Code, to amend Section 20395 of the Public Contract Code, to amend Section 99243 of the Public Utilities Code, and to amend Sections 2151 and 36522 of the Streets and Highways Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 194, as introduced, Committee on Governance and Finance. Local government: omnibus bill.

(1) Existing law provides that money in the treasury of a local agency or in the custody of a local agency officer that is unclaimed for 3 years is the property of the local agency after newspaper publication of notice if no verified complaint is filed and served. The legislative body of the local agency may transfer that unclaimed money from a special fund to the general fund. Existing law provides that with respect to unclaimed items in the amount of \$1,000 or less, the legislative body of any county may authorize by resolution the county treasurer to perform on its behalf the claiming and transfer of unclaimed money, as described.

This bill would increase the maximum amount from \$1,000 to \$5,000.

(2) Existing law authorizes the legislative body of a local agency that has a sinking fund or money in its treasury that is not required for immediate needs to invest in specified investments, including, among

other things, negotiable certificates of deposit issued by a state-licensed branch of a foreign bank.

This bill would authorize these specified legislative bodies of a local agency to invest in negotiable certificates of deposit issued by a federally licensed branch of a foreign bank.

(3) Existing law requires specified community services districts that had a board of directors that consisted of 3 members to increase the number of members on the board to 5 after January 1, 2006, as specified.

This bill would repeal these provisions.

(4) Existing law requires a city or county planning commission, which is authorized by local ordinance or resolution to review and recommend action on a proposed general plan or proposed amendments to the general plan, to hold at least one public hearing before approving a recommendation on the adoption or amendment of a general plan. Existing law requires that notice of the hearing be given in a prescribed manner.

This bill would correct erroneous statutory cross-references pertaining to the notice.

(5) The Subdivision Map Act provides that a conveyance of land to, among other entities, a governmental agency, including a fee interest, easement, or license, is not considered a division of land for purposes of computing the number of parcels, and provides that a parcel map is not required except under specified conditions.

This bill would provide that a conveyance of land to or from a governmental agency, as specified, is not considered a division of land for purposes of computing the number of parcels, unless a showing is made in individual cases, upon substantial evidence, that public policy necessitates a parcel map.

(6) The Subdivision Map Act provides that a parcel map is not required for, among other things, land conveyed to or from a governmental agency, public entity, or for land conveyed to a subsidiary of a public utility for conveyance to that public utility for rights-of-way, unless a showing is made in individual cases, upon substantial evidence, that public policy necessitates a parcel map.

This bill would specify that these conveyances of land are not considered a division of land for purposes of computing the number of parcels.

(7) The Subdivision Map Act authorizes the Board of Supervisors of the County of Orange and the city council or councils of any city or cities in that county to impose a fee as a condition of approval of a final

map or as a condition of issuing a building permit for purposes of defraying the actual or estimated cost of constructing bridges over waterways, railways, freeways, and canyons, or constructing major thoroughfares.

This bill would correct erroneous statutory cross-references in those provisions.

(8) The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities in order to address the effects of blight, as defined, in those communities. Existing law finds and declares that blighted areas include housing areas constructed as temporary government-owned wartime housing projects that meet the definition of blight.

This bill would repeal the provision relating to housing areas constructed as temporary government-owned wartime housing projects.

(9) The Community Redevelopment Law contains provisions authorizing the establishment of a redevelopment project area located within the boundaries of a military base that has been closed pursuant to the actions of the federal Defense Base Closure and Realignment Commission.

This bill would renumber a provision relating to the base closures and conversions contained in the Community Redevelopment Law and correct an outdated statutory cross-reference.

(10) Existing law sets forth the procedures under which changes or additions may be made in the work being performed under local construction contracts, county highway contracts, local contracts for works of improvement, and drainage district construction contracts. Under these provisions, for contracts whose original cost is \$250,000 or less, changes to the contract may be made in specified amounts. Under these provisions, for contracts whose original cost exceeds \$250,000, the extra cost for any change or addition to the work so ordered may not exceed \$25,000 plus 5% of the amount of the original contract cost in excess of \$250,000, and in no event may any such change or alteration exceed \$150,000.

This bill would specify that, for contracts of \$250,000 or less, an additional cost may be approved for a change or addition to the work for a contract, as specified. The bill would, for contracts that have a cost that exceeds \$250,000, increase the maximum permitted amount for a change or alteration of the contract cost from \$150,000 to \$210,000.

(11) Existing law authorizes the City of South Lake Tahoe or the City of Huntington Beach to select, for purposes of making certain annual reports to the Controller on financial transactions and on street and road spending, on a one-time basis, a fiscal year that does not end on June 30.

This bill would, for purposes of these reports, also authorize the City of El Segundo, the City of Inglewood, or the City of Long Beach to select a fiscal year that does not end on June 30.

This bill would make legislative findings and declarations as to the necessity of a special statute for these cities.

(12) Existing law, the Parking and Business Improvement Area Law of 1989, authorizes local governmental entities to levy assessments on businesses located and operating in a parking and business improvement area. Existing law requires specified proceedings to establish or modify a parking and business improvement area, including the adoption of a resolution, with prescribed elements, by the governing body and a public hearing.

This bill would make technical, nonsubstantive changes to the provisions that establish the elements to be included in the resolution of the governing body.

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. (a) This act shall be known and may be cited as  
2 the Local Government Omnibus Act of 2011.

3 (b) The Legislature finds and declares that Californians want  
4 their governments to run efficiently and economically and that  
5 public officials should avoid waste and duplication whenever  
6 possible. The Legislature further finds and declares that it desires  
7 to control its own costs by reducing the number of separate bills.  
8 Therefore, it is the intent of the Legislature in enacting this act to  
9 combine into a single measure several minor, noncontroversial  
10 statutory changes relating to the common theme, purpose, and  
11 subject of local government.

12 SEC. 2. Section 50057 of the Government Code is amended  
13 to read:

14 50057. For individual items in the amount of ~~one thousand~~  
15 ~~dollars (\$1,000)~~ *five thousand dollars (\$5,000)* or less, the

1 legislative body of any county may, by resolution, authorize the  
2 county treasurer to perform on its behalf any act required or  
3 authorized to be performed by it under Sections 50050, 50053,  
4 and 50055. The resolution shall require that the county auditor be  
5 informed of each act performed under the authorization.

6 SEC. 3. Section 53601 of the Government Code, as amended  
7 by Section 91 of Chapter 328 of the Statutes of 2010, is amended  
8 to read:

9 53601. This section shall apply to a local agency that is a city,  
10 a district, or other local agency that does not pool money in  
11 deposits or investments with other local agencies, other than local  
12 agencies that have the same governing body. However, Section  
13 53635 shall apply to all local agencies that pool money in deposits  
14 or investments with other local agencies that have separate  
15 governing bodies. The legislative body of a local agency having  
16 moneys in a sinking fund or moneys in its treasury not required  
17 for the immediate needs of the local agency may invest any portion  
18 of the moneys that it deems wise or expedient in those investments  
19 set forth below. A local agency purchasing or obtaining any  
20 securities prescribed in this section, in a negotiable, bearer,  
21 registered, or nonregistered format, shall require delivery of the  
22 securities to the local agency, including those purchased for the  
23 agency by financial advisers, consultants, or managers using the  
24 agency's funds, by book entry, physical delivery, or by third-party  
25 custodial agreement. The transfer of securities to the counterparty  
26 bank's customer book entry account may be used for book entry  
27 delivery.

28 For purposes of this section, "counterparty" means the other  
29 party to the transaction. A counterparty bank's trust department  
30 or separate safekeeping department may be used for the physical  
31 delivery of the security if the security is held in the name of the  
32 local agency. Where this section specifies a percentage limitation  
33 for a particular category of investment, that percentage is applicable  
34 only at the date of purchase. Where this section does not specify  
35 a limitation on the term or remaining maturity at the time of the  
36 investment, no investment shall be made in any security, other  
37 than a security underlying a repurchase or reverse repurchase  
38 agreement or securities lending agreement authorized by this  
39 section, that at the time of the investment has a term remaining to  
40 maturity in excess of five years, unless the legislative body has

1 granted express authority to make that investment either  
2 specifically or as a part of an investment program approved by the  
3 legislative body no less than three months prior to the investment:

4 (a) Bonds issued by the local agency, including bonds payable  
5 solely out of the revenues from a revenue-producing property  
6 owned, controlled, or operated by the local agency or by a  
7 department, board, agency, or authority of the local agency.

8 (b) United States Treasury notes, bonds, bills, or certificates of  
9 indebtedness, or those for which the faith and credit of the United  
10 States are pledged for the payment of principal and interest.

11 (c) Registered state warrants or treasury notes or bonds of this  
12 state, including bonds payable solely out of the revenues from a  
13 revenue-producing property owned, controlled, or operated by the  
14 state or by a department, board, agency, or authority of the state.

15 (d) Registered treasury notes or bonds of any of the other 49  
16 United States in addition to California, including bonds payable  
17 solely out of the revenues from a revenue-producing property  
18 owned, controlled, or operated by a state or by a department, board,  
19 agency, or authority of any of the other 49 United States, in  
20 addition to California.

21 (e) Bonds, notes, warrants, or other evidences of indebtedness  
22 of a local agency within this state, including bonds payable solely  
23 out of the revenues from a revenue-producing property owned,  
24 controlled, or operated by the local agency, or by a department,  
25 board, agency, or authority of the local agency.

26 (f) Federal agency or United States government-sponsored  
27 enterprise obligations, participations, or other instruments,  
28 including those issued by or fully guaranteed as to principal and  
29 interest by federal agencies or United States government-sponsored  
30 enterprises.

31 (g) Bankers' acceptances otherwise known as bills of exchange  
32 or time drafts that are drawn on and accepted by a commercial  
33 bank. Purchases of bankers' acceptances shall not exceed 180  
34 days' maturity or 40 percent of the agency's moneys that may be  
35 invested pursuant to this section. However, no more than 30 percent  
36 of the agency's moneys may be invested in the bankers'  
37 acceptances of any one commercial bank pursuant to this section.

38 This subdivision does not preclude a municipal utility district  
39 from investing moneys in its treasury in a manner authorized by

1 the Municipal Utility District Act (Division 6 (commencing with  
2 Section 11501) of the Public Utilities Code).

3 (h) Commercial paper of “prime” quality of the highest ranking  
4 or of the highest letter and number rating as provided for by a  
5 nationally recognized statistical rating organization (NRSRO).  
6 The entity that issues the commercial paper shall meet all of the  
7 following conditions in either paragraph (1) or (2):

8 (1) The entity meets the following criteria:

9 (A) Is organized and operating in the United States as a general  
10 corporation.

11 (B) Has total assets in excess of five hundred million dollars  
12 (\$500,000,000).

13 (C) Has debt other than commercial paper, if any, that is rated  
14 “A” or higher by an NRSRO.

15 (2) The entity meets the following criteria:

16 (A) Is organized within the United States as a special purpose  
17 corporation, trust, or limited liability company.

18 (B) Has programwide credit enhancements including, but not  
19 limited to, overcollateralization, letters of credit, or a surety bond.

20 (C) Has commercial paper that is rated “A-1” or higher, or the  
21 equivalent, by an NRSRO.

22 Eligible commercial paper shall have a maximum maturity of  
23 270 days or less. Local agencies, other than counties or a city and  
24 county, may invest no more than 25 percent of their moneys in  
25 eligible commercial paper. Local agencies, other than counties or  
26 a city and county, may purchase no more than 10 percent of the  
27 outstanding commercial paper of any single issuer. Counties or a  
28 city and county may invest in commercial paper pursuant to the  
29 concentration limits in subdivision (a) of Section 53635.

30 (i) Negotiable certificates of deposit issued by a nationally or  
31 state-chartered bank, a savings association or a federal association  
32 (as defined by Section 5102 of the Financial Code), a state or  
33 federal credit union, or by a *federally licensed or* state-licensed  
34 branch of a foreign bank. Purchases of negotiable certificates of  
35 deposit shall not exceed 30 percent of the agency’s moneys that  
36 may be invested pursuant to this section. For purposes of this  
37 section, negotiable certificates of deposit do not come within  
38 Article 2 (commencing with Section 53630), except that the amount  
39 so invested shall be subject to the limitations of Section 53638.  
40 The legislative body of a local agency and the treasurer or other

1 official of the local agency having legal custody of the moneys  
2 are prohibited from investing local agency funds, or funds in the  
3 custody of the local agency, in negotiable certificates of deposit  
4 issued by a state or federal credit union if a member of the  
5 legislative body of the local agency, or a person with investment  
6 decisionmaking authority in the administrative office manager's  
7 office, budget office, auditor-controller's office, or treasurer's  
8 office of the local agency also serves on the board of directors, or  
9 any committee appointed by the board of directors, or the credit  
10 committee or the supervisory committee of the state or federal  
11 credit union issuing the negotiable certificates of deposit.

12 (j) (1) Investments in repurchase agreements or reverse  
13 repurchase agreements or securities lending agreements of  
14 securities authorized by this section, as long as the agreements are  
15 subject to this subdivision, including the delivery requirements  
16 specified in this section.

17 (2) Investments in repurchase agreements may be made, on an  
18 investment authorized in this section, when the term of the  
19 agreement does not exceed one year. The market value of securities  
20 that underlie a repurchase agreement shall be valued at 102 percent  
21 or greater of the funds borrowed against those securities and the  
22 value shall be adjusted no less than quarterly. Since the market  
23 value of the underlying securities is subject to daily market  
24 fluctuations, the investments in repurchase agreements shall be in  
25 compliance if the value of the underlying securities is brought back  
26 up to 102 percent no later than the next business day.

27 (3) Reverse repurchase agreements or securities lending  
28 agreements may be utilized only when all of the following  
29 conditions are met:

30 (A) The security to be sold using a reverse repurchase agreement  
31 or securities lending agreement has been owned and fully paid for  
32 by the local agency for a minimum of 30 days prior to sale.

33 (B) The total of all reverse repurchase agreements and securities  
34 lending agreements on investments owned by the local agency  
35 does not exceed 20 percent of the base value of the portfolio.

36 (C) The agreement does not exceed a term of 92 days, unless  
37 the agreement includes a written codicil guaranteeing a minimum  
38 earning or spread for the entire period between the sale of a security  
39 using a reverse repurchase agreement or securities lending  
40 agreement and the final maturity date of the same security.

1 (D) Funds obtained or funds within the pool of an equivalent  
2 amount to that obtained from selling a security to a counterparty  
3 using a reverse repurchase agreement or securities lending  
4 agreement shall not be used to purchase another security with a  
5 maturity longer than 92 days from the initial settlement date of the  
6 reverse repurchase agreement or securities lending agreement,  
7 unless the reverse repurchase agreement or securities lending  
8 agreement includes a written codicil guaranteeing a minimum  
9 earning or spread for the entire period between the sale of a security  
10 using a reverse repurchase agreement or securities lending  
11 agreement and the final maturity date of the same security.

12 (4) (A) Investments in reverse repurchase agreements, securities  
13 lending agreements, or similar investments in which the local  
14 agency sells securities prior to purchase with a simultaneous  
15 agreement to repurchase the security may be made only upon prior  
16 approval of the governing body of the local agency and shall be  
17 made only with primary dealers of the Federal Reserve Bank of  
18 New York or with a nationally or state-chartered bank that has or  
19 has had a significant banking relationship with a local agency.

20 (B) For purposes of this chapter, “significant banking  
21 relationship” means any of the following activities of a bank:

22 (i) Involvement in the creation, sale, purchase, or retirement of  
23 a local agency’s bonds, warrants, notes, or other evidence of  
24 indebtedness.

25 (ii) Financing of a local agency’s activities.

26 (iii) Acceptance of a local agency’s securities or funds as  
27 deposits.

28 (5) (A) “Repurchase agreement” means a purchase of securities  
29 by the local agency pursuant to an agreement by which the  
30 counterparty seller will repurchase the securities on or before a  
31 specified date and for a specified amount and the counterparty will  
32 deliver the underlying securities to the local agency by book entry,  
33 physical delivery, or by third-party custodial agreement. The  
34 transfer of underlying securities to the counterparty bank’s  
35 customer book-entry account may be used for book-entry delivery.

36 (B) “Securities,” for purposes of repurchase under this  
37 subdivision, means securities of the same issuer, description, issue  
38 date, and maturity.

39 (C) “Reverse repurchase agreement” means a sale of securities  
40 by the local agency pursuant to an agreement by which the local

1 agency will repurchase the securities on or before a specified date  
2 and includes other comparable agreements.

3 (D) “Securities lending agreement” means an agreement under  
4 which a local agency agrees to transfer securities to a borrower  
5 who, in turn, agrees to provide collateral to the local agency.  
6 During the term of the agreement, both the securities and the  
7 collateral are held by a third party. At the conclusion of the  
8 agreement, the securities are transferred back to the local agency  
9 in return for the collateral.

10 (E) For purposes of this section, the base value of the local  
11 agency’s pool portfolio shall be that dollar amount obtained by  
12 totaling all cash balances placed in the pool by all pool participants,  
13 excluding any amounts obtained through selling securities by way  
14 of reverse repurchase agreements, securities lending agreements,  
15 or other similar borrowing methods.

16 (F) For purposes of this section, the spread is the difference  
17 between the cost of funds obtained using the reverse repurchase  
18 agreement and the earnings obtained on the reinvestment of the  
19 funds.

20 (k) Medium-term notes, defined as all corporate and depository  
21 institution debt securities with a maximum remaining maturity of  
22 five years or less, issued by corporations organized and operating  
23 within the United States or by depository institutions licensed by  
24 the United States or any state and operating within the United  
25 States. Notes eligible for investment under this subdivision shall  
26 be rated “A” or better by an NRSRO. Purchases of medium-term  
27 notes shall not include other instruments authorized by this section  
28 and may not exceed 30 percent of the agency’s moneys that may  
29 be invested pursuant to this section.

30 (l) (1) Shares of beneficial interest issued by diversified  
31 management companies that invest in the securities and obligations  
32 as authorized by subdivisions (a) to (k), inclusive, and subdivisions  
33 (m) to (o), inclusive, and that comply with the investment  
34 restrictions of this article and Article 2 (commencing with Section  
35 53630). However, notwithstanding these restrictions, a counterparty  
36 to a reverse repurchase agreement or securities lending agreement  
37 is not required to be a primary dealer of the Federal Reserve Bank  
38 of New York if the company’s board of directors finds that the  
39 counterparty presents a minimal risk of default, and the value of  
40 the securities underlying a repurchase agreement or securities

1 lending agreement may be 100 percent of the sales price if the  
2 securities are marked to market daily.

3 (2) Shares of beneficial interest issued by diversified  
4 management companies that are money market funds registered  
5 with the Securities and Exchange Commission under the  
6 Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).

7 (3) If investment is in shares issued pursuant to paragraph (1),  
8 the company shall have met either of the following criteria:

9 (A) Attained the highest ranking or the highest letter and  
10 numerical rating provided by not less than two NRSROs.

11 (B) Retained an investment adviser registered or exempt from  
12 registration with the Securities and Exchange Commission with  
13 not less than five years' experience investing in the securities and  
14 obligations authorized by subdivisions (a) to (k), inclusive, and  
15 subdivisions (m) to (o), inclusive, and with assets under  
16 management in excess of five hundred million dollars  
17 (\$500,000,000).

18 (4) If investment is in shares issued pursuant to paragraph (2),  
19 the company shall have met either of the following criteria:

20 (A) Attained the highest ranking or the highest letter and  
21 numerical rating provided by not less than two NRSROs.

22 (B) Retained an investment adviser registered or exempt from  
23 registration with the Securities and Exchange Commission with  
24 not less than five years' experience managing money market  
25 mutual funds with assets under management in excess of five  
26 hundred million dollars (\$500,000,000).

27 (5) The purchase price of shares of beneficial interest purchased  
28 pursuant to this subdivision shall not include commission that the  
29 companies may charge and shall not exceed 20 percent of the  
30 agency's moneys that may be invested pursuant to this section.  
31 However, no more than 10 percent of the agency's funds may be  
32 invested in shares of beneficial interest of any one mutual fund  
33 pursuant to paragraph (1).

34 (m) Moneys held by a trustee or fiscal agent and pledged to the  
35 payment or security of bonds or other indebtedness, or obligations  
36 under a lease, installment sale, or other agreement of a local  
37 agency, or certificates of participation in those bonds, indebtedness,  
38 or lease installment sale, or other agreements, may be invested in  
39 accordance with the statutory provisions governing the issuance  
40 of those bonds, indebtedness, or lease installment sale, or other

1 agreement, or to the extent not inconsistent therewith or if there  
2 are no specific statutory provisions, in accordance with the  
3 ordinance, resolution, indenture, or agreement of the local agency  
4 providing for the issuance.

5 (n) Notes, bonds, or other obligations that are at all times secured  
6 by a valid first priority security interest in securities of the types  
7 listed by Section 53651 as eligible securities for the purpose of  
8 securing local agency deposits having a market value at least equal  
9 to that required by Section 53652 for the purpose of securing local  
10 agency deposits. The securities serving as collateral shall be placed  
11 by delivery or book entry into the custody of a trust company or  
12 the trust department of a bank that is not affiliated with the issuer  
13 of the secured obligation, and the security interest shall be perfected  
14 in accordance with the requirements of the Uniform Commercial  
15 Code or federal regulations applicable to the types of securities in  
16 which the security interest is granted.

17 (o) A mortgage passthrough security, collateralized mortgage  
18 obligation, mortgage-backed or other pay-through bond, equipment  
19 lease-backed certificate, consumer receivable passthrough  
20 certificate, or consumer receivable-backed bond of a maximum of  
21 five years' maturity. Securities eligible for investment under this  
22 subdivision shall be issued by an issuer having an "A" or higher  
23 rating for the issuer's debt as provided by an NRSRO and rated in  
24 a rating category of "AA" or its equivalent or better by an NRSRO.  
25 Purchase of securities authorized by this subdivision may not  
26 exceed 20 percent of the agency's surplus moneys that may be  
27 invested pursuant to this section.

28 (p) Shares of beneficial interest issued by a joint powers  
29 authority organized pursuant to Section 6509.7 that invests in the  
30 securities and obligations authorized in subdivisions (a) to (o),  
31 inclusive. Each share shall represent an equal proportional interest  
32 in the underlying pool of securities owned by the joint powers  
33 authority. To be eligible under this section, the joint powers  
34 authority issuing the shares shall have retained an investment  
35 adviser that meets all of the following criteria:

36 (1) The adviser is registered or exempt from registration with  
37 the Securities and Exchange Commission.

38 (2) The adviser has not less than five years of experience  
39 investing in the securities and obligations authorized in  
40 subdivisions (a) to (o), inclusive.

1 (3) The adviser has assets under management in excess of five  
2 hundred million dollars (\$500,000,000).

3 SEC. 4. Section 61041 of the Government Code is repealed.

4 ~~61041. Notwithstanding subdivision (a) of Section 65040, this~~  
5 ~~section applies only to those districts that on December 31, 2005,~~  
6 ~~had boards of directors that consisted of three members. Those~~  
7 ~~districts shall continue to have boards of directors that consist of~~  
8 ~~three members until the next general district election after January~~  
9 ~~1, 2006, after which date those districts shall have boards of~~  
10 ~~directors that consist of five members. At that election, the voters~~  
11 ~~shall fill the two vacancies on the board of directors. Those two~~  
12 ~~members of the board of directors shall serve for the terms of office~~  
13 ~~determined pursuant to Section 10506 of the Elections Code.~~

14 SEC. 5. Section 65353 of the Government Code is amended  
15 to read:

16 65353. (a) When the city or county has a planning commission  
17 authorized by local ordinance or resolution to review and  
18 recommend action on a proposed general plan or proposed  
19 amendments to the general plan, the commission shall hold at least  
20 one public hearing before approving a recommendation on the  
21 adoption or amendment of a general plan. Notice of the hearing  
22 shall be given pursuant to Section 65090.

23 (b) If a proposed general plan or amendments to a general plan  
24 would affect the permitted uses or intensity of uses of real property,  
25 notice of the hearing shall also be given pursuant to paragraphs  
26 (1) and ~~(2)~~ (3) of subdivision (a) of Section 65091.

27 (c) If the number of owners to whom notice would be mailed  
28 or delivered pursuant to subdivision (b) is greater than 1,000, a  
29 local agency may, in lieu of mailed or delivered notice, provide  
30 notice by publishing notice pursuant to paragraph ~~(3)~~ (4) of  
31 subdivision (a) of Section 65091.

32 (d) If the hearings held under this section are held at the same  
33 time as hearings under Section 65854, the notice of the hearing  
34 may be combined.

35 SEC. 6. Section 66426.5 of the Government Code is amended  
36 to read:

37 66426.5. Any conveyance of land to *or from* a governmental  
38 agency, public entity, public utility or subsidiary of a public utility  
39 for conveyance to that public utility for rights-of-way shall not be  
40 considered a division of land for purposes of computing the number

1 of parcels, *unless a showing is made in individual cases, upon*  
 2 *substantial evidence, that public policy necessitates a parcel map.*  
 3 For purposes of this section, any conveyance of land to *or from* a  
 4 governmental agency shall include a fee interest, a leasehold  
 5 interest, an easement, or a license.

6 SEC. 7. Section 66428 of the Government Code is amended  
 7 to read:

8 66428. (a) Local ordinances may require a tentative map where  
 9 a parcel map is required by this chapter. A parcel map shall be  
 10 required for subdivisions as to which a final or parcel map is not  
 11 otherwise required by this chapter, unless the preparation of the  
 12 parcel map is waived by local ordinance as provided in this section.  
 13 A parcel map shall not be required for either of the following:

14 (1) Subdivisions of a portion of the operating right-of-way of  
 15 a railroad corporation, as defined by Section 230 of the Public  
 16 Utilities Code, that are created by short-term leases (terminable  
 17 by either party on not more than 30 days' notice in writing).

18 (2) ~~Land conveyed~~ *Any conveyance of land* to or from a  
 19 governmental agency, public entity, public utility, or for land  
 20 conveyed to a subsidiary of a public utility for conveyance to that  
 21 public utility for rights-of-way *shall not be considered a division*  
 22 *of land for purposes of computing the number of parcels,* unless  
 23 a showing is made in individual cases, upon substantial evidence,  
 24 that public policy necessitates a parcel map. For purposes of this  
 25 subdivision, *and conveyance of land* ~~conveyed~~ to or from a  
 26 governmental agency shall include a fee interest, a leasehold  
 27 interest, an easement, or a license.

28 (b) A local agency shall, by ordinance, provide a procedure for  
 29 waiving the requirement for a parcel map, imposed by this division,  
 30 including the requirements for a parcel map imposed by Section  
 31 66426. The procedure may include provisions for waiving the  
 32 requirement for a tentative and final map for the construction of  
 33 a condominium project on a single parcel. The ordinance shall  
 34 require a finding by the legislative body or advisory agency, that  
 35 the proposed division of land complies with requirements  
 36 established by this division or local ordinance enacted pursuant  
 37 thereto as to area, improvement and design, floodwater drainage  
 38 control, appropriate improved public roads, sanitary disposal  
 39 facilities, water supply availability, environmental protection, and  
 40 other requirements of this division or local ordinance enacted

1 pursuant thereto. In any case, where the requirement for a parcel  
2 map is waived by local ordinance pursuant to this section, a  
3 tentative map may be required by local ordinance.

4 (c) If a local ordinance does not require a tentative map where  
5 a parcel map is required by this division, the subdivider shall have  
6 the option of submitting a tentative map, or if he or she desires to  
7 obtain the rights conferred by Chapter 4.5 (commencing with  
8 Section 66498.1), a vesting tentative map.

9 SEC. 8. Section 66484.3 of the Government Code is amended  
10 to read:

11 66484.3. (a) Notwithstanding ~~Section 53077.5~~ 66007, the  
12 Board of Supervisors of the County of Orange and the city council  
13 or councils of any city or cities in that county may, by ordinance,  
14 require the payment of a fee as a condition of approval of a final  
15 map or as a condition of issuing a building permit for purposes of  
16 defraying the actual or estimated cost of constructing bridges over  
17 waterways, railways, freeways, and canyons, or constructing major  
18 thoroughfares.

19 (b) The local ordinance may require payment of fees pursuant  
20 to this section if:

21 (1) The ordinance refers to the circulation element of the general  
22 plan and, in the case of bridges, to the transportation provisions  
23 or flood control provisions of the general plan which identify  
24 railways, freeways, streams, or canyons for which bridge crossings  
25 are required on the general plan or local roads, and in the case of  
26 major thoroughfares, to the provisions of the circulation element  
27 which identify those major thoroughfares whose primary purpose  
28 is to carry through traffic and provide a network connecting to or  
29 which is part of the state highway system, and the circulation  
30 element, transportation provisions, or flood control provisions  
31 have been adopted by the local agency 30 days prior to the filing  
32 of a map or application for a building permit. Bridges which are  
33 part of a major thoroughfare need not be separately identified in  
34 the transportation or flood control provisions of the general plan.

35 (2) The ordinance provides that there will be a public hearing  
36 held by the governing body for each area benefited. Notice shall  
37 be given pursuant to Section 65905. In addition to the requirements  
38 of Section 65905, the notice shall contain preliminary information  
39 related to the boundaries of the area of benefit, estimated cost, and  
40 the method of fee apportionment. The area of benefit may include

1 land or improvements in addition to the land or improvements  
2 which are the subject of any map or building permit application  
3 considered at the proceedings.

4 (3) The ordinance provides that at the public hearing, the  
5 boundaries of the area of benefit, the costs, whether actual or  
6 estimated, and a fair method of allocation of costs to the area of  
7 benefit and fee apportionment are established. The method of fee  
8 apportionment, in the case of major thoroughfares, shall not provide  
9 for higher fees on land which abuts the proposed improvement  
10 except where the abutting property is provided direct usable access  
11 to the major thoroughfare. A description of the boundaries of the  
12 area of benefit, the costs, whether actual or estimated, and the  
13 method of fee apportionment established at the hearing shall be  
14 incorporated in a resolution of the governing body, a certified copy  
15 of which shall be recorded by the governing body conducting the  
16 hearing with the recorder of the County of Orange. The resolution  
17 may subsequently be modified in any respect by the governing  
18 body. Modifications shall be adopted in the same manner as the  
19 original resolution, except that the resolution of a city or county  
20 which has entered into a joint exercise of powers agreement  
21 pursuant to subdivision (f), relating to constructing bridges over  
22 waterways, railways, freeways, and canyons or constructing major  
23 thoroughfares by the joint powers agency, may be modified by the  
24 joint powers agency following public notice and a public hearing,  
25 if the joint powers agency has complied with all applicable laws,  
26 including Chapter 5 (commencing with Section 66000) of Division  
27 1. Any modification shall be subject to the protest procedures  
28 prescribed by paragraph (6). The resolution may provide for  
29 automatic periodic adjustment of fees based upon the California  
30 Construction Cost Index prepared and published by the Department  
31 of Transportation, without further action of the governing body,  
32 including, but not limited to, public notice or hearing. The  
33 apportioned fees shall be applicable to all property within the area  
34 of benefit and shall be payable as a condition of approval of a final  
35 map or as a condition of issuing a building permit for any of the  
36 property or portions of the property. Where the area of benefit  
37 includes lands not subject to the payment of fees pursuant to this  
38 section, the governing body shall make provision for payment of  
39 the share of improvement costs apportioned to those lands from

1 other sources, but those sources need not be identified at the time  
2 of the adoption of the resolution.

3 (4) The ordinance provides that payment of fees shall not be  
4 required unless the major thoroughfares are in addition to, or a  
5 reconstruction or widening of, any existing major thoroughfares  
6 serving the area at the time of the adoption of the boundaries of  
7 the area of benefit.

8 (5) The ordinance provides that payment of fees shall not be  
9 required unless the planned bridge facility is an original bridge  
10 serving the area or an addition to any existing bridge facility  
11 serving the area at the time of the adoption of the boundaries of  
12 the area of benefit. Fees imposed pursuant to this section shall not  
13 be expended to reimburse the cost of existing bridge facility  
14 construction, unless these costs are incurred in connection with  
15 the construction of an addition to an existing bridge for which fees  
16 may be required.

17 (6) The ordinance provides that if, within the time when protests  
18 may be filed under its provisions, there is a written protest, filed  
19 with the clerk of the legislative body, by the owners of more than  
20 one-half of the area of the property to be benefited by the  
21 improvement, and sufficient protests are not withdrawn so as to  
22 reduce the area represented to less than one-half of that to be  
23 benefited, then the proposed proceedings shall be abandoned, and  
24 the legislative body shall not, for one year from the filing of that  
25 written protest, commence or carry on any proceedings for the  
26 same improvement or acquisition under this section, unless the  
27 protests are overruled by an affirmative vote of four-fifths of the  
28 legislative body.

29 Nothing in this section shall preclude the processing and  
30 recordation of maps in accordance with other provisions of this  
31 division if proceedings are abandoned.

32 Any protests may be withdrawn in writing by the owner who  
33 filed the protest, at any time prior to the conclusion of a public  
34 hearing held pursuant to the ordinance.

35 If any majority protest is directed against only a portion of the  
36 improvement then all further proceedings under the provisions of  
37 this section to construct that portion of the improvement so  
38 protested against shall be barred for a period of one year, but the  
39 legislative body shall not be barred from commencing new  
40 proceedings not including any part of the improvement or

1 acquisition so protested against. Nothing in this section shall  
2 prohibit the legislative body, within the one-year period, from  
3 commencing and carrying on new proceedings for the construction  
4 of a portion of the improvement so protested against if it finds, by  
5 the affirmative vote of four-fifths of its members, that the owners  
6 of more than one-half of the area of the property to be benefited  
7 are in favor of going forward with that portion of the improvement  
8 or acquisition.

9 If the provisions of this paragraph—(6), or provisions  
10 implementing this paragraph contained in any ordinance adopted  
11 pursuant to this section, are held invalid, that invalidity shall not  
12 affect other provisions of this section or of the ordinance adopted  
13 pursuant thereto, which can be given effect without the invalid  
14 provision, and to this end the provisions of this section and of an  
15 ordinance adopted pursuant thereto are severable.

16 (c) Fees paid pursuant to an ordinance adopted pursuant to this  
17 section shall be deposited in a planned bridge facility or major  
18 thoroughfare fund. A fund shall be established for each planned  
19 bridge facility project or each planned major thoroughfare project.  
20 If the benefit area is one in which more than one bridge or major  
21 thoroughfare is required to be constructed, a fund may be so  
22 established covering all of the bridge or major thoroughfare  
23 projects in the benefit area. Except as otherwise provided in  
24 subdivision (g), moneys in the fund shall be expended solely for  
25 the construction or reimbursement for construction of the  
26 improvement serving the area to be benefited and from which the  
27 fees comprising the fund were collected, or to reimburse the county  
28 or a city for the cost of constructing the improvement.

29 (d) An ordinance adopted pursuant to this section may provide  
30 for the acceptance of considerations in lieu of the payment of fees.

31 (e) The county or a city imposing fees pursuant to this section  
32 may advance money from its general fund or road fund to pay the  
33 cost of constructing the improvements and may reimburse the  
34 general fund or road fund from planned bridge facilities or major  
35 thoroughfares funds established to finance the construction of the  
36 improvements.

37 (f) The county or a city imposing fees pursuant to this section  
38 may incur an interest-bearing indebtedness for the construction of  
39 bridge facilities or major thoroughfares. The sole security for  
40 repayment of the indebtedness shall be moneys in planned bridge

1 facilities or major thoroughfares funds. A city or county imposing  
2 fees pursuant to this section may enter into joint exercise of powers  
3 agreements with other local agencies imposing fees pursuant to  
4 this section, for the purpose of, among others, jointly exercising  
5 as a duly authorized original power established by this section, in  
6 addition to those through a joint exercise of powers agreement,  
7 those powers authorized in Chapter 5 (commencing with Section  
8 31100) of Division 17 of the Streets and Highways Code for the  
9 purpose of constructing bridge facilities and major thoroughfares  
10 in lieu of a tunnel and appurtenant facilities, and, notwithstanding  
11 Section 31200 of the Streets and Highways Code, may acquire by  
12 dedication, gift, purchase, or eminent domain, any franchise, rights,  
13 privileges, easements, or other interest in property, either real or  
14 personal, necessary therefor on segments of the state highway  
15 system, including, but not limited to, those segments of the state  
16 highway system eligible for federal participation pursuant to Title  
17 23 of the United States Code.

18 An entity constructing bridge facilities and major thoroughfares  
19 pursuant to this section shall design and construct the bridge  
20 facilities and major thoroughfares to the standards and  
21 specifications of the Department of Transportation then in effect,  
22 and may, at any time, transfer all or a portion of the bridge facilities  
23 and major thoroughfares to the state subject to the terms and  
24 conditions as shall be satisfactory to the Director of the Department  
25 of Transportation. Any of these bridge facilities and major  
26 thoroughfares shall be designated as a portion of the state highway  
27 system prior to its transfer. The participants in a joint exercise of  
28 powers agreement may also exercise as a duly authorized original  
29 power established by this section the power to establish and collect  
30 toll charges only for paying for the costs of construction of the  
31 major thoroughfare for which the toll is charged and for the costs  
32 of collecting the tolls, except that a joint powers agency, which is  
33 the lending agency, may, notwithstanding subdivision (c), make  
34 toll revenues and fees imposed pursuant to this section available  
35 to another joint powers agency, which is the borrowing agency,  
36 established for the purpose of designing, financing, and  
37 constructing coordinated and interrelated major thoroughfares, in  
38 the form of a subordinated loan, to pay for the cost of construction  
39 and toll collection of major thoroughfares other than the major  
40 thoroughfares for which the toll or fee is charged, if the lending

1 agency has complied with all applicable laws, including Chapter  
2 5 (commencing with Section 66000) of Division 1, and if the  
3 borrowing agency is required to pay interest on the loan to the  
4 lending agency at a rate equal to the interest rate charged on funds  
5 loaned from the Pooled Money Investment Account. Prior to  
6 executing the loan, the lending agency shall make all of the  
7 following findings:

8 (1) The major thoroughfare for which the toll or fee is charged  
9 will benefit from the construction of the major thoroughfare to be  
10 constructed by the borrowing agency or will benefit financially  
11 by a sharing of revenues with the borrowing agency.

12 (2) The lending agency will possess adequate financial resources  
13 to fund all costs of construction of existing and future projects that  
14 it plans to undertake prior to the final maturity of the loan, after  
15 funding the loan, and taking into consideration its then existing  
16 funds, its present and future obligations, and the revenues and fees  
17 it expects to receive.

18 (3) The funding of the loan will not materially impair its  
19 financial condition or operations during the term of the loan.

20 Major thoroughfares from which tolls are charged shall utilize  
21 the toll collection equipment most capable of moving vehicles  
22 expeditiously and efficiently, and which is best suited for that  
23 purpose, as determined by the participants in the joint exercise of  
24 powers agreement. However, in no event shall the powers  
25 authorized in Chapter 5 (commencing with Section 31100) of  
26 Division 17 of the Streets and Highways Code be exercised unless  
27 a resolution is first adopted by the legislative body of the agency  
28 finding that adequate funding for the portion of the cost of  
29 constructing those bridge facilities and major thoroughfares not  
30 funded by the development fees collected by the agency is not  
31 available from any federal, state, or other source. Any major  
32 thoroughfare constructed and operated as a toll road pursuant to  
33 this section shall only be constructed parallel to other public  
34 thoroughfares and highways.

35 (g) The term “construction,” as used in this section, includes  
36 design, acquisition of rights-of-way, and actual construction,  
37 including, but not limited to, all direct and indirect environmental,  
38 engineering, accounting, legal, administration of construction  
39 contracts, and other services necessary therefor. The term  
40 “construction” also includes reasonable general agency

1 administrative expenses, not exceeding three hundred thousand  
2 dollars (\$300,000) in any calendar year after January 1, 1986, as  
3 adjusted annually for any increase or decrease in the Consumer  
4 Price Index of the Bureau of Labor Statistics of the United States  
5 Department of Labor for all Urban Consumers, Los Angeles-Long  
6 Beach-Anaheim, California (1967=100), as published by the United  
7 States Department of Commerce, by each agency created pursuant  
8 to Article 1 (commencing with Section 6500) of Chapter 5 of  
9 Division 7 of Title 1 for the purpose of constructing bridges and  
10 major thoroughfares. "General agency administrative expenses"  
11 means those office, personnel, and other customary and normal  
12 expenses associated with the direct management and administration  
13 of the agency, but not including costs of construction.

14 (h) Fees paid pursuant to an ordinance adopted pursuant to this  
15 section may be utilized to defray all direct and indirect financing  
16 costs related to the construction of the bridges and major  
17 thoroughfares by the joint powers agency. Because the financing  
18 costs of bridges and major thoroughfares for which a toll charge  
19 shall be established or collected represent a necessary element of  
20 the total cost of those bridges and major thoroughfares, the joint  
21 powers agency constructing those facilities may include a charge  
22 for financing costs in the calculation of the fee rate. The charge  
23 shall be based on the estimated financing cost of any eligible  
24 portion of the bridges and major thoroughfares for which tolls shall  
25 be collected. The eligible portion shall be any or all portions of  
26 the major thoroughfare for which a viable financial plan has been  
27 adopted by the joint powers agency on the basis of revenues  
28 reasonably expected by the joint powers agency to be available to  
29 the thoroughfare, after consultation with representatives of the fee  
30 payers. For purposes of calculating the charge, financing costs  
31 shall include only reasonable allowances for payments and charges  
32 for principal, interest, and premium on indebtedness, letter of credit  
33 fees and charges, remarketing fees and charges, underwriters'  
34 discount, and other costs of issuance, less net earnings on bridge  
35 and major thoroughfare funds by the joint powers agency prior to  
36 the opening of the facility to traffic after giving effect to any  
37 payments from the fund to preserve the federal income tax  
38 exemption on the indebtedness. For purposes of calculating the  
39 charge for financing costs in the calculation of the fee rate only,  
40 financing costs shall not include any allowance for the cost of any

1 interest paid on indebtedness with regard to each eligible portion  
2 after the estimated opening of the portion to traffic as established  
3 by the joint powers agency. Any and all challenges to any financial  
4 plan or financing costs adopted or calculated pursuant to this  
5 section shall be governed by subdivision (k).

6 (i) Nothing in this section shall be construed to preclude the  
7 County of Orange or any city within that county from providing  
8 funds for the construction of bridge facilities or major  
9 thoroughfares to defray costs not allocated to the area of benefit.

10 (j) Any city within the County of Orange may require the  
11 payment of fees in accordance with this section as to any property  
12 in an area of benefit within the city’s boundaries, for facilities  
13 shown on its general plan or the county’s general plan, whether  
14 the facilities are situated within or outside the boundaries of the  
15 city, and the county may expend fees for facilities or portions  
16 thereof located within cities in the county.

17 (k) The validity of any fee required pursuant to this section shall  
18 not be contested in any action or proceeding unless commenced  
19 within 60 days after recordation of the resolution described in  
20 paragraph (3) of subdivision (b). The provisions of Chapter 9  
21 (commencing with Section 860) of Title 10 of Part 2 of the Code  
22 of Civil Procedure shall be applicable to any such action or  
23 proceeding. This subdivision shall also apply to modifications of  
24 fee programs.

25 (l) If the County of Orange and any city within that county have  
26 entered into a joint powers agreement for the purpose of  
27 constructing the bridges and major thoroughfares referred to in  
28 Sections 50029 and ~~66484.3~~ 66484, and if a proposed change of  
29 organization or reorganization includes any territory of an area of  
30 benefit established pursuant to Sections 50029 and ~~66484.3~~ 66484,  
31 within a successor local agency, the local agency shall not take  
32 any action that would impair, delay, frustrate, obstruct, or otherwise  
33 impede the construction of the bridges and major thoroughfares  
34 referred to in this section.

35 (m) Nothing in this section prohibits the succession of all  
36 powers, obligations, liabilities, and duties of any joint powers  
37 agency created pursuant to subdivision (l) to an entity with  
38 comprehensive countywide transportation planning and operating  
39 authority which is statutorily created in the County of Orange and

1 which is statutorily authorized to assume those powers, obligations,  
2 liabilities, and duties.

3 SEC. 9. Section 33038 of the Health and Safety Code is  
4 repealed.

5 ~~33038. It is found and declared that blighted areas may include~~  
6 ~~housing areas constructed as temporary government-owned~~  
7 ~~wartime housing projects, and that such areas may be characterized~~  
8 ~~by one or more of the conditions enumerated in Sections 33031~~  
9 ~~to 33034, inclusive.~~

10 SEC. 10. Section 33320.51 of the Health and Safety Code is  
11 amended and renumbered to read:

12 ~~33320.51.~~

13 33492.43. (a) Any redevelopment plan, or any amendment  
14 to an existing redevelopment plan adopted on or after July 1, 1993,  
15 that is subject to Section ~~33320.5~~ 33492.40, may utilize as the base  
16 year either the year it was adopted or the 1994–95 fiscal year, at  
17 the option of the adopting agency, as referenced by a duly adopted  
18 ordinance of the governing board. If the governing board adopts  
19 the 1994–95 fiscal year as the base year, that designation shall  
20 remain in effect only until the time that the county assessor certifies  
21 that assessed values for the redevelopment project area equal or  
22 exceed the assessed value in the initial base year. When that  
23 certification is made by the county assessor, the base year shall  
24 revert to the initial base year at the time of plan adoption.

25 (b) To the extent any adjustment in the base year pursuant to  
26 this section creates a negative fiscal impact on the state, the  
27 governing board shall, on or before the expiration of five years  
28 from the date of the adjustment of the base year pursuant to this  
29 section, remit to the State Controller the total amount of increased  
30 aid to schools received from the state as a result of the adjustment  
31 in the base year as determined by the Department of Finance in  
32 consultation with the governing board.

33 SEC. 11. Section 20395 of the Public Contract Code is amended  
34 to read:

35 20395. In any county that has appointed a road commissioner  
36 pursuant to Section 2006 of the Streets and Highways Code, or in  
37 any county that has abolished the office of road commissioner and  
38 complied with Section 2006.1 of the Streets and Highways Code,  
39 the board may authorize the road commissioner, or a registered  
40 civil engineer under the direction of the county director of

1 transportation, to have any work upon county highways done under  
 2 his or her supervision and direction. The work may be done in any  
 3 of the following ways:

4 (a) By letting a contract covering both work and material. In  
 5 that event, the contract shall be let to the lowest responsible bidder  
 6 as provided in this article.

7 (b) By purchasing the material and letting a contract for the  
 8 performance of the work. In that event, the material shall be bought  
 9 at the lowest possible cost and the contract let to the lowest  
 10 responsible bidder as provided in this article.

11 (c) By purchasing the material and having the work done by  
 12 day labor, in which case advertising for bids is not required.

13 (d) (1) By authorizing the county road commissioner or a  
 14 registered civil engineer under the direction of the county director  
 15 of transportation to execute changes *or additions to the work* for  
 16 any contract pursuant to this section in an amount not to exceed  
 17 five thousand dollars (\$5,000) for contracts of fifty thousand dollars  
 18 (\$50,000) or less, or 10 percent for contracts over fifty thousand  
 19 dollars (\$50,000) but not to exceed two hundred fifty thousand  
 20 dollars (\$250,000). In no event shall any change *or addition to the*  
 21 *work* exceed a net total addition of twenty-five thousand dollars  
 22 (\$25,000).

23 (2) For contracts whose original cost exceeds two hundred fifty  
 24 thousand dollars (\$250,000), the extra cost for any change or  
 25 addition to the work so ordered shall not exceed twenty-five  
 26 thousand dollars (\$25,000), plus 5 percent of the amount of the  
 27 original contract ~~costs~~ *cost* in excess of two hundred fifty thousand  
 28 dollars (\$250,000). In no event shall any change or alteration  
 29 exceed ~~one hundred fifty thousand dollars (\$150,000)~~ *two hundred*  
 30 *ten thousand dollars (\$210,000)*.

31 (e) By purchasing the material and letting a contract for the  
 32 work or by letting a contract covering both work and material  
 33 without advertising for bids when the estimated cost of emergency  
 34 work necessitated by the imminence or occurrence of a landslide,  
 35 flood, storm damage, or other emergency exceeds twenty-five  
 36 thousand dollars (\$25,000) and the public interest and necessity  
 37 demand immediate action to safeguard life, health, or property.

38 SEC. 12. Section 99243 of the Public Utilities Code is amended  
 39 to read:

1 99243. (a) The Controller, in cooperation with the department  
2 and the operators, shall design and adopt a uniform system of  
3 accounts and records, from which the operators shall prepare and  
4 submit annual reports of their operation to the transportation  
5 planning agencies having jurisdiction over them and to the  
6 Controller within 90 days of the end of the fiscal year. If the report  
7 is filed in electronic format as prescribed by the Controller, the  
8 report shall be furnished within 110 days after the close of each  
9 fiscal year. The report shall specify (1) the amount of revenue  
10 generated from each source and its application for the prior fiscal  
11 year and (2) the data necessary to determine which section, with  
12 respect to Sections 99268.1, 99268.2, 99268.3, 99268.4, 99268.5,  
13 and 99268.9, the operator is required to be in compliance with in  
14 order to be eligible for funds under this article.

15 (b) As a supplement to the annual report prepared pursuant to  
16 subdivision (a), each operator shall include an estimate of the  
17 amount of revenues to be generated from each source and its  
18 proposed application for the next fiscal year, and a report on the  
19 extent to which it has contracted with the Prison Industry Authority,  
20 including the nature and dollar amounts of all contracts entered  
21 into during the reporting period and proposed for the next reporting  
22 period.

23 (c) The Controller shall instruct the county auditor to withhold  
24 payments from the fund to an operator that has not submitted its  
25 annual report to the Controller within the time specified by  
26 subdivision (a).

27 (d) In establishing the uniform system of accounts and records,  
28 the Controller shall include the data required by the United States  
29 Department of Transportation and the department.

30 (e) Notwithstanding any other law or any regulation, including  
31 any California Code of Regulations provision, the City of ~~South~~  
32 ~~Lake Tahoe and the City of Huntington Beach~~ *El Segundo, the*  
33 *City of Huntington Beach, the City of Inglewood, the City of Long*  
34 *Beach, or the City of South Lake Tahoe* may select, for purposes  
35 of this chapter, on a one-time basis, a fiscal year that does not end  
36 on June 30. After the city has sent a written notice to the Secretary  
37 of Business, Transportation and Housing and the Controller that  
38 the city has selected a fiscal year other than one ending on June  
39 30, the fiscal year selected by the city shall be its fiscal year for  
40 all reports required by the state under this chapter.

1 SEC. 13. Section 2151 of the Streets and Highways Code is  
2 amended to read:

3 2151. On or before the first day of October of each year, the  
4 governing body of each county and city shall cause to be made  
5 and filed with the Controller a complete report of the expenditures  
6 for street or road purposes during the preceding fiscal year ending  
7 on the 30th day of June. However, the ~~City of South Lake Tahoe~~  
8 ~~and the City of Huntington Beach of El Segundo, the City of~~  
9 ~~Huntington Beach, the City of Inglewood, the City of Long Beach,~~  
10 ~~or the City of South Lake Tahoe~~ may send, on a one-time basis, a  
11 written notice to the Controller that it has selected a fiscal year  
12 ending on a date other than June 30, and, in that case, the fiscal  
13 year selected by the city shall be its fiscal year for reports under  
14 this section.

15 The Controller shall prescribe the form and contents of the report.  
16 The report shall show the amount expended for construction by  
17 contract, maintenance by contract, construction by day labor, and  
18 maintenance by day labor. For construction and maintenance by  
19 day labor, the amount shall include the cost of material, labor,  
20 equipment, and overhead for work performed thereunder.

21 The board of supervisors of each county shall by appropriate  
22 action, at any regular or special meeting, designate either the county  
23 road commissioner or the county auditor as the person responsible  
24 for making and signing the report required by this section. When  
25 the road commissioner is designated to make and sign the report,  
26 the county auditor shall certify the report before it is filed with the  
27 Controller. When the county auditor is designated to make and  
28 sign the report, the road commissioner shall certify the report  
29 before it is filed with the Controller. Reports made by each city  
30 shall be certified by the city's fiscal officer.

31 SEC. 14. Section 36522 of the Streets and Highways Code is  
32 amended to read:

33 36522. Proceedings to establish a parking and business  
34 improvement area shall be instituted by the adoption by the city  
35 council of a resolution of intention to establish the area. The  
36 resolution of intention shall do all of the following:

37 (a) State that a parking and business improvement area is  
38 proposed to be established pursuant to this chapter and describe  
39 the boundaries of the territory proposed to be included in the area  
40 and the boundaries of each separate benefit zone to be established

1 within the area. The boundaries of the area may be described by  
2 reference to a map on file in the office of the clerk, showing the  
3 proposed area.

4 (b) State the name of the proposed area.

5 (c) State the type or types of improvements and activities  
6 proposed to be funded by the levy of assessments on businesses  
7 in the area. The resolution of intention shall specify any  
8 improvements to be acquired.

9 (d) State that, except where funds are otherwise available, an  
10 assessment will be levied annually to pay for all improvements  
11 and activities within the area.

12 (e) State the proposed method and basis of levying the  
13 assessment in sufficient detail to allow each business owner to  
14 estimate the amount of the assessment to be levied against his or  
15 her business.

16 (f) State whether new businesses will be exempt from the levy  
17 of the assessment, pursuant to Section 36531.

18 (g) Fix a time and place for a public hearing on the establishment  
19 of the parking and business improvement area and the levy of  
20 assessments, which shall be consistent with the requirements of  
21 Section 54954.6 of the Government Code.

22 (h) State that at the hearing the testimony of all interested  
23 persons for or against the establishment of the area, the extent of  
24 the area, or the furnishing of specified types of improvements or  
25 activities will be heard. ~~The notice shall also describe, in~~

26 (i) *Describe, in summary, the effect of protests made by business*  
27 *owners against the establishment of the area, the extent of the area,*  
28 *and the furnishing of a specified type of improvement or activity,*  
29 *as provided in Section 36524.*

30 SEC. 15. The Legislature finds and declares that a special law  
31 is necessary and that a general law cannot be made applicable  
32 within the meaning of Section 16 of Article IV of the California  
33 Constitution because of the unique circumstances of the fiscal  
34 years used by the City of El Segundo, the City of Inglewood, and  
35 the City of Long Beach.